



[www.pacificalpacas.com](http://www.pacificalpacas.com)



1 Pigeon Rock Road \* RD2 \* Cromwell \* NZ \* 9384

December 29, 2011

To: Alpaca Fibre growers

Well that year went fast! Just over 12 months ago, when I was assured we had an export order I put into play a new business to collect 10,000 kgs of alpaca fibre. Little did I know then, that, 3 months later, the order would be cancelled. For the past 12 months we have however scrambled to sell the scoured fibre in order to fulfill my promise to you.

All the fibre has been sold. Not paid for in full yet, but it has all been invoiced. For those of you who have not received the final installment, we have been assured by Wadsworth Heap that payment will be made by the end of the 1<sup>st</sup> quarter in 2012.

Wadsworth Heap has found other financial backers, and now is in competition with Pacific Alpacas. We are aware that they have already collected fibre, which is obviously very disappointing for us.

Consequently, there are several items that I feel need to be clarified for you:

- 1) Wadsworth Heap is not representing Pacific Alpacas and we have nothing to do with their operations, we expect them to honor their obligations and pay for the fibre that they have sold, but as of yet, have not collected payment. They are a well established old wool broking business that has obviously seen some benefit in expanding their product offering to include alpaca fibre. They have led us to believe that they expect to pay out the balance in the first quarter 2012.
- 2) Sam Gonzalez still works for me in Cromwell and will be heading up collection activity again in 2012.
- 3) Michelle works for me and will be handling the accounts and coordination of payments and invoicing.
- 4) We have appointed agents to collect fibre in the South of the South Island and the North of the North Island.
- 5) We have identified the biggest expenses to be
  - a. Scouring – this is a fixed cost that is \$1.35 / kg (almost 5 x wool prices as it is difficult to handle) and nothing we can do about it – has to be done
  - b. Sorting – we spent 70 cents / kg for sorting this year. We have taken a number of steps to cut this in at least half this year.
  - c. The biggest expense by far was freight. We paid \$1.75 / kg to freight fibre around the country. This time we have limited the options for fibre collection.
    - i. Sam, or one of our agents will arrange a convenient time to come and pick up your fibre at your farm gate, weigh it, and give you an initial receipt
      1. We will, this year, give you wool fadge(s) for putting all your bags into, so that we can keep all your fibre together. We will swap fadges with you the next cycle.



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- ii. While we maintain a shipping account with PBT – you will not be able to charge our account to ship fibre. You will be able to use the account for shipping details but you will be required to arrange payment prior to shipping
  - iii. You can drop it off at agents location in the North Island or the two locations in the South Island
  - iv. You can freight fibre at any time to Cromwell through any other method you choose. We strongly suggest the only way to ship is PRESS PACKED bales weighing more than 100 kg to get the best rates.
- 6) We will separate out the Suri from the Huacaya fibre as there is interest from Australia in larger quantities.

I hope that by being transparent in our costs and with full disclosure of all the expenses, that you will allow us the opportunity to collect and process your fibre again in 2012. Currency rates have come back almost 10% and; we have purchased a hydraulic press to ensure more efficient bale sizes to the scourer.

Our goal this year is 7,500 kg, down from the 10,000 kg we collected last year for a number of obvious reasons, but, at the time of writing we have over 1,000 kgs and some initial positive responses.

As alpaca owners in a tough economy, you are now faced with more decisions as to what to do with your fleece. You now have a number of options with whom you deal with going forward. We hope that you will continue to support this venture in growing the channels of fibre distribution.

The past year has shown that 10,000 kgs of fibre from a pool is possible, but will take patience and time to develop. Having identified the areas for cost control, I am hopeful of increasing the payout to fibre owners this year.

I am intensely aware of the “here we go again” issues associated with the fibre pool business. Having put my reputation and time on the line a year ago to get this project off the ground, I am loath, now to see it taken away. Personally I still have 108 animals that have great fibre that which deserves a great end use, and for this reason alone, I am committed to the business for the long term. I hope this reassures you of my commitment to you as fellow breeders.

As usual you can contact me directly (+64 21 950 204 or [john@carr.co.nz](mailto:john@carr.co.nz)) if you have any questions, and I look forward to your continued support this coming year, and those thereafter.

Yours sincerely,

John M Carr



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**Fibre Consignment Receipt - 2012**

Farm Name:			
Contact Person:			
Address:			
Suburb:		City:	
Post Code:		Telephone:	
Mobile:		Skype:	
Email:	@		
Website:	www.		
Add me to <a href="http://www.pacificalpacas.com">www.pacificalpacas.com</a> as a supplier:		YES	NO
GST No. (if registered)			
Huacaya		Suri	
Total Bag Weight			Shipped via:

Bin Line	Description	Your Weight	Accepted	Verified by:
	<b>Shorter than 3 inches</b>			
SFWS 17	<20 Microns White			
FWS 13	20-25 Microns White			
MWS 14	26-30 Microns White			
CWS 20	>31 Microns White			
FCS 22	<25 Microns coloured			
CMS 16	26-30 Microns coloured			
BlkCS 17	>31 Microns Black			
Brn CS 23	>31 Microns Brown			
Lt Brn CS 24	>31 Microns Light Brown			
Bg CS 25	>31 Microns Beige			
Gy CS 26	>31 Microns Grey			
	<b>Longer than 3 inches</b>			
SFWL	>20 Microns White			
FWL 2	20-25 Microns White			
MWL 3	26-30 Microns White			
CWL 4	>31 Microns White			
OWL 19	20-30 Microns Off White/Cream			
SFCL 14	<20 Microns coloured			
CCL 15	>31 Microns coloured			
BL 6	20-30 Microns Beige			
LBRL 18	20-30 Microns Light Browns			
BRL 12	20-30 Microns Dark Browns			
GL 10	20-30 Microns Grey			
BLKL 8	20-30 Microns Black			
VM Heavy	Vegetable Matter Heavy			
Unusable	Unusable			