

Over 50,000kgs sold since 2010!

1 Pigeon Rock Road, RD2, Cromwell 9384, New Zealand pacificalpacas.com

January 21st 2016

Pacific Alpaca's is now in its 6th year of operation, having paid out over \$400,000 to growers since 2010 with our average pay out price increasing from \$3.22 per kg in 2011 to \$8.24 per kg in 2015, a massive 256% increase! Our target average payout for 2016 is \$8.42 per kg and hopefully more!

We have a 100% payout record.

Our collection period is typically December to March, with pay-outs the following November to early December. It is our policy not to collect fibre until the previous season's pay-outs have been completed.

Pacific Alpacas collected over 10 tons of fibre last year and completed our 2015 pay out, which totalled in excess of \$85,000, on schedule early in December.

Our target for 2016 is to collect 15 tons of fibre from at least 200 growers and increase our minimum pay out to \$6.50 per kg, up to \$20/kg for the highest quality and best presented fibre. We also hope to shorten pay-out delays as we improve our sales channels and tighten up on our payment terms.

Please note, that unlike some we accept both the blankets and shorts, i.e. all fibre off the animal, for both Huacaya and Suri.

Efficiency and Quality Control:

We are implementing new and tighter systems and controls this year in the never ending drive to improve productivity while driving down wastage and costs so that we can return the maximum possible pay-out to you, our growers. To help with this we ask that you do some really simple things to make the collection process as quick and easy as possible.

1. Please, make sure your fibre is as free of sticks, dirt, stones and any other detritus as possible. Some growers still do not seem to realize the potential value in their product; they are not removing the vegetable matter, nor skirting at shearing, and are not being aware of the fibre lengths required to get the best price. This affects pay-outs.
2. Please clearly label every bag of fibre you have for collection with:
 - a. Farm Name and/or your name.
 - b. Contents; e.g. white blanket, white shorts, black blanket etc.
 - c. Bag number and total number of bags.
 - d. And if you can, the gross weight of the bag. This is not essential, we will weigh the bags on pickup anyway and again upon arrival at our collection depot.
3. Please tape, tie or otherwise secure your bags closed.
4. Please complete the attached forms as fully as you can and give them to the collection person at time of pickup. This would be a great help but don't worry if you don't have a printer and therefore can't print and complete them, our pickup person will have blank forms with them and they can complete them at pickup if necessary if you could just have your bank account and any other necessary details at hand when they get to your place.

Please understand that the higher quality and better presented your fibre the greater the pay-out per kg you can expect. Some growers even have their fleeces micron tested and include this in their consignment sheet and while this is not necessary it does provide a good baseline for us to ensure our classers are accurate.

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We have drivers travelling throughout New Zealand over the coming weeks to collect fibre and would welcome your participation if you wish to take advantage and save freight costs.

I have attached a consignment form on what categories and micron ranges we class fibre to and the details we require, for sorting and payment. I have also attached a sheet we use to record weights per bag. It is not essential for you to weigh your fibre which will be weighed upon arrival at our depot and a copy of the weights emailed to you. If you are unable to print out either of these forms, no worry our driver will have some with him at the time of pickup.

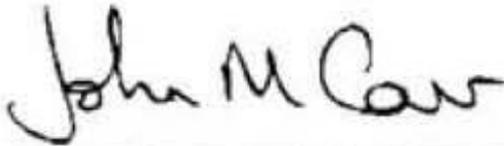
If you have any questions or want to know more about us please feel free to visit our website at www.pacificalpacas.com or contact one of our team below. You will find a list of our collection points, participating growers and downloadable forms under Fibre Pool on the site.

North Island: Michelle on 021-762 051 or michelle@tika.co

South Island: Teri on 0297 700 005, or teri@ggocc.com

Please let me know if you want to receive our newsletters and I will have you added to our mailing list.

Best regards,



John M. Carr