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AN ECONOMETRIC ANALYSIS
OF THE
FACTORS INFLUENCING
BINNED WOOL PRICES

by
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ABSTRACT

This study analyses appraisal, measurement and price data for 8,500 binned wool lots in an examination of some of the factors affecting wool valuation and price formation. The study explicitly considers:

1. The sources of binned wool price variation and the extent to which these prices are explained by appraised and measured greasy wool characteristics.
2. The relative economic importance of greasy wool characteristics.
3. Relationships between appraisals and between appraised and measured wool characteristics.
4. The effect of economic circumstances on appraisal.
5. The effect of objective measurement on total income and the equity of income distribution among growers.

The study provides evidence to support the conclusion that the present wool auction system has a number of inefficiencies and suggests that the introduction of objective measurement into wool marketing could improve this situation.

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CONTENTS

		<u>Page</u>
<u>CHAPTER ONE</u>	<u>INTRODUCTION</u>	
1.1	THE NEW ZEALAND WOOL INDUSTRY	1
1.2	NEW ZEALAND WOOL MARKETING	1
	1.2.1 The Place of Binning in New Zealand Wool Marketing	3
	1.2.2 The Auction System	4
1.3	WOOL MARKETING REFORM	6
	1.3.1 Evolution of the Wool Measurement Programme	8
1.4	WOOL MARKETING EFFICIENCY	9
1.5	THESIS OBJECTIVES	12
1.6	THESIS OUTLINE	13
<u>CHAPTER TWO</u>	<u>WOOL PRICE FORMATION, THE CAUSES OF PRICE FLUCTUATIONS AND THE EFFECT OF OBJECTIVE MEASUREMENT ON WOOL PRICES</u>	
2.1	INTRODUCTION	15
2.2	WOOL PRICE FLUCTUATIONS	15
2.3	WOOL PRICE FORMATION AND THE CAUSES OF PRICE FLUCTUATIONS	17
	2.3.1 Long Term Trends	17
	2.3.2 Short Term Fluctuations	18
2.4	WITHIN-SALE PRICE FLUCTUATIONS	20
	2.4.1 Price Variation Due to Physical Differences Between Lots	21
	2.4.2 Price Variation Due to Factors Other Than the Physical Difference Between Lots	24
	(a) Lot size	24
	(b) District of origin	26

		<u>Page</u>
	(c) Time of selling	27
	(d) Method of classing	29
2.4.3	Unexplained Price Variation	31
	(a) Variation in buyers' estimates of value	33
	(b) Variations in demand throughout the sale period	42
2.5	PRICE FORMATION AND BINNED WOOL	45
2.6	THE EFFECT OF OBJECTIVE MEASUREMENT ON GREASY WOOL PRICES	46
<u>CHAPTER THREE</u>	<u>SOURCES OF BINNED WOOL PRICE VARIATION AND THE ECONOMIC IMPORTANCE OF GREASY WOOL CHARACTERISTICS</u>	
3.1	INTRODUCTION	49
3.2	SOURCES OF WOOL PRICE VARIATION	49
	3.2.1 Hierarchial Analysis of Variance of Binned Wool Prices	50
	3.2.2 Investigation of the Within-Sale Between-Lot Source of Price Variation	59
	3.2.3 Variation Between Appraisers' Estimates of Value	68
3.3	THE RELATIVE ECONOMIC IMPORTANCE OF GREASY WOOL CHARACTERISTICS	70
	3.3.1 Relative Economic Importance	70
	3.3.2 Changes in Economic Importance Over Time	75
<u>CHAPTER FOUR</u>	<u>RELATIONSHIPS BETWEEN APPRAISALS, BETWEEN APPRAISALS AND WOOL PRICES AND BETWEEN APPRAISED AND MEASURED GREASY WOOL CHARACTERISTICS</u>	
4.1	INTRODUCTION	84

		<u>Page</u>
4.2	RELATIONSHIPS BETWEEN APPRAISALS AND BETWEEN APPRAISED AND MEASURED GREASY WOOL CHARACTERISTICS	84
4.2.1	Correlation Coefficients and Tests Between Individual Means	85
4.2.2	The Relationship Between Appraised Yield and Measured Yield and Quality Number and Fibre Diameter	93
4.2.3	The Distribution of Yield Appraisals for Different Average Measured Yields	112
4.3	THE IMPACT OF ECONOMIC CIRCUMSTANCES ON APPRAISAL	117
4.3.1	Tests of Serial Correlation	120
4.3.2	The Impact of Price Changes on Appraisal	122
4.4	OBJECTIVE MEASUREMENT, TOTAL INCOME AND THE EQUITY OF INCOME DISTRIBUTION	137
4.4.1	Introduction	137
4.4.2	Objective Measurement, Total Income and the Equity of Income Distribution	138
<u>CHAPTER FIVE</u>	<u>SUMMARY AND CONCLUSIONS</u>	
5.1	INTRODUCTION	145
5.2	SUMMARY AND CONCLUSIONS	145
5.3	IMPLICATIONS FOR THE NEW ZEALAND WOOL INDUSTRY	150
BIBLIOGRAPHY		152

APPENDICES

(A)	STANDARD DEVIATIONS OF APPRAISED YIELD AND PRICE	157
(B)	CORRELATION COEFFICIENTS	160
(C)	MEANS AND STANDARD DEVIATIONS OF APPRAISED AND MEASURED BINNED WOOL CHARACTERISTICS	171

LIST OF FIGURES

<u>Figure</u>		<u>Page</u>
1.	The relationship between appraised yield and quality number	100
2.	The relationship between appraised and measured yield	113
3.	Buyers' yield difference and weighted average price difference by sale	125
3A.	Brokers' yield difference and weighted average price difference by sale	126
4.	Average monthly wool prices	129
5.	Average monthly wool prices: fine, medium and coarse wools	130
6.	Buyers' yield difference by sale; 1968/69, 69/70, 70/71	131
6A.	Brokers' yield difference by sale; 1968/69, 69/70, 70/71	132

MAJOR ABBREVIATIONS USED

ANOVA	Analysis of Variance
Aust.J.Agric.Econ.	Australian Journal of Agricultural Economics
B.A.E.	Australian Bureau of Agricultural Economics
J.Text.Inst.	Journal of the Textile Institute
Quart.Rev.Agric.Econ.	Quarterly Review of Agricultural Economics
W.M.S.G.	New Zealand Wool Marketing Study Group
Wool Tech. Sheep Breeding	Wool Technology and Sheep Breeding
W.R.O.	Wool Research Organisation of New Zealand