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From my desk at the farm

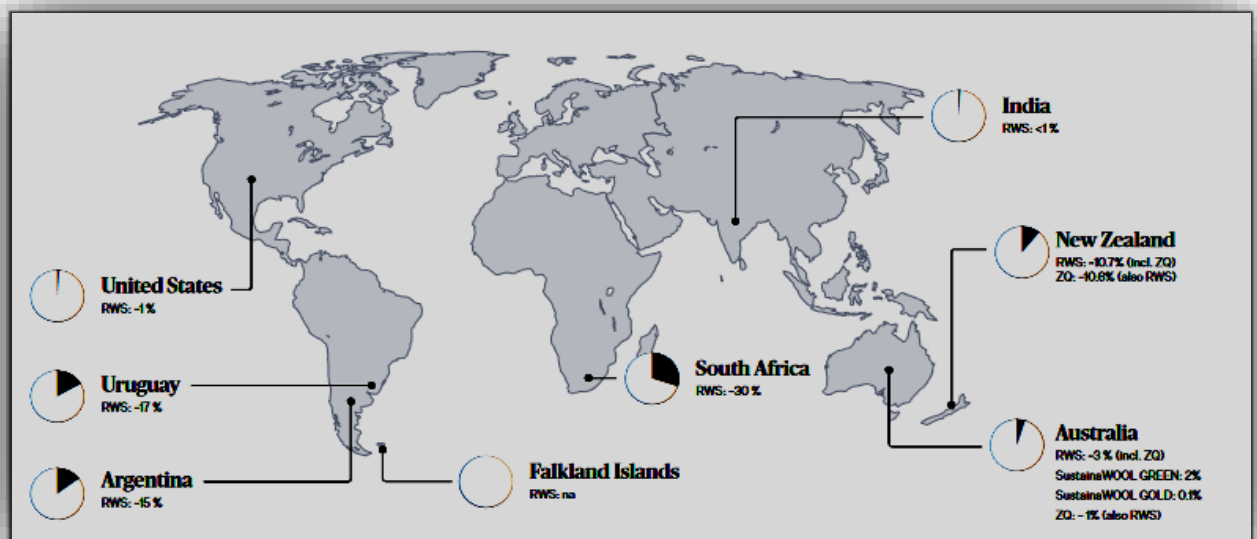
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WOOL CERTIFICATIONS IN URUGUAY

Uruguay is one of the main wool producing countries, with a significant percentage of its production certified RWS (Responsible Wool Standard) in accordance with Textile Exchange regulations.

According to the figures published by Textile Exchange in October 2022, Uruguay is in second place after South Africa, as the country that has the highest percentage of RWS certified wool with respect to the total produced.

MARKET SHARE OF WOOL PROGRAMS BY COUNTRY (*)



Source: Textile Exchange based on IWTO

Notes (*) Only including RWS, ZQ + ZQRX, and SustainaWool Green+Gold as data were unavailable for Land to Market, organic, and other programs at report launch. Market share given in percentages compared to overall wool production based on IWTO data as mentioned in Market Information Edition 17. Only wool producing countries with production according to these standards highlighted in dark blue.

Textile Exchange published that 17% of Uruguay's production (approximately 4 mkg) is certified under the RWS standards and regulations. However, most of the wool in Uruguay that is RWS certified is 24 microns and finer, and it is important to highlight that the vast majority of wools finer than 18 microns are certified, either RWS or GOTS, which makes them more attractive for the different sectors of demand.

Consequently, if we consider that Uruguay produce approximately a total of 23.5 mkg of wool greasy basis, and that approximately 10.5 mkg of wool 25 microns and finer are produced; then is reasonable to estimate that in Uruguay 35% of the total wool of 25 microns and finer are RWS certified wool.




We include the graph that we published in our first publication, on the current distribution of Uruguayan wool production by micron range. (Please see Table I).

TABLE I

URUGUAY : WOOL PRODUCTION BY MICRON				
In mkg greasy basis				
MICRONS	1997	2007	2015	2019
<22.5	3.20	5.46	6.50	7.50
22.6-23.5	8.00	3.36	1.75	1.90
23.6-25.0	7.20	2.10	0.75	1.00
25.1-26.5	12.00	3.78	1.50	1.10
26.6-28.0	26.40	4.20	2.75	2.10
28.1-29.5	20.00	10.08	8.25	5.90
29.6-31.5	3.20	8.82	2.50	3.00
>31.6	0.80	2.94	1.00	1.00
Total	80.00	42.0	25.0	23.5

Source: 1997 – CMPP
2007 – R. Cardellino based on wool Industry and wool Exporter data
2015 – estimate LTSA
2019 – Delta Agro Consultants based on wool Industry data



Estancias Puppo S.A. has increased in recent years the number of fine woolgrowers of the Farm Group RWS Estancias Puppo S.A. in Uruguay; and even increasing the kilos of fine wool that we export to the most demanding markets, offering the best fine wool of the country. Most of the wool that we export has certifications, either RWS or GOTS.

URUGUAYAN WOOL EXPORTS

GREASY WOOL

The Uruguayan greasy wool exports have fallen in the first 10 months of 2022, compared to the same period in 2021. In terms of value, Estancias Puppo continues to be the first exporter of greasy wool from Uruguay (taking into account the relation kilos/price). It is responsible for 49.2% of the total income to Uruguay in greasy wool exports in the first 10 months of the year 2022, out of a total exported by all companies of USD 23.1 million.

China was the main destination, acquiring 73% of the total USD, followed by Bulgaria, Italy and India.

SCOURED WOOL

In relation to exports of scoured wool from Uruguay, always analyzing the period January-October 2022, they have fallen by around 37% in terms of value, compared to the same previous period.

In terms of value, Egypt is the main destination for Uruguayan scoured wool, followed by India and China.

WOOL TOPS

Uruguayan sales of wool tops grew, in the first 10 months of 2022, compared to the same period in 2021, approximately 11%.

The main destinations of Uruguayan wool tops were Germany, Italy, Turkey, and Poland. Those four countries bought more than 65% of the total USD.

Source: Uruguayan Customs Office

