

Wool Trust Report 2022-2023

American Sheep Industry Association



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EXECUTIVE SUMMARY

As representatives of sheep ranchers, our mission is to: expand the American wool market both domestically and internationally and to enhance the quality of American wool while sharing information with American wool producers. The American Sheep Industry Association (ASI) prioritizes fostering partnerships and highlighting superior characteristics of wool, particularly the unique attributes of American Wool. Consumers are demanding products that are environmentally friendly and derived from renewable resources. American wool is becoming a go-to fiber for environmentally conscious manufacturers and consumers. As consumers shift to pre-pandemic patterns, the demand for suits and dress clothing is still struggling, while the demand for outdoor sports clothing such as all-weather base layers and hosiery (i.e., socks), is growing, providing new opportunities for American wool. The ASI programs work to grow the demand for American wool and wool products that are responsibly grown and properly handled with a focus on animal welfare and environmental sustainability.

Exports account for 60 to 75 percent of domestic wool production as domestic wool-apparel production in the United States has relocated to other countries with lower cost production models. Domestic consumption of wool for hosiery has grown as wool brings features to foot comfort and sock performance surpassing other fibers used in hosiery. The United States military is an important purchaser of American wool. Flame-resistant and high-performance apparel are prioritized to protect and support American war fighters. This complements the traditional use of wool in military dress uniform, which serves as the cornerstone of wool products utilized by the military. Collaborations in developing alternative uses for wool continues to find additional value for American wool and wool products. Survival for the domestic textile industry lies in the development, production, and marketing of new products.

The wool market continued to face headwinds as global economic uncertainty negatively impacted wool prices in 2023. Starting with the China-United States trade war and exacerbated by the COVID pandemic, wool prices plummeted, leading to the closure of some textile mills, particularly in China and the demand for wool softened. Economic activity in China, which is the top buyer of American wool, and Europe struggled to gain traction creating demand uncertainty in the international wool market. Global wool inventories have surged since the COVID pandemic, which has weighed on domestic and international wool prices. While the United States and many International economies have shown signs of improvement and inflation has eased, it has not been enough to drive any significant price strengthening in the worldwide wool market. While fine wools garnered a price premium over coarse wools, overall wool prices remained low in 2023. The Australian Eastern Market Indicator (the basis for domestic wool prices) averaged US\$3.35 per pound in 2023, which was 13% lower than in 2022 and similar to 2020 when the domestic wool market was severely impacted by the China-United States trade war and the global pandemic.

ASI continues to invest in programs that build interest for American wool by driving demand both domestically and internationally. Opportunities exist for American wool given the interest in regenerative and natural fibers among key sectors of the apparel market, including the high-performance active leisure wear market. Other fibers, particularly man-made and cellulosic fibers, continue to be a competitive threat to American wool. This report highlights ASI's ongoing work to meet the objectives set forth in the Wool Research, Development and Promotion Trust Fund for supporting the sustainability of the American wool industry.

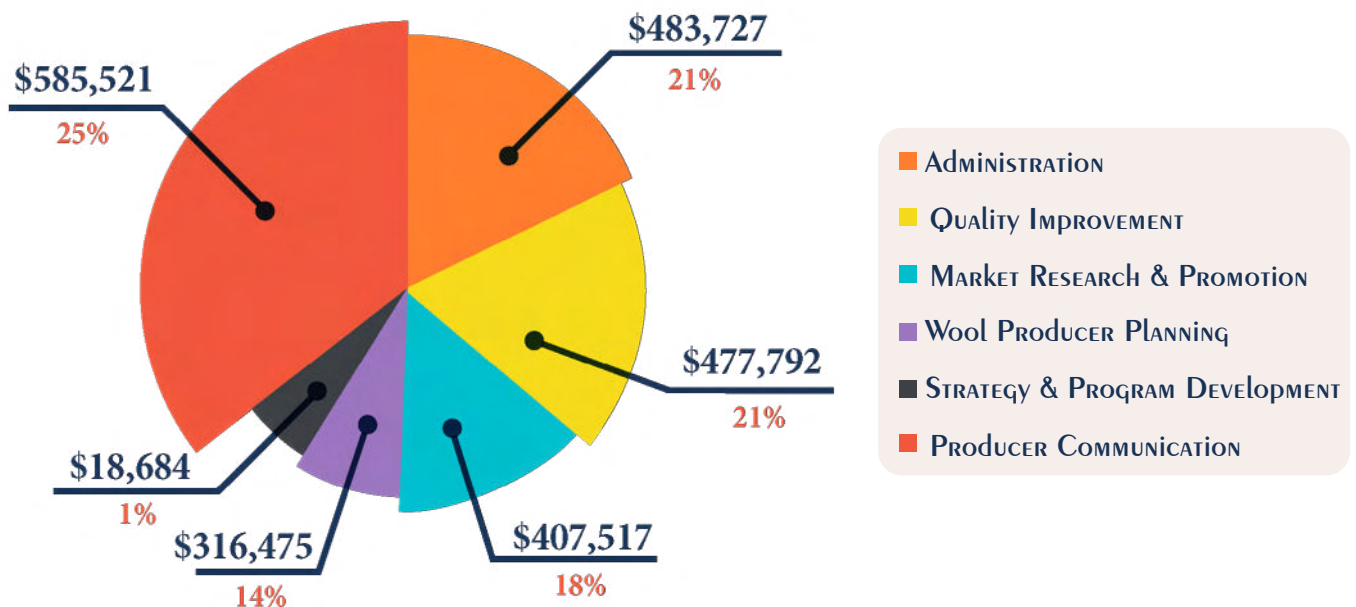
The American Wool Trust

In 2000, the United States Congress established the Wool Research, Development and Promotion Trust Fund to support activities that increase the competitiveness of American wool. The objectives are to assist American wool producers in the development and promotion of the wool market, improve the quality of wool produced in the United States, and disseminate information on wool improvements to American wool producers.

The American Sheep Industry Association (ASI) established the American Wool Trust Foundation (501(c)5 corporation) to implement programs that focus on improving wool quality, dissemination of information, and promoting American wool. The foundation delivers programs and services via a contract with ASI, which has the most extensive leadership, communications, and program delivery infrastructure in the American sheep industry.

For the fiscal year October 1, 2022 through September 30, 2023, the Wool Trust Foundation was awarded \$2.25 million. Most funds were spent on programs marketing American wool and directly impacting American wool quality. Together, these programs helped to strengthen market diversity and increase the competitiveness of American wool. Additional programs, such as communications, provide information to producers and essential support without which the overall program could not be conducted.

October 2022 - September 2023 Wool Trust Expenditures



DEVELOPING OPPORTUNITIES AND PROMOTING AMERICAN WOOL

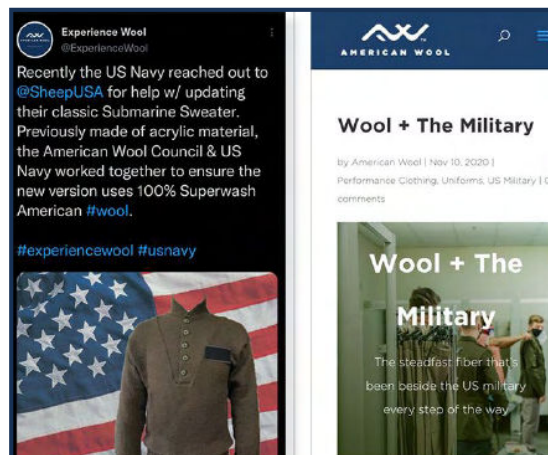
ASI is continuously seeking new opportunities and customers for American wool. Activities focus on developing and researching innovative ways to meet the demand for quality, responsibly grown and properly handled wool products, with a focus on animal welfare and environmental sustainability. ASI engages with consumers through digital marketing and educational campaigns, to effectively raise awareness of American wool and its many exceptional qualities. A targeted marketing strategy aimed at key decision makers for American wool, such as first stage-processors and leaders in the textile sector is also used. Furthermore, ASI educates and collaborates with military and industry partners in developing new products and promoting the benefits of wool to expand the consumption of American wool.

DEVELOPING OPPORTUNITIES FOR AMERICAN WOOL

ASI acts as an intermediary and “knowledge hub” to facilitate successful partnerships in all areas of the wool manufacturing pipeline. ASI fields inquiries from the textile/apparel industry about where to find sources of wool, manufacturing, products and assistance with technical information, and characteristics of wool. For example, through ASI’s initiative and implementation of washable wool technology (Superwash) to the United States, ASI assisted several major sock and outdoor manufacturers with wool-sourcing needs to bring their production lines back to the United States from overseas locations. ASI provides technical assistance to American mills to improve efficiency, integrate new processes, and develop new product ideas using American wool.

ASI also introduced the Mercerization process to the American wool textile industry which not only allows for wool to be machine washed but makes the wool feel 1 to 2 microns softer. ASI continues to invest in the commercialization of wool mercerization in response to growing interest and demand. Research and development efforts focused on identifying the challenges associated with spinning of mercerized wools. Superwash coarse wools are now available as a special order from a domestic wool top processor, providing a market opportunity and adding value to these lower priced wools.

ASI partners with the United States Military on introducing new products and demonstrating the benefits of using American wool in military apparel. These joint efforts focus on providing education, sharing of technology, and the commercial implementation of new products and processes. ASI actively works to ensure the United States military use of wool continues to be only American wool.



DEVELOPING OPPORTUNITIES AND PROMOTING AMERICAN WOOL

U.S. Marine Corps Special Operations Command adopted wool boot socks for use by all its troops. ASI assisted with the preparation of the technical data needed for buying the new sock. The United States Marine Corp is seeking approval for a new wool boot sock for recruits.

ASI participated in the preparation of the technical data to be used for future procurements.



In 2022 – 2023:

- ASI attended the Joint Army Planning Briefing Industry meeting, which is a supremely important and productive government planning meeting. ASI joined over 800 participants in resuming in-person interactions with Department of Defense (DOD) leaders and industry stakeholders.

ASI in collaboration with the U.S. Army hosted a virtual Wool Education Seminar in 2023. Over 50 people participated, representing three military branches and wool manufacturers.

- The United States Army remained committed to American wool in its ongoing support to the ASI mercerization wool development program. The contract between ASI and the United States Army was extended to the end of fiscal year 2023 to further research and development efforts on this process. ASI will continue working with the United States military to develop new and innovative products for American wool, in particular, cold weather clothing using mercerized wool.
- ASI worked with the DOD on a Domestic Non-Availability Determination (DNAD) for wool blend fabrics used in military dress clothing. Due to ongoing post-pandemic labor shortages, the domestic supply of these fabrics could not meet the demand in 2023. ASI provided advice on domestic mill capacity and wool supplies. ASI shared information on domestic mill capacity and wool supplies. ASI is working with the DOD to ensure domestic wool continues to be used in military dress uniform fabric production in 2024.

The Department of Defense is the largest user of American wool, consuming 10 – 15% of domestic wool production.

DEVELOPING OPPORTUNITIES AND PROMOTING AMERICAN WOOL

PROMOTING AMERICAN WOOL

The American wool online presence via website and social media channels continues to grow, generating awareness with consumers and increasing engagement with the American wool brand. Unique content sharing stories of the American wool industry and the unrivaled benefits of American wool is resonating with consumers. The digital marketing program surpassed growth goals to reach new consumers in 2023.

American wool supports small business by building brand recognition with trade, wool companies, the textile industry, and consumers. Textile companies and small business owners producing American wool products license the American Wool logo for use in marketing materials, hang tags, brands, and retail materials, broadening the reach of the American wool brand.

CONSUMER PROMOTION



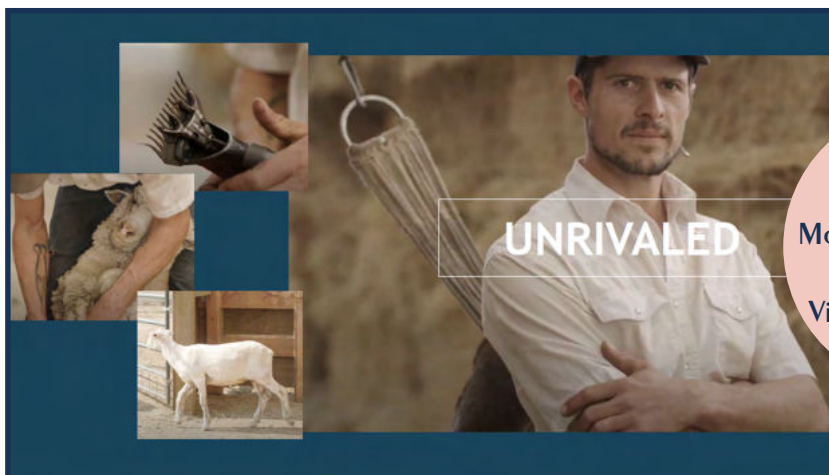
+20 New Videos

+500 Social media posts

5 Million impressions in 2023

@ExperienceWool followers: 50K+

AmericanWool.org traffic: +12%



#1
MOST WATCHED VIDEO
+220,000
VIEWS ON FACEBOOK

DEVELOPING OPPORTUNITIES AND PROMOTING AMERICAN WOOL

International Marketing

ASI is a cooperator of the USDA's Foreign Agricultural Service (FAS) for wool and sheepskins. ASI utilizes funds from the Wool Trust and FAS, as well as contributed matching funds from both ASI non-government generated revenue and industry funds, to expand market diversity and enhance the global utilization of American Wool.

ASI consultants and staff participate in **Promotion, Trade Shows, & Textile Fairs** to build relationships with international buyers and open new market opportunities for American wool. ASI contracts with consultants in several key markets that help to facilitate the purchase of American wool overseas. These consultants are central to international marketing programs by searching out new buyers for American wool and maintaining strong relationships with current customers. ASI consultants and staff attended the International Wool Textile Organization (IWTO) conferences to build relationships across the globe. Handheld videos and Reverse Trade Missions (RTM) materials continue to assist consultants in setting up new programs including processing trials, samples, and new international promotional and branding opportunities. European consultants attended several textile fairs across Europe to meet with wool manufacturing companies to create new supply chains for American wool.

ASI hosted three separate Reverse Trade Missions (RTM) with wool buyers from China and India, resulting in sales of over 100 metric tons clean of American wool.



Virtual RTM materials are utilized to attract new international customers and diversify market opportunities for American Wool.



Wool buyers from India tour Groenewold wool warehouse and exporter on a Reverse Trade Mission. Greg Groenewold, Heather Pearce, Nitish Jain, Naveen Jain, Barry Savage

IMPROVING THE QUALITY OF AMERICAN WOOL

ASI invests in programs that assist American wool producers on improving the quality of and the methods used in producing American wool. These programs focus on enhancing the market infrastructure for American wool to provide new domestic and international marketing opportunities, increasing production efficiencies to make American wool more accessible, and coordinating education efforts to improve wool quality and expand market opportunities.

Educating producers on wool quality via articles, social media channels, in-person presentations, online resources, and printed materials serve as important educational resources for improving the quality of American wool. ASI develops online and printed materials for thousands of growers across the United States of various size and types of operations. In 2023, ASI updated the gold standard Code of Practice For Preparation Of Wool Clips booklet (available online and in print,) and developed a list of resources for commercial and specialty market growers available online and accessible via



a QR code on a notecard distributed at wool events and meetings. One wool classing school was held in 2023, helping to educate and give hands-on experience in wool handling and classing to growers and industry partners. ASI's social media channels are increasingly becoming an effective means for educating producers on improving the quality of American wool as well as ASI's programs for producing wool in an efficient and sustainable manner.

The **American Wool Assurance (AWA) Program** assures consumers and textile manufacturers where their products come from, and that American wool is produced in a responsible and caring manner, increasing the value of American wool. In 2023, the AWA program focused on increasing participation through online and in-person presentations, creating templates to assist producers in advancing to levels II and III, and recognizing those producers who have advanced in the program with AWA branded items. In response to demand for product traceability, ASI collaborated with the University of Wyoming and Mountain Meadows Wool to research a feasible and cost-effective solution for tracing of American wool through the supply chain. These efforts are helping to make the AWA program more impactful for producers and the domestic wool industry.



- 500 website registrants
- 138 level I-Educated
- 7 Verified or Certified operations
- +300,000 pounds (greasy) of AWA Verified or Certified wool sold.

IMPROVING THE QUALITY OF AMERICAN WOOL

Developing new shearers is a critical need as there is a shortage of sheep shearers in the United States and globally. Wool harvesting (shearing) schools are an important starting point for nearly all shearers and provide education on proper shearing technique, methodology and animal welfare. In 2023, ASI provided materials including a comprehensive shearing manual, videos, posters, and other resources on proper shearing techniques, methods, and animal welfare to over 170 students participating in shearing schools across the United States.

Wool Testing is a tool that provides information on wool's quality and characteristics, and thus the wool's value. ASI makes fiber testing instruments available to assist producers in the knowledge about their wool and aid in genetic selection for more valuable wool. In 2023, wool coring equipment for sampling wool for commercial testing was designed with a machinist allowing for coring equipment to be made and purchased in the United States again.



15,503 wool quality tests were conducted for 392 growers in 30 different states.

For the 2nd year, the Developing Shearer and Mentor Grant provided a total of \$15,000 to aid 8 developing shearers and 2 of their mentors in their journey to become professional shearers.

ASI conducted a survey of small and midsize mills in the United States. These mills process an estimated 1.6 million pounds of wool or 7% of the domestic wool clip. A Small to Midsize Mill Directory was created and available on www.sheepusa.org.



ASI continues to promote and educate growers about the USDA Wool Marketing Assistance Loan and Loan Deficiency Program, a critical support program for growers.

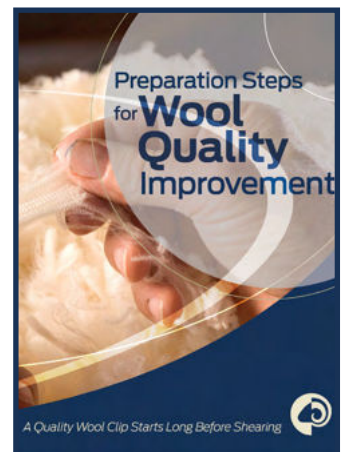
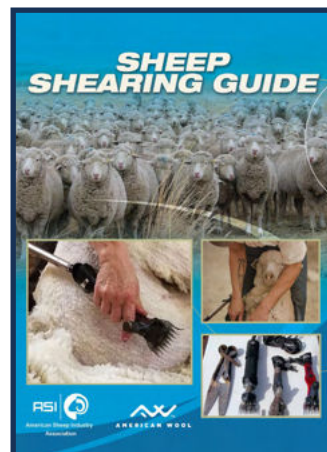
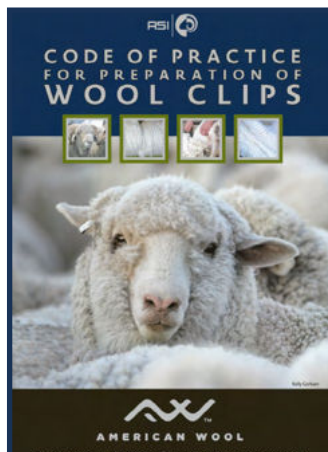
IMPROVING THE QUALITY OF AMERICAN WOOL

ASI is preparing the American sheep industry for a Foot and Mouth Disease (FMD) outbreak through the **Secure Sheep and Wool Supply (SSWS) Plan** (www.securesheepwool.org). The SSWS Plan provides business continuity resources to help sheep producers prepare ahead of time rather than during an outbreak. ASI has recently developed movement decision criteria and movement plans for sheep grazing on federal public land allotments through collaboration with industry, state, and federal partners. Efforts are ongoing as to building capacity for broad outreach and education about FMD preparedness and the SSWS Plan to sheep industry stakeholders.



Protecting the sheep flock is a priority for ASI. ASI continues to work with the Food and Drug Administration's Center of Veterinary Medicine, USDA's Center of Veterinary Biologics, animal medicine companies and industry stakeholders on seeking approval of several new drugs and vaccines for sheep.

ASI continues to facilitate the eradication of scrapie and enhance animal traceability by providing education and outreach to producers that strengthen the National Scrapie Eradication Program (NSEP). Outreach efforts focus on developing new sheep producer materials and resources, hosting webinars, and engaging with partner organizations and industry stakeholders.



SHARING INFORMATION TO AMERICAN WOOL PRODUCERS

ASI disseminates information to wool producers and industry stakeholders on activities and issues, wool programs and other items of interest that are impacting the wool industry. ASI maximizes all avenues of communication including print publications, website, social media, electronic newsletters, podcasts, and the annual convention in delivering information to wool producers. ASI's social media channels and website continue to expand program outreach. Information focuses on raising sheep and producing wool in an efficient and sustainable manner while adding value to American wool through market opportunities, and development efforts that are improving the wool industry. It is important for ASI to be the reliable source of information for the American sheep industry.

In 2023, ASI promoted programs including sheep shearing and wool classing schools that utilize ASI teaching materials, a holiday gift guide of American wool products, and new and developing shearers grant programs. Coverage also includes new sheep health guidelines, market reports and a variety of targeted grazing programs that are being utilized in solar arrays, vineyards, and suburban neighborhoods and provide additional revenue streams as well as the benefits of receiving price premiums for wool participating in industry assurance programs, such as ASI's AWA program.

The *Sheep Industry News* is the most widely circulated sheep industry magazine in the United States. Through both a print publication mailed to ASI members each month and a [digital version](#) offered free to anyone online, the magazine is the best way for ASI to communicate information about the industry. The magazine was redesigned in 2023 to give it a fresh look for appealing to a wider audience as ASI continues to look at new ways to deliver information.



The *ASI Weekly* provides information including the latest ASI news, reminders about upcoming educational opportunities and ASI programs, as well as a full calendar of events covering everything from shearing schools to sheep health webinars to fiber festivals. In addition, current Wool Marketing Assistance Loan and Loan Deficiency Program rates, lamb market information, and a report from the Australian Wool Market, which is the basis for American wool prices, are provided.



The monthly **Research Update Podcast** offers a look at the most relevant sheep production practices and industry research for producers. The podcast is promoted through the ASI Weekly, ASI social media channels, and sent by email to university extension personnel to expand outreach channels. Producers can apply the information in their own operations helping to improve sustainability, efficiencies, and production practices across the sheep industry.

SHARING INFORMATION TO AMERICAN WOOL PRODUCERS

The **ASI Market News App** provides producers access to current lamb and wool market information, as well a wool calculator which allows producers to calculate the value of their wool based on its quality.

ASI annually disseminates a **State Brochure** to the association's 44 state affiliates looking at ASI programs, national issues facing the industry, etc. This item is continually updated to reflect changing issues and program updates throughout the year.

The ASI Annual Convention is the largest yearly gathering of sheep producers and industry stakeholders from across the United States. The convention serves as the only in-person meeting each year of the ASI Board of Directors, is an avenue for exposing producers to new programs from the association, as well as those from USDA, and is the industry's best networking opportunity. Producers are educated on topics ranging from animal health to wool marketing to genetic improvement. The 2023 Annual Convention was conducted in Fort Worth, Texas.

ASI provides a wealth of information across four websites:

- [SheepUSA.org](https://www.sheepusa.org) – the official website of the association provides information that farmers and ranchers need on a regular basis. This includes news from the association, industry contacts (from lamb processors to sheep shearers), free downloadable handouts on wool quality, and more.
- [AmericanWool.org](https://www.americanwool.org) – a consumer-facing website that promotes all things American wool, from spotlighting products to the people who produce them to care tips for this amazing fiber.
- [AmericanWoolAssurance.org](https://www.americanwoolassurance.org) – a site dedicated to ASI's American Wool Assurance certification program.
- [SecureSheepWool.org](https://www.securesheepwool.org) – the home of ASI's Secure Sheep and Wool Supply Plan for continuity of business in the event of a Foot and Mouth Disease outbreak.

@SheepUSA and @ExperienceWool are ASI Social Media Channels on Facebook, Instagram, X, and YouTube. These are valuable modes in reaching out to not only producers and stakeholders, but also consumers of American wool. @SheepUSA caters to members and others within the sheep industry, while @ExperienceWool is a consumer-driven channel that works in conjunction with [AmericanWool.org](https://www.americanwool.org).



14.5 K ^{+20%}
Followers

409.1 K ^{+100%}
Reached

34.1 K ^{+100%}
Content Interactions



202 K
Followers

4.2 K ^{+100%}
Reached

653 ^{+100%}
Content Interactions

Looking Ahead

ASI will continue to deliver activities and programs that assist in the development and promotion of the American wool market, improve the quality of wool produced in the United States, and disseminate impactful information to American wool producers, all of which support the sustainability of the American wool industry. Below are some examples of ASI's ongoing work in 2023 – 2024 to meet the objectives set forth in the Wool Research, Development and Promotion Trust Fund.

Seek new customers, develop new products, and promote the benefits of wool to expand the consumption of American wool.

Continue to partner with the United States Military on introducing new products, developing marketing opportunities for wool, demonstrating the benefits of using wool in military apparel, and ensuring the military use of wool continues to be only American wool. ASI will collaborate with the United States Military on the recommencement of in-person meetings and tours, to strengthen relationships and provide opportunities to introduce new DOD personnel to ASI and American wool.

Further education on wool production, wool quality, and proper preparation and handling practices. Efforts include developing new materials in various forms (print, online), updating current materials, as well as hosting in-person and/or virtual meetings, shearing and wool classing schools, and webinars for growers of varying operations across the United States.

Enhance the American Wool Assurance (AWA) program

- ▶ Make opportunities available to more growers, including continuing grower education.
- ▶ Update the program audit to make it more feasible.
- ▶ Further research on a practical and cost-effective wool traceability program.
- ▶ Explore the inclusion of environmental sustainability and human resource standards into the program to align with international expectations.
- ▶ Develop materials that are designed to increase awareness among wool warehouses, exporters, and processors, in turn, increasing the quantity and value of AWA wool purchased.

Support efforts to develop new shearers including offering a third round of the Developing Shearer and Mentor Grant for up to \$15,000 and 10 shearers who meet the program's goals.

Survey commercial wool processors to better understand their use of American wool, their processing capabilities, and to update the online directory on www.sheepusa.org.

Looking Ahead

Provide newly updated information on **biosecurity and traceability programs** to wool warehouses, exporters, and other industry personnel.

Update the **Sheep Quality Assurance program** which works hand-in-hand with the AWA program.

Serve as the main source of information for the American sheep industry. ASI will continue to disseminate information to wool producers and industry stakeholders on activities and issues, wool programs and other items of interest that are impacting the wool industry. ASI will utilize all means of communication including print publications, website, social media, electronic newsletters, podcasts, and the annual convention in delivering information to wool producers.

Maximize ASI social media channels and websites to distribute information to producers, as well as consumers of American wool, with a goal of increasing website traffic and the number of followers on the ASI social media channels.

ADMINISTRATION

ASI provides appropriate administrative support necessary to deliver programs that meet the objectives of the Wool Trust Fund. ASI staff work with industry leaders and stakeholders to develop and implement effective activities, strategies, and programs that best meet the goals of the Wool Trust Fund. Administrative costs are an intrinsic aspect of program implementation.

ASI undergoes external audits by both the FAS and independent auditors. Monthly financial statements complete with all personnel time-records and budget variance explanations are reviewed by USDA and the ASI Executive Board. Independent auditors, as well as FAS, review management practices and internal controls related to financial statements and compliance with the laws, regulations, and the provisions of contracts or grant agreements.

Noncompliance could have a material effect on the financial statements in accordance with the Government Auditing Standards. There are internal controls related to major programs, negative assurances on lobbying activities and an opinion on compliance with laws, regulations and the provisions of contracts or agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

The American Wool Foundation

The American Wool Foundation is a separate legal, non-profit organization that manages the Wool Trust Funds, ensuring accountability and program appropriateness. The American Wool Foundation makes sure all the authorized funds are delivered for programs on behalf of wool producers and that producers will fully reap the benefits intended by the Wool Trust. Its oversight ensures that programs adhere to federal regulations and that program results are commensurate with program investments.

USDA's Agricultural Marketing Service (AMS) allocates the Wool Trust Funds to ASI. ASI obligates those funds to the Wool Trust program, which contracts with ASI to deliver the programs. The American Wool Foundation's Board of Directors, who are chosen for their ability to represent wool interests, provides oversight to ensure American wool interests are well served.

This relationship between the American Wool Foundation and the Wool Trust ensures:

- The establishment of a foundation isolates and identifies the organization responsible for implementing the program.
- Isolates the accounting function for the funds.
- Allows for a wool organization to manage the Wool Trust program.

Appendix

Files are all electronic.

Quality Improvement

- Code of Practice For Preparation Of Wool Clips

Producer Communications

- [Sheep Industry News, December 2022](#)
- [Sheep Industry News, February 2023](#)
- [Sheep Industry News, June 2023](#)
- 2023 ASI Annual Convention Book (Cover and Inside Pages)
- 2023 ASI Calendar

