

June 11, 2010

Mark Grave
CEO
Australian Wool Exchange (AWEX)
318 Burns Bay Road
Lane Cove, NSW 2066
AUSTRALIA

Dear Mr. Grave:

On June 9, 2010, our trade associations and business groups on behalf of apparel retailers, brands, manufacturers and importers in the United States, released a position paper calling on the Australian wool industry to take affirmative steps to adopt alternatives to mulesing as an animal husbandry practice. That paper included the following objective highlighting our view that the Australian Wool Exchange can play a critical role in helping the Australian wool industry's transition toward mulesing alternatives:

We also call upon "the Australian Wool Exchange (AWEX), with support from the Australian Government, by the end of 2010 to require all growers selling their wool through AWEX to report on the National Wool Declaration (NWD) their mulesing status - *i.e.*, "mulesed," "mulesed with pain relief," "clips," "ceased-mulesed," and "non-mulesed."

Currently, most wool produced in Australia is sold through AWEX. AWEX developed the NWD in order to provide wool buyers and other customers through the value chain information on the mulesing status of the wool they purchased or which is a component of the textile and apparel products they produce or sell. In addition, the Australian Government recently provided AWEX funding to develop its system for auditing information reported on the NWD. Unfortunately, a minority of growers in the industry currently complete the NWD, with the result that most wool sold on the exchange includes no information on its mulesing status, and of the wool reported, only a small fraction is identified as non-mulesed or ceased-mulesed.

Unless there is broader participation by growers in filing the NWD, customers will be unable to obtain the supply-chain traceability they need in order to make informed sourcing decisions, and growers in Australia will not see clear market signals that would convince them to adopt mulesing alternatives. In short, failure by the wool industry to make broader use of the NWD will make it much more difficult for the industry to transition to mulesing alternatives.

In our view, filing the NWD does not pose an onerous administrative burden and there is no convincing reason why growers should not complete and submit a declaration.

Therefore, if growers are unwilling to file the NWD voluntarily, we believe the point has been reached where AWEX should require it as a condition for selling wool on the exchange. In addition, it is our view that the Australian state and federal governments should provide any and all support for this decision that would be necessary, appropriate and consistent with Australian law. We call upon AWEX to implement this policy no later than December 31, 2010. In the meantime, we look forward to further communication and collaboration with AWEX on this important issue.

American Apparel and Footwear Association (AAFA)
National Retail Federation (NRF)
Outdoor Industry Association (OIA)
Retail Industry Leaders Association (RILA)
US Association of Importers of Textiles and Apparel (USA-ITA)
Wool Working Group

cc: The Hon. Tony Burke, MP, Minister for Agriculture, Fisheries & Forestry