

## A message from the CEO

Welcome to the second edition of SustainaWOOL News.

Our last newsletter was prepared at a time of extreme drought and bushfires threatening lives and livelihoods.

Three months later, as recovery from the drought is underway over much of the eastern states, we've had to deal with the ransomware attack on Talman, the major wool software and network provider, and as an industry, we are now dealing with the extraordinary impacts of COVID-19.

We do live in interesting times!

I'm proud of the fact that we've worked really hard through this period to ensure that the auction services we provide to growers and to the wool trade have remained in place. This has meant that those growers who need to be able to sell wool at auction have been able to.

Through it all, SustainaWOOL has continued to grow and develop, and in this edition, we outline some of the positive developments in our industry-owned integrity scheme.

We thank you for your ongoing membership and support of SustainaWOOL, and be assured that we will continue to work hard to add value to your business.



Mark Grave  
Chief Executive Officer

## 4 new Supply Chain Partners

We are very proud that our Supply Chain Partners now number 15, with the addition of 4 outstanding new Partners:



United Wool is another of Australia's Top 10 wool buyers and exporters and specialises in sourcing and providing clients with ethically produced wool, fitting and particular to their needs.

### LANE CARDATE

Located close to Biella, Lanecardate is one of Italy's premier woollen spinners for luxury knitwear. Lanecardate specialises in blends of Superfine Merino with other luxury noble fibres, including Cashmere, Silk, Alpaca, and Angora.



Kathaytex

Karee Wool is a specialist wool selling broker, based in Victoria. Karee has been an incredibly strong supporter of SustainaWOOL and has the highest proportion of accredited SustainaWOOL grower clients of any broker in Australia.

Sydney-based Kathaytex is one of Australia's Top 10 Merino wool buyers and exporters, and we are very proud to have them a part of the scheme.

Kathaytex are already taking advantage of our consignment certification service, offering certified traceability back to individual farms.

## Continued membership growth

SustainaWOOL is Australia's largest wool integrity scheme and grower participation continues to grow.

We have just welcomed the 1,093<sup>rd</sup> successive accredited grower member, with representation from all sheep production states around Australia.



So far this Season, we've welcomed 110 new members – a great result in the face of the real adversity faced by so many growers around Australia.

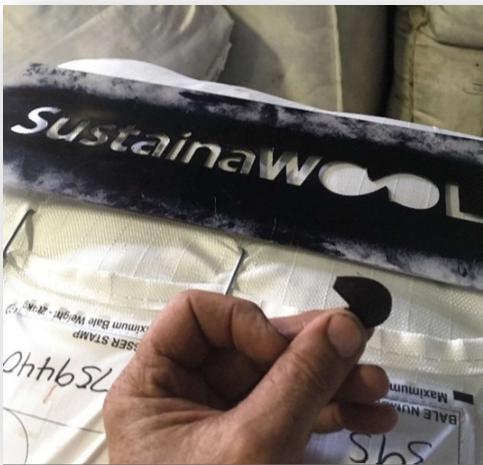
In terms of our grower membership make-up:

- 37% are SustainaWOOL **GREEN** (NM/CM)
- 63% are SustainaWOOL **BLUE** (PR)
- 69% of the new memberships this financial year have been from non- or ceased-mulesed farms.

## New SustainaWOOL Bale Stencil

Ever since SustainaWOOL was established in 2015, new members of SWIS have received a bale stencil – as part of signifying to the wool trade their accreditation.

Over the years, some of these stencils have seen a lot of use and are now showing battle scars. The image below of a well-worn stencil sent into us by Kojonup-based SustainaWOOL member, Digby Stretch. Note that both halves of the SustainaWOOL 'swirl' have given way.



Our supply of the original stencils ran out at Christmas time, and we've designed and sourced a new Australian made version – thicker and more durable (1.9mm vs 1.4mm), and simpler and more legible (consisting of the 'swirl' over the word 'supplier'). The new and the old are shown below on an empty pack.



All new SustainaWOOL grower members are receiving the new stencil, and we'd like to offer all existing members with damaged stencils the opportunity to have a replacement sent to them.

Just send a picture of the battle-scarred old version to [sustainawool@awex.com.au](mailto:sustainawool@awex.com.au), and we'll put a replacement in the mail to you.

## Content Claim Standard released

The international marketplace for wool integrity schemes is competitive, and we've been working hard to ensure SustainaWOOL is recognised as equivalent to the best.

In our last Newsletter, we advised that we had achieved certification under ISO 9001-2015. Following on from this, we are very proud to advise that we have recently completed the SustainaWOOL Content Claim Standard.

Content Claim Standards provide the needed guidance for all processors, brands and retailers who wish to use the Scheme logo to describe or promote their products. It underpins traceability beyond early-stage processing and is now available to all members upon request.



SustainaWOOL™ Content  
Claim Standard | 1.0

Australian Wool Exchange Limited phone +61 2 9428 6100 web: <http://sustainawool.com.au>

## A 'Wyvern' Weekend

Michael and Angela Field's 50,000 hectare 'Wyvern Station', near Carathool in the heart of the Riverina, produces over 1,100 bales of 17 to 19-micron wool each year, and has arguably one of the most modern and impressive wool shed complexes in Australia.

The property recently played host to the Peter Westblade Scholarship Program's 'Wyvern Weekend', where 30 young wool professionals from NSW, VIC, SA and WA gathered at their own expense for professional development over the weekend of 8<sup>th</sup> and 9<sup>th</sup> February.

**Photo:** Wyvern host Michael Field and Scholarship Chairman Ben Patrick welcome the students.



These early career professionals received hands-on training and mentoring about sheep selection, stockmanship, agribusiness skills, sheep and wool marketing, as well as new technologies in agriculture – as well as witnessing the arrival of some much-needed rain on the Sunday afternoon!

SustainaWOOL was represented at the event - not just because several trainees were from SustainaWOOL-accredited farms, and both host TA Fields Estates and presenter and Scholarship co-founder Marty Moses both have multiple SustainaWOOL-accredited properties.

In addition, SustainaWOOL Manager Dr Paul Swan co-presented the Wool Preparation and Marketing Session, with Samantha Wan of Elders – the 2019 Australian Young Wool Broker of the Year.

If you know of passionate young wool growers looking to develop their practical skills, professional network and career prospects, give some thought to the Peter Westblade Scholarship ([www.pwscholarship.com.au](http://www.pwscholarship.com.au)).

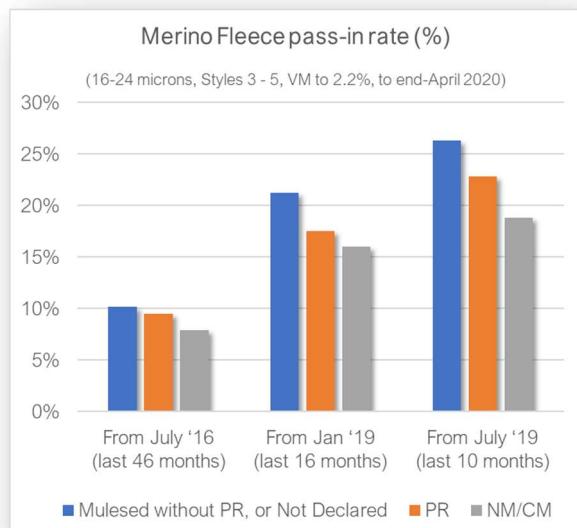
## Growing demand

There has been a lot of rural media commentary recently about the extent of demand for non-mulesed (NM) and ceased-mulesed (CM) wool.

In our view, it is not a matter of debate that demand for NM and CM (NM/CM) is substantial and rising. Rather, it is a matter of record, and the numbers can do the talking.

In our last Newsletter, we shared with you a novel perspective on demand trends – comparing the passed-in rates for different NWD categories over time. When any commodity is passed-in at auction, it means buyers are only prepared to offer an unacceptably low price. We showed these rates were diverging for NM/CM and Mulesed with Pain Relief (PR) lots compared to non-declared or mulesed without PR.

We've just updated the analysis with an additional four months of data (to end-April 2020), as shown below:



These trends are real and are getting stronger.

Putting it bluntly, you are much more likely to be offered an unacceptable wool price at auction if you do not use the NWD to declare your clip, or if you don't use pain relief when mulesing your sheep.

Bear in mind that unsold wool goes back into storage – at your cost or the brokers - to be re-offered for sale at some later stage. Unsold stocks have rapidly risen this year, and all that additional stock of non-declared or mulesed without pain relief wool will re-emerge to be sold at some point.

This will only add to the existing trends.

## Sheep genes and SustainaWOOL

It goes without saying that all of our growers are equally important to us. However, in this edition we'd like to draw your attention to a particular demographic within our membership – that of stud breeders.

Seedstock providers have always played a pivotal role within the Australian wool industry. Not only as suppliers of genes to the national ewe base, but also as oracles – since we expect them to have the genes available today, for the direction we wish to take our flock in tomorrow.

In a real sense, longevity as a stud breeder reflects ability to anticipate and deliver what the market wants.

From the outset, SustainaWOOL has been fortunate to count among its' membership many important and long-standing Merino seedstock suppliers, across a wide range of sheep types and sheep breeding philosophies.

These include *Alfoxton, Cressbrook, Hazeldean, Mirani, Mumblebone, Petali, Pooginook, Rock-Bank, Sierra Park, Westvale, Wurook, and Yal goo* studs, to name but a few.

We acknowledge the support and passion for the industry of all of our stud breeder members – and also the danger of highlighting any of them! However, we think it is worth noting that among our most recent new members are 3 long-standing family Merino stud breeding operations:

- *Haddon Rig* (Merino Stud Flock No. 48, founded in 1882, Marthaguy, NSW)
- *Woodyarrup* (Merino Stud Flock No. 412, founded in 1920, Broomehill, WA)
- *Yarrawonga* (Merino Stud Flock No. 3,534, founded in 1971, Harden, NSW)

If you are an accredited SustainaWOOL grower and your Merino seedstock supplier is not, perhaps it is worth asking 'why not'?



## National Wool Declaration update

After an exhaustive consultative process, the 2019 review of the National Wool Declaration (NWD) is now complete. The revised NWD will be operative from 1<sup>st</sup> July 2020.

For more information, we'd encourage you to contact your preferred wool selling agent, or call AWEX on (02) 9428 6100 or visit the AWEX NWD web page (<http://www.awex.com.au/publication/national-wool-declaration-nwd/>).

The NWD changes most relevant to SustainaWOOL are:

1. The Pain Relief acronym (PR) is to be replaced by AA, to more positively reflect the various Anaesthetic and Analgesic options now available to growers for breech modification operations.
2. Sheep Freeze Branding (use of liquid nitrogen) is not specifically identified and is able to be included within the NWD category of 'non-mulesed'.

The decision made in relation to use of liquid nitrogen is contrary to the expressed wishes of some wool processors and welfare bodies. It is also disappointing that the comparative scientific welfare studies and peer-reviewed publication required for a fully informed discussion were not available and will not be completed for 6-12 months.

The next NWD review will be conducted when the trials are complete or in 12 months, whichever is sooner.

## What are the implications for SustainaWOOL?

In reality, breech modification operations are a small part of the stewardship and sustainability story of Australian wool. It is also a minor part of the SustainaWOOL Grower Declaration, with 94% of the questions we ask being about things other than breech modifications.

While SustainaWOOL has built on NWD foundations, we take these recent NWD developments into consideration, but are not defined by them – since SustainaWOOL is an independent, ISO-certified integrity scheme.

We are currently working through long-planned refinements to our Grower Declaration and our **GREEN** and **BLUE** brand tiers. These refinements reflect our unwavering commitment to the transparency and integrity values which have always underpinned SustainaWOOL, in the interests of our supply chain partners and wool growers.

Our plan is to make the improved SustainaWOOL Declaration operational from 1<sup>st</sup> July 2020.

## Have you renewed your accreditation?

The SustainaWOOL Grower Declaration underpins the whole of our Integrity Scheme. It is a legal declaration, and it needs to be kept accurate and up to date.

To ensure this happens, we require that you renew your accreditation annually in order to maintain it.

Renewal is not difficult to do, and we're happy to help. To assist, a short FAQ about renewal follows.

### 1. Why is it important to renew the accreditation?

Over time, things change on farms – farms change hands, contact details change, PIC's change, practices change. All of these are material to the declaration and need to be advised.

We find that for 10 - 20% of our members, something material has changed since their last declaration – most often contact details such as email addresses or phone numbers, mulesing status, or farm ownership.

If material changes occur and are not identified, then the declaration is no longer true and correct.

### 2. When do I renew?

While you can renew your accreditation at any time, it does need to be completed by the anniversary of your last accreditation. So, if your accreditation was issued on 18 July 2019, your renewal is due by 18 July 2020.

To assist you, we give you a heads up by email or mail at least 30 days before your renewal date.

### 3. How do I renew?

Renewal is simple. There are 3 ways to do it:

1. Download and complete a new form – go to our website (<http://sustainawool.com.au>) and click the 'Grower Download Application' button to receive a new PDF form.
2. Complete the online questionnaire – go to our website and click the 'Grower Online Application' button to start. If your internet is unreliable, you can set up a temporary login to save your form as you go.
3. Review your previous declaration and advise us in writing of any changes – if you have a copy of your previous declaration. We keep digital copies of all declarations, so if you can't find your original, please contact us for assistance.

We will advise you by email or letter once your renewal has been reviewed and accepted. We will also make clear to you the new accreditation expiry date.

### 4. What will it cost me?

Accreditation costs \$125 dollars (GST incl) per year.

Reflecting the fact that AWEX operates on a not-for-profit, cost-recovery basis, this fee covers desktop and farm auditing costs – time, travel and accommodation costs involved with getting an accredited farm inspector onto your farm(s), wherever they are.

### 5. How do I pay?

You can pay by cheque, VISA or Mastercard, or EFT.

If you renew using the downloaded form, there is a self-explanatory payment section on Page 6 for card or cheque payments. Please include these with your completed form. If not, you will receive an invoice.

If you renew using the online process, we will send an invoice to your nominated email address.

The invoice contains a payment reference number which includes your SustainaWOOL ID – this must be included with any EFT payments made, since we are unable to match payments to members without it.

### 6. What happens if I don't renew or don't pay?

We hate to lose members and try to be flexible given individual grower circumstances. However, if you tell us you no longer wish to be accredited, or don't pay, or can't be contacted despite multiple attempts over 3 months, then we will de-activate your accreditation.

We also take steps to ensure the 'SW' code no longer appears for your clip in broker wool sale catalogues or in our pre-sale SustainaWOOL lot offering reports provided to buyers to assist with wool valuing.

Mistakenly expired accreditations can be quickly renewed – but we do need to speak to you first.

The screenshot shows the SustainaWOOL website with the following elements:

- Header:** SustainaWOOL INTEGRITY SCHEME logo, GCC logo, and navigation links: HOME, ABOUT US, MEMBERS, NEWS, CONTACT US.
- Section Title:** To Apply for Or Renew Your Accreditation.
- Text:** If you are interested in applying for SustainaWOOL™ membership for the first time, or renewing your membership, please choose from the following options:
- GROWER ONLINE APPLICATION:** Payment: Online applicants will be issued a tax invoice by AWEX.
- GROWER DOWNLOAD APPLICATION:** Payment: Please complete the payment section on Page 6 of the Checklist form.
- SUPPLY CHAIN PARTNER APPLICATION:** Payment: Online applicants will be issued a tax invoice by AWEX.

## COVID-19 halts our farm inspections

Reflecting the growing awareness of the severity of the COVID outbreak and the risks to the elderly in our farming communities in particular, AWEX suspended its NWD and SustainaWOOL farm inspection services in March.

This has been an inconvenience for some growers who had inspections planned, and of course is a major blow for our inspectors – all of whom have farm backgrounds and are passionate about what they do.

We are very closely monitoring the situation and will resume our farm inspections when it is prudent and safe for both our farmers and our farm inspectors to do so.

## SustainaWOOL website update

Our website (<http://sustainawool.com.au>) was launched in October, and already a number of growers are using the site to access forms, and to renew their accreditation using the online and download registration tools.

We've recently updated the website, adding a 'News' page, updating a number of the forms, and tweaking online application and logos. We'd welcome feedback!

## Equivalence matters!

The marketplace for wool integrity schemes is complex and becoming more crowded. While there will always be a number of alternative schemes to choose from, devising and retailing 'green' credentials is now a growth industry.

Having choice is great for growers, and over 1,000 growers have chosen SustainaWOOL accreditation.

However, this crowded marketplace can represent a nightmare for wool processors and manufacturers. Do they need to hold stocks of every major scheme? What do they tell their customers? How do schemes compare?

Some good news is that the Brussels-based International Wool Textile Organisation (IWTO) has initiated a process to establish the equivalence of the major certification-level schemes in the global wool industry.

Reporting to the IWTO Sustainable Practices Working Group, a small team of senior staff from AWEX, Segard Masurel, and both CapeWools and BKB from South Africa is making good progress and is being chaired by SustainaWOOL Program Manager, Dr Paul Swan.

At the very least, establishing equivalence will generate a clear basis for comparing different schemes – desperately needed to prevent confusion and 'greenwashing'.

## Some upcoming developments

### The SustainaWOOL Consultative Committee

Giving stakeholders the opportunity to contribute to the form and function of any integrity scheme is critical, and for an ISO-certified scheme, this needs to be formalised.

We are in the process of establishing the SustainaWOOL Consultative Committee, comprising a small number of accredited SustainaWOOL growers and Supply Chain Partners, as well as other experts.

The Committee will provide an important review and advisory forum for the Scheme, assisting with planning and performance review, and operate within defined Terms of Reference.

If you are passionate about SustainaWOOL, and interested to contribute to our Consultative Committee, please contact SustainaWOOL Program Manager, Dr Paul Swan.

### Greater certification opportunities

For all integrity schemes, especially those operating in extensive agriculture, a major cost driver for all participants involved is the frequency and intensity of the auditing required. We can all appreciate that it is costly to audit individual farms which are widely separated.

This is why the major certification-level schemes operating in the sheep and wool industry in Australia, such as RWS, ZQ or SustainaWOOL, all feature statistically based, periodic farm sampling and auditing processes.

Industry-owned and not-for-profit, and sharing AWEX's NWD farm inspection service, SustainaWOOL offers growers a lowest possible cost ISO-certified model. For SustainaWOOL, 20% of accredited grower farms are inspected each year. However, this is weighted so that new members have an 80% chance of inspection in the first 2 years of accreditation.

Nonetheless, some SustainaWOOL growers would prefer to be subject to an annual farm inspection and audit, reflecting their individual business practices and ethos.

We are pleased to advise that just such an opportunity will shortly be available to interested SustainaWOOL growers. A number have already expressed interest and final details and pricing are in train.

Stay tuned, and if you are interested, please let us know!

## AWEX WoolClip Update

WoolClip is a free, clever and user-friendly online internet and smartphone app which allows the user to create wool bale details, specifications and NWDs.

WoolClip has an easy to use, intuitive workflow designed to reduce errors and workload, and the smartphone app can be used to collect Mob and Bale details in the shed even where there is no signal or data connectivity.

To the end of April, WoolClip has processed 58,341 bales for the 2019-20 season (10 months) and the cloud-based platform has experienced no downtime since going live.

The feedback we are receiving from growers and classers has been very positive.

### New features

There are several new features due for release in the coming months, including a Farm to Warehouse Consignment Module (due in May), a National Wool Declaration update (June), and an upgrade to the Wool Classer Clip Inspection and Classing Activity Summary.

### WoolClip Training and Support

User training is available 7 days a week and is usually performed over the phone. Training is free, and typically provided to classers, growers, brokers, and shearing contractors.

To learn more about WoolClip, or to organise a WoolClip training session, contact AWEX by:

**Phone:** (02) 9428 6170

**Email:** [woolclip@awex.com.au](mailto:woolclip@awex.com.au)

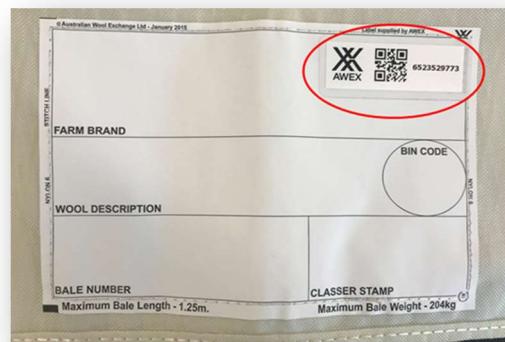
**Web:** <https://www.woolclip.com.au/>

## AWEX e-Bale Update

As mentioned in our January edition, AWEX has been working steadily behind the scenes to perfect electronic bale identification technology for Australia. AWEX e-Bale offers the potential for traceability and biosecurity gains across the whole industry, and efficiencies for those involved in wool bale logistics, storage, and processing.



The technology consists of a RFID 'chip' and a QR code, integrated into the AWEX bale label, as shown below.

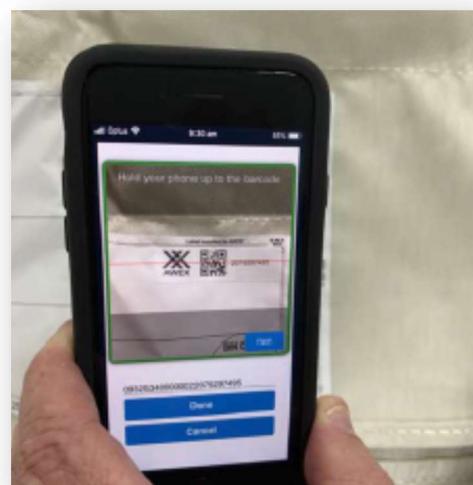


These can be easily read on-farm by typical mobile 'smart' phones, or by handheld or machine-operated scanners in wool stores. The tags are fully integrated with AWEX's WoolClip app in shed, linking electronic bale ID to the digital Wool Book and Classer's Specification.

AWEX is seeking additional expressions of interest from wool growers, classers, wool selling agents, and warehouses willing to participate in these trials.

The benefits of more accurate records and reduced errors, traceability from farm through the supply chain, and easier distribution from farm to warehouse of your clip details, including unique bale-ID's, will speed up the lotting and sale opportunity for your clip.

If you'd like to learn more or take part, please contact Dr Kerry Hansford by phone (03 9318 0277), or email ([khansford@awex.com.au](mailto:khansford@awex.com.au)).





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