



AUSTRALIAN  
ALPACA

# AUSTRALIAN ALPACA FLEECE LTD

Newsletter – August 2007

## **BIG INCREASE IN SALES FOR 2007 YEAR**

The board of AAFL is pleased to announce that sales for the year ended 30<sup>th</sup> June 2007 were \$2.68million, compared to \$1.09million for 2006 – this is an increase of 145%. Results will be announced when the audited accounts are completed which is expected to be in late August.

Remember if you would like to add to, or reduce your holding of AAFL shares, contact Geoff Gregory, a respected former AAA Treasurer now retired from alpacas, at [gmggregory@hibis.wbs.net.au](mailto:gmggregory@hibis.wbs.net.au) or Ph (07) 54921610 who has kindly offered to pass on such requests. Recent sales of AAFL shares have been at 40cents.

This year the Annual General Meeting of AAFL will be held in during the AAA National Show in Melbourne in late October (probably on the Friday afternoon). Details of the time and place of the meeting will be sent out in the Notice of Meeting accompanying the annual accounts.

## **INTRODUCTION OF MEMORANDUM OF UNDERSTANDINGS**

Because of the growing demand for Australian alpaca fleece, AAFL would like to ensure a regular and reliable supply of fleece to allow us to meet the demands of our customers and also to engage in the long-term development of various products.

In order to do this, from the coming shearing season, AAFL would like to enter into a Memorandum of Understanding with those growers who consistently supply larger volumes of quality fleece.

Under the MOU those growers who annually supply between 250 and 1000kg will receive an extra 5% above the published price of their fleece.

Any growers who believe they can supply at least 250kg of fleece annually are encouraged

to contact Matt at AAFL to discuss the options and requirements.

## **WORLD ALPACA CONFERENCE, SYDNEY, MARCH 2008**

As growers may be aware the 1st World Alpaca Conference is being held in Sydney during March 2008. As part of the Conference an International fleece show is being held. This show will feature some of the best fleeces being produced from across the world.

As a reward to those growers who support AAFL, between now and February we will be selecting 6-8 fleeces from clips sent to AAFL this season and entering them on behalf of the grower into the International fleece show. All entry fees will be covered by AAFL.

AAFL classers will select fleeces that they believe are excellent (commercial) examples – showing the traits that are important in commercial production. Fleeces chosen will consist of 2 white and 2 coloured huacaya and 1-2 white and 1-2 coloured suri.

To be involved growers will need to include at least the animal's name with each fleece, and owners of selected fleeces will be contacted to obtain the required details for entry. Growers will also need to be members of the AAA.

I would like to encourage all AAA breeders to be involved regardless of the number of animals owned or experience in showing – who knows, you may have an excellent fleece that you just weren't aware of.

## **\$250 WORTH OF PACKS AND BAGS TO THE REGIONS**

At the start of last financial year, AAFL offered all 14 AAA regions \$250 worth of wool packs and clear plastics bags if the region supplied more fleece than the previous year.

I am pleased to announce that 11 of the 14 regions surpassed the total from the previous year and will be receiving their wool pack and bags in the coming months.

*The regions are:*

Southern NSW  
 Central Coast & Highlands  
 Northern NSW/Southern QLD  
 Victoria Eastern  
 Victoria Western  
 Victoria Central  
 WA Southern  
 WA Central  
 South Australia  
 Tasmania  
 Sydney Coast & Highlands

Individual growers or region groups are also able to buy extra wool packs and plastic bags from AAFL. Good quality second-hand wool packs are available for \$4.50+gst, new packs are \$6.50+gst and new clear plastic bags are \$0.40+gst.

### **IMPROVEMENT IN FLEECE QUALITY**

We have seen a dramatic improvement in the overall quality of fleece being received at AAFL over the past few years. The fleece quantities from the last 3 years show that the National herd is rapidly becoming finer while we are also seeing a noticeable improvement in the style. Breeders should be congratulated on the level of improvement made in such a short time.

Some interesting figures from the last 3 years are –

- The total amount of fleece received has increased by 49%

Across all colours the amount of:

- **H1** received has increased by 290%
- **H2** received has increased by 117%
- **H3** received has increased by 8%
- **H4** received has decreased by 2%
- **H5** received has increased by 26%
- The amount of **White & Light Fawn** has increased from 42% to 52% of the total clip received
- The percentage of **NCV** has decreased from 27% to 14% of the total clip received

### **FLEECE TARGET FOR 2007/08 FINANCIAL YEAR**

With the continued growth of the national alpaca herd and continue demand for Australian fibre AAFL is setting a target of 80,000kg of fleece received for the 2007/08 financial year.

### **ULTRAFINE BALE UPDATE**

After assessing the possible and most appropriate market for the Ultrafine bale plus getting maximum publicity it has been decided to create a small run of luxury knitwear from the fleece.

Originally it was hoped that the bale could be turned into fine worsted fabric to produce suiting, however with the limited quantity and the ever present issue of coloured fibres in white alpaca this was not a practical option.

Shortly the Ultrafine bale along with a bale of 15-15.5 micron Australian merino wool will be sent to Peru to be blended and spun.

This will be offered to some of the leading American and European designers. The combination of the high quality knitwear and the association with one of the leading designers will result in the Ultrafine bale being used to create considerable publicity for the Australian alpaca industry both locally and overseas. Hopefully this will also allow the Australian industry to build on its reputation with similar subsequent projects in the future.

Peru was chosen for processing of the bale because of the expertise that their mills have in handling alpaca plus their connections with leading European and American companies that are currently dealing with them.

We hope this "Royal" alpaca product will compete head on with the finest Cashmere on offer in the world.

### **AAFL WORKSHOPS**

In an effort to continually educate alpaca breeders of the correct way to handle and present their fibre AAFL has over the past 12 months conducted 13 workshops in 5 States. A couple of these very successful workshops have been held in-house at AAFL's facility in Sunshine. Having breeders visit the classing facility allows them to see the time and detail that is involved in classing fleece received from across the country. Breeders can also view (and purchase) the ever growing range of products being produced under AAFL's own label "Australian Alpaca Connection". We encourage regions or breeder groups who would like to organise a visit to AAFL to contact the AAFL office to discuss it further.

**UPCOMING WORKSHOPS****Northern NSW – 12<sup>th</sup> August**

Contact Meegan Losurdo for further information [megory@westnet.com.au](mailto:megory@westnet.com.au)

**WA Central Region – 25<sup>th</sup> and 26<sup>th</sup> August**

Contact Kate Fysh for further information [ronneby@bordernet.com.au](mailto:ronneby@bordernet.com.au)

**Tumi Alpacas, Jung (near Horsham) – 25<sup>th</sup> September.**

Contact Rohan Dalglish for further information [info@tumialpacas.com](mailto:info@tumialpacas.com)

**2006/07 CLIP NEWS**

The 2006/07 clip saw the amount of fleece received by AAFL increase by 49% from the previous year.

As mentioned earlier, the improvement in the overall quality of the national clip over the past few years has been remarkable and this was again noticeable in the 06/07 clip.

Some other issues that are of note -

- The presentation of clips has improved with some clips requiring very little or no further skirting once received at AAFL. There is still however a high proportion of the fleece received that has had very little or no prior skirting done to it.
- AAFL still has a shortage of fleece to class from the August to October period. This is a real problem as our manufacturing customers still require classed fleece at this time of year.
- Many breeders are clearly making significant improvements in the quality of fibre they produce – and this includes many smaller breeders. It is these breeders that are setting new standards for the industry and also influencing the lines of fibre that AAFL compile for sale.
- Overgrown suri fleece still makes up the highest proportion of suri received. This has been a major concern to us at AAFL as there is very little that can be done to process overgrown fleece. With a major portion of the suri clip not being fully utilised this limits the development of further markets for Australian suri.

*Please note that recently through various trials we have been able to put overgrown alpaca (to a maximum length of 200mm) through a process that has allowed it to be scoured. This fleece has however not been further processed as yet and we*

*are still unsure of its spinning capabilities.*

- The time between clips being received and being classed was significantly less than previous years. This was a terrific effort by the AAFL classers, helped by a more consistent flow of fleece coming in from growers and FLO's.
- The reduction and eventual eradication of "guard hair" or course primary fibres is still the biggest issue that needs to be addressed – this is especially important in the finer grades.

**Special Thanks** must go to the hard working Fleece Liaison Officers in all of the regions across Australia. Without their help with collection, education of other breeders and passing information on from AAFL to the breeders in their region, the amount of fleece received at AAFL would be considerably less. These FLO's are –

Michael Jack – Central Coast & Hunter  
 Kate Bailey – Central Western NSW  
 Matt Ridley – Hawkesbury/Blue Mountains  
 Bob Richardson – Southern NSW  
 Lee Dunn – Sydney, Coast & Highlands  
 Jessie Raines – Queensland  
 Diane Bulpit – Southern QLD/Northern NSW  
 Derrick Hall – South Australia  
 Alison Broolsma – Tasmania  
 Kelly Ward – Central Vic  
 Rudy Balde – Eastern Vic  
 Robbie Cuthill – Western Vic  
 Kate Fysh – WA Central  
 Greg Smith – WA Southern

**NEW FLEECE PRICE LIST EFFECTIVE 1<sup>st</sup> JULY 2007**

As of the 1<sup>st</sup> of July a new grower fleece price structure is effective. (please see enclosed copy of new price list)

The revised price structure has been based on current world prices for the various types and colours, as well as to reflect strong local demand for specific fleece types.

Recently there have been some positive upward movements in world fleece prices. The majority of increase has been seen in the lighter coloured fleece – white and light fawn. Unfortunately the world price for coloured fleece has remained relatively static over the past 12 months and only very slight improvements have been seen. Market indicators are now suggesting that world fleece prices have peaked for the foreseeable future and are likely to level out.

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AAFL is constantly striving to increase the return Australian alpaca growers receive for their fleece whilst remaining realistic that our customers will only pay a slight premium for Australian fibre over imported fibre.

Some of the important changes are:

- Black has been separated from the other colours and now receives a slight premium in the main fleece lines over the other colours (please note fleece must be true blacks with no lighter tipping, or white fibres). This is due to higher market demand for black fibre over browns, greys etc.
- Black H2 and S2 lines have been introduced due to the constant improvement in black fleeces being produced.
- Because consistent markets have been found for Good Pieces and Vegetable Matter fleece we have been able to increase these prices by 100% across all colours.
- H5 (A length) across all colours has also had a significant rise in price. We are in need of all available H5 to meet the demand from our carpet-manufacturing customer.
- Suri D length fleece is no longer NCV.

### **AAFL ON-LINE & SUNSHINE SHOPS**

All growers are invited to visit the new AAFL Website at [www.aaf.com.au](http://www.aaf.com.au) to find more useful information such as pre-classing and shearing advice, fleece delivery forms, fleece bag slips, etc. Please also visit this site to see the wonderful new range of quality alpaca products available, and remember that all growers registered with AAFL are entitled to deduct 15% from the advertised price.

The new shop at our Sunshine head office and warehouse is now open Thurs-Fri 9AM-5PM or by appointment at other times. Many growers are finding it handy to call in when dropping off fleece or collecting woolpacks and bags.

### **AUSTRALIAN ALPACA CONNECTION PRODUCTS**

The new product wholesale division of AAFL is steadily becoming established on both the Australian market and overseas, with sales and customer base increasing every month. Product development in homewares, men's and ladies coats and knitwear, along with accessories are proving to be market hits in

both colours and styling. We invite you as growers to provide suggestions in improving the relationship link between product and farm, which we believe can only bring added harmony to this exciting industry. Any comments, or suggestions can be direct to Ian Johnston, Marketing Manager at [ianj@aafl.com.au](mailto:ianj@aafl.com.au)

### **NEWS FROM THE REGIONS**

#### ***New FLO for Southern Queensland /Northern New South Wales-***

Recently Diane Bulpit has stepped down from her FLO position for the Nth NSW/Sth QLD and Stewart Mackay has taken on the role. I would like to thank Stewart for putting his hand up and filling the position and also many thanks to Diane for her time and efforts whilst in the role as FLO.

Stewart can be contacted at [sequoiaalpacas@yahoo.com.au](mailto:sequoiaalpacas@yahoo.com.au)

#### ***Victoria Eastern Region –***

A fantastic effort from the Vic eastern region has seen them consign more fleece to AAFL this year than ever before (12,330kg in total). Much of this increase is a direct result of the region encouraging more fleece collection days and also having arrangements with local feed stores that act as collection points and provide transport for fleece.

#### ***WA Southern Region –***

A fleece collection day has been tentatively set for Sunday the 3<sup>rd</sup> of Feb 2008. Further details will be announced closer to the date.

Congratulations must also go to the WA Southern region for consigning a record amount of fleece to AAFL this year from the region.

Contact Greg Smith for further details

[future.alpacas@bigpond.com](mailto:future.alpacas@bigpond.com)

#### ***New FLO for Sydney, Coast & Highlands-***

Cathy Proctor has recently taken on the role as FLO for the S,C&H region. She has taken over from Lee Dunn. Thank you to Cathy for offering to file the role and also a big thank you to Lee for all his work as FLO. Cathy can be contacted by phone on (02) 48445455 or by email at [alpacas@hotmail.net.au](mailto:alpacas@hotmail.net.au)

#### ***Southern New South Wales Region –***

Once again FLO Bob Richardson has helped this large region to ship a record 120 pressed bales from the collection point in Yass (this did include some bales from SCH and CNSW region). Special thanks to Gordon Litchfield Wool for allowing the Southern region to use their facilities. Bob has lots of wool packs and bags, so contact him before shearing.