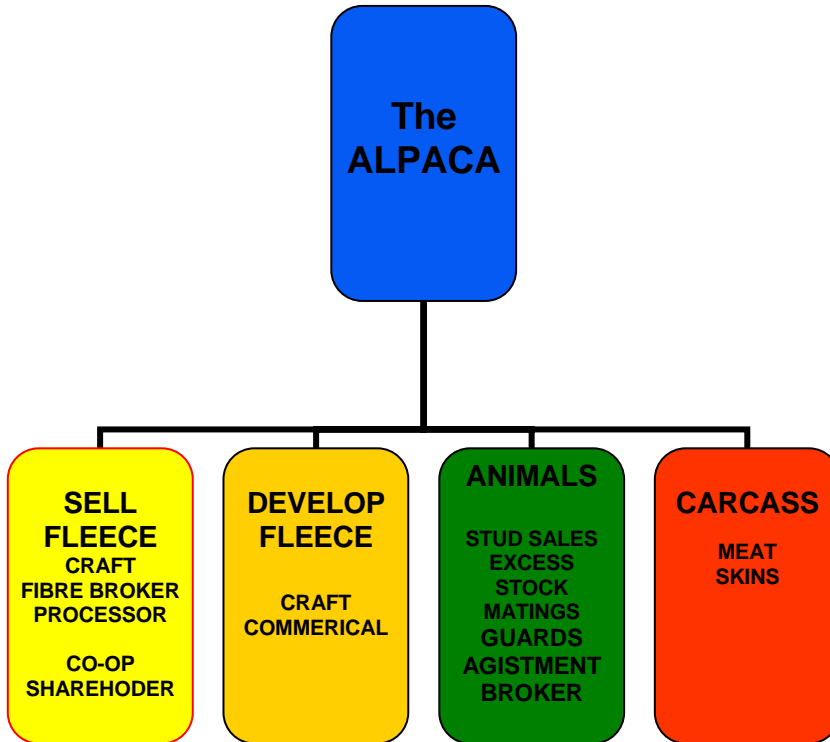


MAXIMISING YOUR RETURN FROM ALPACAS (VALUE ADDING)



derived.

1. **SELL FLEECE:** sell alpaca fibre directly to a fibre broker or processor for a current International greasy fibre price.

Sell alpaca fibre directly to a co-op (of whom you are a member) for a fibre price, and receive a yearly dividend.

Sell to a hand spinner or craft person for a higher price. This would require more stringent fleece preparation, as hand spinners want completely vegetable matter free fleece.

2. **DEVELOP AND VALUE ADD** your fibre either at a craft/boutique level or if you have the volume of fibre, then at the commercial level.
3. **ANIMAL SALES:** Stud sales. Matings, sale of excess stock and guards. You can also become a Broker and / or supply agistment to your clients.
4. **CARCASS:** Meat and skin sales

Today, not all alpaca breeders have fully explored potential earnings from “the total alpaca.”

There is a strong push for co-ops and fibre development into commercial products as well as a small number of breeders who are developing products at a craft/boutique level.

One could argue that not all breeders could do this, and this is probably right. Value adding takes a lot of hard work, design skills and an ability to sense what the market will purchase. “But” the opportunity is there for all.

Looking at the flow chart there are four main groups where income can be

SELL FLEECE: CO-OP

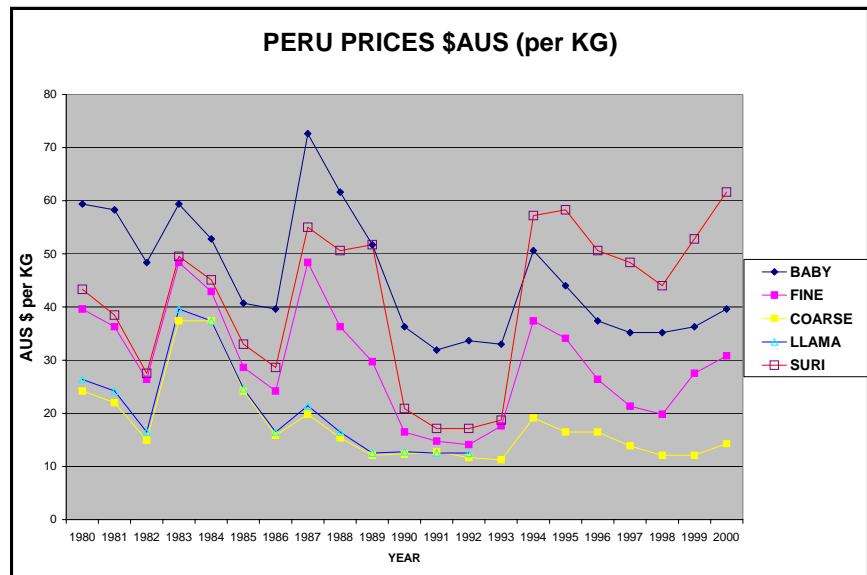
You can sell your alpaca fibre directly to a co-op (or like) for a current international greasy fibre price. There are normally handling costs like classing and freight.

Note... SUPPLY / DEMAND

The total production of Alpaca fibre world wide (**supply**) and the demand from international fashion industries (**demand**) is the major factors in the final value of the Alpaca fibre.

Whilst supply is low and demand is maintained, a premium should always be available for this "fibre from the Gods". Breeders of alpaca fibre should keep in mind that the premium prices are paid for the finer fibre.

Processors are now also looking for good styled fibre so as to maximise the softness, loft and general behaviour of the fibre in the end product.



This 2000 Graph shows the values per micron as well as yearly fluctuation up to that date. These fluctuations are part and parcel of the world fibre pricing.

As this article is going to print, the alpaca fibre industries are suffering a decline in prices which is said to be mainly caused by the severe Global recession.

Breeders should refer to their Co-Op or fibre purchasing Broker, for their latest price structure.

Current price resource

AAFL Australia (www.aafl.com.au)

CCFC Canada (www.fibrecoop.ca)

AFCNA USA (www.afcna.com)

ALPHA TOPS PRICES
(www.alphatops.com)

Cooperatives offer a place to sell fibre and if the breeder is a shareholder of the co operative, has the opportunity to share in the net return by way of bonuses or product. Some co -operatives will sell raw fibre to industry in commercial lots and some will value add.

AUSTRALIA

The first co operative was established in 1995. It was a breeder organisation (with a lack of incoming fibre) that worked hard to find and create markets for alpaca fibre. They funded research to find uses for the fibre. The Co-op invested significant monies into purchasing textile machinery. Early production was in doonas (duvets), yarn, rugs, blankets, socks etc. The mill was considered not profitable and was closed. The co-op formed strategic partnerships and high quality cloth was made, albeit blended with Merino wool because of the lack of fine fibre. It was at this stage that it was decided to support the strategic partners and withdraw from its own creation of product. It was the co-ops job to supply well classed raw fibre for product production.

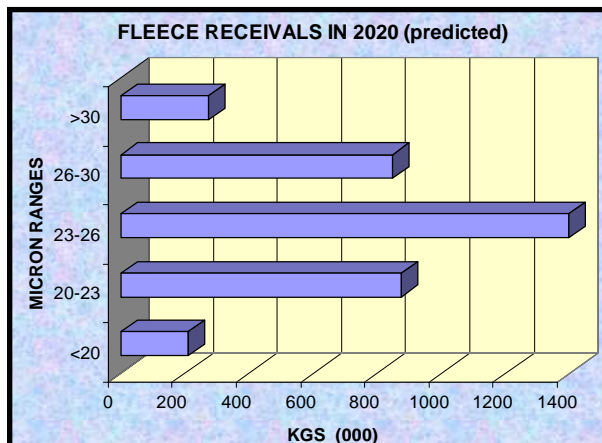
Currently Australia wide has around 115,000 alpacas producing an average 2 kgs. This would mean a total of 230,000 kg of which the co op (now known as Australian Alpaca Fleece Limited which was established in 2004) is hoping to receive over 100,000 kg in the 08/09 season. AAFL has been classing into 95 lines of Huacaya and 46 lines of Suri with 10 basic colours and 5 micron ranges

- < 20
- 20 – 23
- 23 – 26
- 26 – 30
- 30 + coarser

The lines may be altered in the future to represent current trends in the market place.

Along with all other animal fibres there has been a reduction in demand for products, which in turn reduces the price that processors are prepared to pay for the raw product. At the National Alpaca Show AAFL announced the new fleece receival procedures and price structure for the 2009/10 season. AAFL now will be regularly adjusting their price structure according to the international market. AAFL have also advised that they have decided to take their classing establishment to a dedicated classing facility in Arequipa, Peru. It is their belief that the savings in classing, scouring and value adding can add more return to the Australian alpaca.

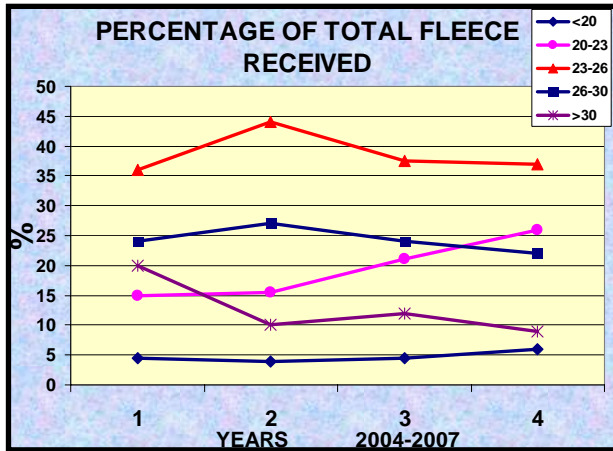
PLEASE REFER TO AAFL WEBSITE.



AAFL's vision for the year 2020 is for receivals of around 3.5 millions kgs.

Michael Talbot, Managing Director of Australian Alpaca Fleece Limited, made these predictions at the 2008 International Conference in Sydney Australia

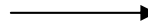
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(Graphs adapted from Talbot 2008)



Changes in overall quality are noticeable over the last four years.

The coarser grades are dropping in number and the finer grades increasing their percentage of the overall clip.

AAFL has created their own logo “**Australian Alpaca Connection**” (owned by all shareholders of AAFL). This was done to value add as there was insufficient margin in just buying and selling fleece.



AAFL’s goal is to expand the label into the Northern Hemisphere so they can sell products over the full calendar year.
(Photos AAFL)

There are approximately 11 strategic partners. The alpaca products cover:

- Fine spinning yarns
- Dress and work socks
- Blankets and throw rugs
- Men’s and Women’s knitwear
- Quilts and underblankets
- Fashion knitwear
- Coats
- Wall hangings
- Scarves, shawls
- Suiting fabric

Just to mention a few.

One of Australian Alpaca Fleece Limited clients is **Waverley Woollen Mills** in Tasmania. This mill is Australia's oldest mill, built in 1874 on Distillery Creek in Launceston. The mill was known for its supply of soft water from the creek and the large water wheel which was used to drive the machinery. WWM is also famous for its master weavers in the early days and now some 135 years later this mill is processing alpaca tops produced by AAFL from Australian alpacas. The mill purchases white alpaca tops of around 22 microns to make a "boucle" fancy yarn which they use to weave alpaca blankets and throw rugs.

These examples indicate what is possible as a co - op or organisation like AAFL, expands with grower support of their fibre. Without grower support this would not be possible.

It should be noted that large processing companies in China who are now processing a large proportion of the fibre industries only process over 10,000/50,000 kilos in a batch with a preference of 20,000/50,000 kilos.

In Peru where the line of fibre is very fine and good quality, they will process in 500 kilo batches. The coarse fibre lines are in 1,000 kilo minimum batches. The high value small lots are obviously more costly to produce.

In recent discussions with Peruvian processors they emphasised that the future for alpaca to be a specialist fibre would mean that we must produce much more fibre below 22 microns as this is where most high fashion garments come from. They also stated a preference for white fibre.

USA

In the United States of America the current alpaca population is around 120,000 animals, of which about 18.6% are Suri.

With an estimated 120,000 alpacas with a cut of 4.4 lb per animal, would yield approximately 528,000 lbs of fibre for processing.

AOBA has about 4487 members. Only 857 members are in the AFCNA (co-op).

AFCNA (USA CO-OP)

- **Except for Australia, AFCNA collects and processes more fibre than any other cooperative or fiber pool outside of South America.**

AFCNA is creating the infrastructure needed for a commercial alpaca fiber industry, while continuing to support the cottage fiber market.

1. Over 1300 member farms in the US and Canada stand ready to contribute portions of their fiber production.
2. The commercial product pipeline (from sorting/grading to finished products) is already established.
3. The North American manufactured high quality finished products are comparable in price and quality to South American goods.
4. The registered trademark "North American Alpaca" certifies that the fiber content is at least 60% North American raised alpaca.
5. The finished product distribution network has over 200 alpaca farm stores and wholesale accounts.
6. Designer line partnerships have enabled members to buy high fashion goods at substantial discounts.

What the co-op does with the fibre

- AFCNA's top grades are the "Extreme Socks" line which is trademarked.
- The line includes regular, boot, and slipper socks.
- The yarn used in making the socks is made from the fibre contributed by AFCNA member/owners, and manufactured in the US.

THE YARN

- The yarn is made into skeins of 6 natural colours (Rose Grey, Natural, Black, Charcoal Grey, Fawn, and Brown).
- There are two weights for the skeins of yarn, bulky and DK.

Sharing fibre available in the USA is,

- AFCNA (Co-Op),
- crafts people,
- small & medium processors,
- breeders value adding

CANADA

Today's alpaca breeders in **Canada** are not fully exploiting potential earnings from "the total alpaca." There is a strong push for the CCFC (co-op) to move into commercial products as well as a small number of breeders who are developing products at a craft/boutique level. There are 14 CRAFT/BOUTIQUE listings on Alpaca Canada web site. One could argue that not all breeders could do this, and this is probably right.

There are about 25000 alpacas in Canada of which about 1000 are Suri. The current membership in the CLAA/Alpaca Canada is about 450 of which only 169 members are in the CCFC (co-op). Out of the co-op's total membership, about 1/2 of those members are "active", meaning that they actually participate by sending in fibre or buy product from the Co-op.

Having 25000 alpacas growing, say an average of 2kgs, would mean Canada has a production of 50000kgs of fibre to sell.

In 2007 the Canada Camelid Fibre Co-op met the goal of getting 4545 kgs (10 000 lbs) of fibre.

GRADE	% RECEIVED
1 (under 20 micron)	2.1%
2 (20-22.9 mic.)	8.6%
3 (23-25.9 mic)	25.9%
4 (26-28.9 mic)	23.8%
5 (29-31.9 mic)	19.8%
6 (32-35 mic)	19.8%

What the co-op does with the fibre;

Grade 1, 2 and 3 is made into hand knitting yarns. The white and cream, long staple **grade 1 and 2** is made into a worsted yarn and then taken the next step to a knitted lace scarf.

Grade 4 and some **grade 5** are made into socks. Long staple into better quality socks from worsted yarns. Short staple fibre goes into a work sock from a woollen yarn. All of the woollen products are blended with 30% wool.

A portion of the **grade 4/5** is also made into a lopi weight woollen yarn and then taken further along the value chain to create hand-woven blankets.

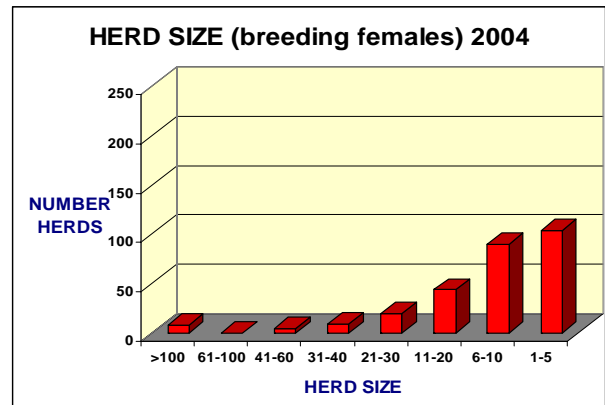
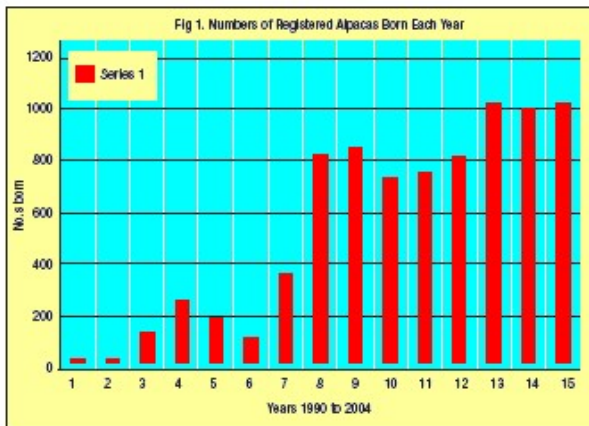
Some of the short staple fibre in the better grades is also made into rovings for handspinners, but only a small amount of about 30kg annually.

Grade 5 and all grade 6, long and short staple, is made into batts for a bedding line and some goes to insoles. The batting is also for the pillows and duvets and is blended with 30% wool. The insoles are 50/50 alpaca/wool.

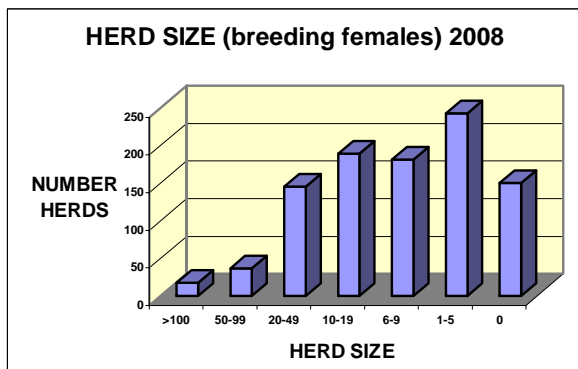
Currently the Canadian Association and Co Op are discussing the financial future of their classing establishment. It is obvious with their low number of alpacas, costs in running such an organization particularly when most of the work is voluntary, and only average support from the breeders, hard decisions will need to be made on how and if the co operative classing establishment is able to continue in its present format.

BRITAIN

In 2004 about 480 people owned alpacas in Britain, with 7161 registered animals. The average herd size was 10 with the largest 8 breeders having 1661 between them.



Between 1997 – 2004 there were a steady number of births per year of around 800 – 1000 cria.



Australia, which started in the late 1980's (some 10 years earlier than Britain), now has some 8400 Huacayas and 11000 Suri (Total 95000) with 2088 active breeders (average of 45.5 head per breeder).

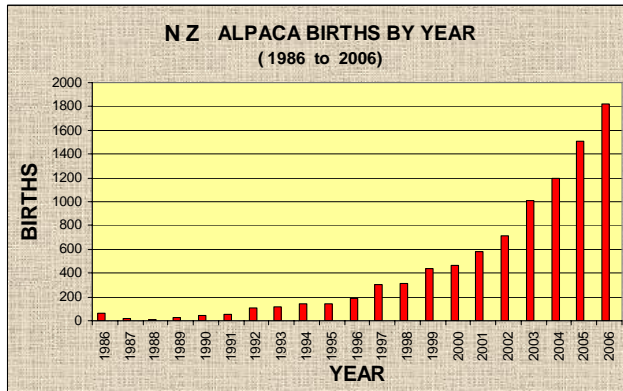
Britain today has around 17777 alpacas an increase of 10616 head, up some 148% from 2004. There are approximately 1000 members, having 963 herds. This gives a herd average (including geldings) of 18.5, a 185% increase. Of the total herd 6813 are white (38%)

If we assume there is an average of 2 kgs shorn from each alpaca then we should have around 33436 kgs of fibre in Britain.

With an unsuccessful Co - op behind the industry what do BRITISH breeders do with their fibre? When you realise that Australia with some 100,000 alpacas, has only just got minimum support in volume, how does Britain run a Co-Op. In the interim there are breeders who are value adding, who might purchase the fibre.

NEW ZEALAND

New Zealand's current herd started in June 1986 with 2 alpacas purchased from the Chester Zoo in England. The following year an import was stopped due to quarantine issues in Chile. Finally in January 1989 some 1050 alpacas were imported into New Zealand. A later shipment that year to NZ was on sold to Australia and other buyers. So the New Zealand industry was established.



In the year 2000, it was estimated that around 2100 alpacas were in New Zealand compared to an estimated 15,000 in 2008. (Increase of 714%)

Number of registered births in NZ by year - 1986/2006 (AANZ 2008)

This graph demonstrates the rapid increase in alpaca numbers.

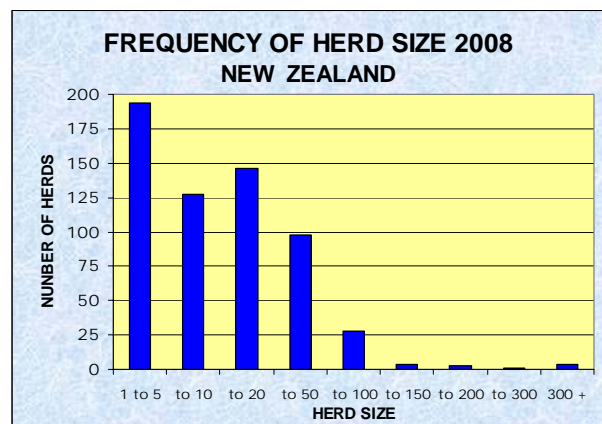
The NZ registry working group in 2008 found the following estimates

HUACAYA	13489
SURI	1884
TOTAL	15373

The herd size compared to the number of breeders (605) is shown in this graph.

The average herd size was 19. The largest 20% of the herds owned 65% of the total alpaca population.

New Zealand has never had an alpaca fibre co-operative, and when considering the total number of alpacas (approximately 15,000) and using the success rate of countries with similar amounts of alpacas it would be fair to say that this is probably a good thing. However, several entrepreneurial breeders have produced alpaca fabric and clothing as well as collecting fibre on behalf of other breeders and having it spun into yarn.



(Richards 2008)

So the question begs, how much fibre is needed for a successful co-op?

I suspect more than 80000 alpacas and breeder support.

FIBRE BROKER OR PROCESSOR

AUSTRALIA

Creswick Woollen Mills was founded in 1947 in Creswick, a historic gold mining town located near Ballarat. The Mill has a long tradition of manufacturing high quality natural fibre products for the Australian and Overseas markets. As Australia's last remaining coloured woollen spinning mill of its type Creswick Woollen Mills processes wool & Alpaca fleece purchased from Australian Farmers wherever possible. Creswick have a wide range of Australian Made and imported products utilizing Cashmere, Alpaca, Merino, Cotton, Silk and Bamboo.



(Alpaca blanket)

There Alpaca product range includes blankets, throws, billabong picnic blankets, socks & fashion accessories.

Creswick Woollen Mills only runs a Woollen line (No Worsted Spinning).

CWM is increasing every year the quantity of fibre sourced directly from alpaca breeders and is committed to ongoing manufacturing in Australia. They have a goal to use Australian alpaca fibre in Australian made products.

CWM do not process alpaca breeders own fleece to be returned to them. They only purchase fibre. CWM has implemented a system to ensure that each kg provided by a breeder is tracked. As a consequence each breeder will have the opportunity to buy product from a spinning batch containing their fleece.

(Alpaca socks)



AUST & NZ

ALPACA ULTIMATE

A partnership of Australian (Penny Pittard of Currabungla Alpacas, Marilyn Mathews of Daisy Bank Alpacas) and New Zealand (Brian Kitson & Maggie Sewell of Adobe Alpacas) alpaca breeders have created an enterprise for processing, design and manufacture.

Alpaca Ultimate's goal is to secure a profitable commercial market for alpaca fleece for the future of the alpaca industry. They believed that the local industries would never focus on this most profitable end of the market if there was no financial incentive to do so.

Their main focus is on the ultra and superfine end of the alpaca fibre (14 – 21 microns) with good style and freedom from guard hair. They are currently purchasing fibre in this micron range for above market value with the main emphasis to encourage alpaca breeders to grow finer fleece. They grid test the fleece prior to classing to enable exact measurement of the superfine bales.



Their plan is to create 6 different weave patterns and 3 colours using 100% alpaca fibre



The aim here was to create a run of fabric with a mix of fibres as well as another run of 100% alpaca this time in solid colours.

The Black & Beige fabrics are the 100% alpaca fibre, whilst the Grape & Teal fabric is a blend of 85% alpaca with 15% silk.

This fabric utilised 21 micron fibre.

The lightweight alpaca fabric was woven in NZ.

The next project moves to the manufacture of fabric of 19 micron alpaca in a 100% alpaca fabric.

BRITAIN

In Britain, another purchaser and processor of fibre is UK Alpaca Ltd of Devon UK. This is run by Chas Brooke and Rachel Hebditch. Chas and Rachel are alpaca breeders with over twelve years of alpaca experience and are some of the early pioneers of the British Alpaca industry.

Through their fibre company they purchase approximately 4 tons of Huacaya per year grading it into two micron groups, 20 microns and finer and 21 – 26 microns. They also class into five colour groups.

Their basic aim is to supply the wholesale side of textiles where they supply coned yarn to a number of manufacturers and knitwear designers and also support the retail sector through internet and mail order with their knitting yarns.

The product is British grown and manufactured. They have their raw fibre carded, combed and worsted spun in a working museum in Uffculme.

They hope to start processing Suri this year (2009).



SMALL COMMERCIAL ENTERPRISES

MINI MILLS

Many owners of mini mills around the world are value adding, either for themselves or processing fibre into yarn for alpaca breeders.

NEW ZEALAND

Nestled on the outskirts of Hastings, in the Maraekakaho valley, the **Mesa Natural Fibre Mill** specialises in processing fine, exotic fleeces. **Tessa and Peter McKay** have developed the necessary skills to produce top quality, custom specified yarn from a variety of Alpaca fleeces (Huacaya and Suri) and other exotic blends such as Silk or Angora.

Mesa Natural Fibre Mill is able to process from a few kilos through to larger quantities so will be able to meet most processing requirements. The Mill uses the latest technology from Belfast Mini Mills.

Some of the product Tessa and Peter produce are,
 Felting
 Batts or bumps
 2/4 ply
 5/8 ply
 Bulk above 8 ply

(Creating batts)



AUSTRALIA

Anne Marie & Trevor Harwood of Echo Beach Alpacas at Mt Barker, South Australia purchased their mini mill in 2004. They were spurred on by the lack of such equipment in Australia at the time and saw the need for small breeders to be able to value add their products. Although the through-put is relatively low (1 person = 6kg a day) - the quality of the finished item is excellent Note: (a Mini mill out put on average is around 12-16 kg per day).

Anne's Mill consists of a variety of machines which takes the raw fibre and converts it into various forms. The process is carried out using a semi worsted system. Anne runs 2 lines (huacaya & suri)

The basic process is

1 Opening prior to washing and conditioning

The picker opens up the staples and allows for a more thorough cleaning.

2 Scouring

The fibre is placed into the washer which has 3 compartments to allow for washing multiple fleeces. The washed fleece is then placed onto racks to dry. The fleece is then weighed and conditioned.

3 Dehairing

The cleaned fibre is then sent through the dehairer which separates out the coarse fibres & foreign matter.

4 Carding into rovings or batts

The output of the Dehairer is then sent through the carder. Here we can have either roving into cans to go to the spinner, or into batts for feltings. The rovings for hand spinners can be processed into bags or into bumps.

5 The Drawing.

This "Drawframe" machine aligns the fibres and is repeated 2-3 times for added consistency of the rovings prior to spinning

6 Spinning & Plying

(PLYING)

The cans of rovings are then spun into singles of your desired thickness which are then plied.

7 Steaming & Cone Winding

The plied yarn is then steamed to set the twist and put up onto cones. From here, it may be wound into Skeins & Balls.



Anne's mill, process fleeces from breeders around Australia into rovings for handspinners, yarn in 2-10ply, batts & felt.



They also buy fleece from breeders to value-add by processing into product for sale.



Anne Marie is a weaver and uses the coarser fibres from the older alpacas for rug wool. There are some 5 special looms.

She also makes a range of handbags and wall hangings from felt. Doonas and dog beds are also made from the fibres which aren't good enough for yarn.

REQUIREMENTS FOR A STANDARD MINI MILL

Mini Mills have some restrictions when compared to their big brothers although these are small. Anne Harwood from Coffs Harbour, Australia made these comments for her "Mini Mill" requirements.

VEGETABLE MATTER is the hardest item to remove in the processing chain through this system. Therefore when sending fibre to be processed, make sure that vegetable matter is at a very low content.

STAPLE LENGTH

Staple length should be no less than 75mm (3 inches) and no more than 120mm (6 inches). It is preferable if the length does not vary too much in your batch for processing and a tolerance plus or minus 25mm (1 inch).

TENDER FLEECES

Tender fleece should not be placed in your batch for processing.

INSECT INFESTATION

There should be no evidence of lice, moth or other insect infestation in the fleece being sent for processing.

QUANTITY

Quantity is determined by the mini mill you are dealing with. Some operators will go down as far as half of one kilogram with a maximum of around 10 kilograms. This of course as mentioned is negotiable.

GUARD HAIR

When making a good knitting yarn, as much guard hair as possible should be removed from the fleece. If a coarse, hairy line is being made for furnishings or like, then this is not an issue.

TIPPY FLEECES

Some tippy fleeces may contain excess vegetable matter, mud or be very tender. Always check these fleeces to see that none of these problems have occurred.

DEVELOP FLEECE

CRAFT/BOUTIQUE

These areas are perfectly placed in a niche market for those alpaca breeders who wish to value add their own fibre. This area enables the smaller breeder to indulge themselves with coloured alpacas whose colours will suit those buyers who frequent these boutiques for hand/machine spun and manufactured garments. Certain colours become sought after however these do change from time to time.

It is important that anyone going in to value adding of their fibre must be aware of normal business practice, the processing systems and what the customer is currently purchasing. Gone are the days where you can throw a bit of poorly spun yarn in front of the client, as people are more educated today about the alpaca fibre.

The first process in the chain is to establish where you will have your fibre spun. Small mills would probably take quantities of around 100 kg of similar micron, length and acceptable style. Colours could be blended to your particular needs. Smaller quantities may go to a mini mill with around 10 kg minimum lots. Larger commercial mills would prefer 3 – 4000 kg in a run. However, mills will adapt for clients needs and these figures may be reduced with negotiation.

When deciding on choice of processing you obviously need to be aware of what you are making as an end product as this will decide the machine settings and whether the fibre is to be processed on the woollen or worsted system. Remember, whatever you do, prepare your fibre correctly because reputations are made and broken very easily in this industry.

SELLING TO A HAND SPINNER

Fleeces sold to a hand spinner are more likely to be Huacaya than Suri. Suri, like Mohair, is very slippery and not as easy to spin by hand. I spoke with noted hand spinner, **Heather Dunn**. Heather and her husband, Peter, from the O'Connell Valley near Bathurst have been producing fibre for some 18 years. They started with coloured "Moorit" sheep with a micron range of 25 – 28 and in 1998 they bought their first alpacas which were used as "guards" for the sheep, to keep the foxes away. Like many others who embraced our gentle camelid they expanded their herd. They now sell alpacas for "guards" as well as breeding stock to others in the industry.

Heather is very much into spinning, weaving and has a great love creating tapestries from her natural fibres. →

With both their alpacas and sheep, they are aiming to breed for fibre that is "a delight to prepare and a pleasure to spin, that is - soft handle, lustrous and stylish with a full range of colours". Heather continues to value add all her fibre either as fleece for other spinners or product. In her spare time she also runs workshops for beginners, small breeders and those already in the craft industry.



Breeders that decide to sell fleece to hand spinners should not see it as a way to offload fleece that would otherwise not be sold. Hand spinners are our surrogate ambassadors for the alpaca fibre and they should have access to well priced, reasonably clean, soft handling fleece that has good character and style, and free from VM. Both good and bad fleece will carry your name well beyond the first transaction.

The following is Heather's suggestion for the preparation of fleece for any breeder who wishes to sell to the craft industry.

The main points for preparation are:

Vegetable Matter – hand spinners are not interested in fleece that is full of vegetable matter. You will need to make sure that the fleece is free or nearly free of burr, seeds etc before selling.

Handle - most spinners would prefer a fleece that has a soft, silky handle to it. This is more important to them than micron.

Length – the very short fleece is not as popular to the hand spinner and over 120 mm (5 inches) is probably long enough.

Lustre – most hand spinners want the fleece to display lustre so that the finished garment displays a luminous, bright appeal.

Character – hand spinners may not place as much importance on the expression of character in the crimp as would the breeder. However, like the commercial spinning, more organised fibres within the staple will be displayed in the yarn and this does tend to show off the lustre and brightness better. This normally comes down to the personal choice of the spinner.

Tippy Fleeces – may contain excess vegetable matter, mud or be very tender.

Guard Hair – most hand spinners prefer less guard hair so as to avoid the prickle factor. However, in some cases where a hairy finish is needed in the final garment, a fleece with coarse fibre/guard hair may lend itself to the end product.

VALUE ADDING

Using a structure from “craft person and alpaca breeder Brian Kitson” the follow example is given.

MAKING A PAIR OF GLOVES

OPTIONS & DESCRIPTION		COSTS	RETURNS	PROFIT
		\$	\$	\$
1	Give fibre away	0	0	0
2	Sell to handspinner or Co-Op (medium micron ave micron 26 100 kg @ \$5)	0	500	500
3	Value add Costs Scouring) Carding) Spinning etc) Manufacture 1000@ \$2 Labels/Packaging	2400 2000 500 <hr/> 4900 500 <hr/> 5400		
WHOLESALE	1000 pair gloves @ \$15		15,000	9600
RETAIL	1000 pair gloves @ \$25		25,000	19,600

This is a very simplistic example and has not taken into account costs of selling the gloves, rental on property, electricity etc. It is more about trying to identify if value adding is worthwhile to you. Of course there are many other garments that can be created and sold.

An example of a successful breeder value adding is **Kerry Bettinson from Toft**

Alpacas, United Kingdom, who value adds the family fleece as well as purchasing from other breeders, fibre to create her products. Kerry creates her own designs and has set her goal as producing and selling direct to customers as well as selling to retail with British alpaca products.

She processes some 3000kg of natural colours –

- Cream and white together
- Light fawn
- Fawn
- Brown
- Dark brown
- True black
- Grey (blended with white and black as well as true soft greys)



She produces these into yarns of 2&4 ply, double knit and aran weight knitting yarns. Kerry tries to only use the first and second fleeces in her main fabric lines and the coarse fibre below 30 microns is used for handbags and similar like products.

Her micron grades are –

1. Royal superfine below 21 microns
2. Baby all colour except black 21 – 25 microns
3. Standard 26 – 30 microns
4. Coarse below 30 microns for goods that are not in contact with the skin

Group One is used for ladies garments and baby wear.

Group Two is used for gloves (39 pounds sterling) handknits, Scarves and hats.

Group Three is used for gloves (29 pounds sterling) and Scarves and hats.

Group Four is used for handbags, home furnishings, hot water bottle covers etc.

Her method for processing is as follows –

Groups One and Two – This fibre is double carded for the woollen/semi worsted system (four times through a single card) and is frame spun not ring spun. This is a **full commercial process**. There is a limited quantity of 50 kg for this.

Groups Three and Four – **Also processed on the commercial** equipment. This fibre only goes through the card once and again a minimum of 50 kg is accepted.

Kerry sells finished product and yarn. She has her own trailer which displays the goods and she attends community shows as well as alpaca shows. Her website is also set up for international sales as well as local. She wholesales to shops and has her own farm boutique where all the products are available for sale.

Dyeing – Kerry has made the decision to keep all her yarns 100% natural in colour although occasionally she has experimented with natural vegetable dyes on some small quantities of fibre.

Knitting – there is a team of over 30 hand knitters who work with her yarn and to her design. She prefers simplicity in the design to allow the alpaca to be shown at its best. →





Weaving – her woven shawls and blankets are also outsourced to crafts women and men in the United Kingdom.

An example a woven Ladies “Herringbone” suit.



Haute Couture – Kerry has a few master hand weavers that occasionally will do exclusive one off pieces to be included in her overall group of products.

Felting – a small amount of felting is also carried out and this is used to produce the handbag range. A lot of the leg fibre is used to make these products. These coarser fibres are hard wearing and by felting these fibres they become bulky and well structured fabrics.

The Toft alpaca shop now does the bulk of selling on-line, and regularly ship internationally. They also now wholesale both knitted products into boutiques and yarn direct to knitwear designers globally.

Toft's fleeces will make up less that 10% of all British alpaca fleece processed this year. They will begin to purchasing Suri as well towards the end of this year.

She has shown a very pro active approach by outsourcing crafts people to make her designs that she in turn sells to an eagerly awaiting clientele.

Her goal is to get her own “In Town Boutique” established in London or somewhere similar.

Another alpaca breeder, **Kelly Cumming from Kelowna in Canada**, is a collector of bears. She has now taken to making these bears from alpaca fibre (not the skin).

An example of this is Cody made especially for my wife and me as a limited one of one edition. This bear is in honour of the rare Kermode Bear of British Columbia. Cody, along with a previous bear she made called Taylor, take pride of place in our bedroom. This shows the uniqueness and scope alpaca fibre has for value adding.



Sandy Retallick, Artist, with a degree in Bachelor of Arts in Applied and Visual Art along with her husband, Gary runs the Softfoot Alpaca Stud in South Australia. Not only do they produce high quality alpacas but they also have a vineyard on the property where visitors enjoy wine tastings. They are very much into conservation which is not surprising considering the name of the farm. Gary and Sandy process their own fibre into yarn. The recent batch was of 19/22 microns with an “egg shell coloured” yarn, in keeping with their wish for natural colours.

Sandy, with her belief in acquiring superior qualities of alpaca fibre, led her to produce and fund a collection of alpaca design garments. She designs most of her own garments and focuses on the high fashion, haute couture end of the market. Her fibre is sourced mostly from locally produced alpaca and sometimes imported alpaca fabric. The designing is kept in the family as Sandy and her daughter, textile artist, Clancy Morgan, co-design the garments.

A cream bikini hand crocheted with the beach dress made with nuno fabric (nuno refers to felted fabric achieved by a process called hydro entanglement where the alpaca fibre is fused onto the silk) Judy Craig applied this process. 80% alpaca 20% sheep's wool.

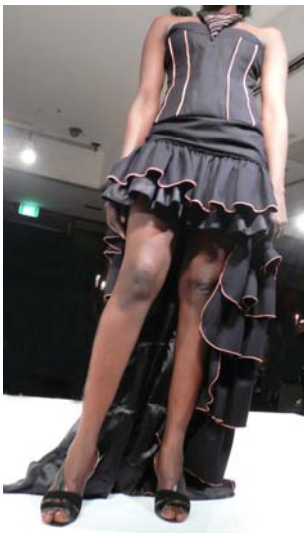


Other garments are grey bikini and skirt hand crocheted with natural coloured yarn

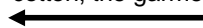


A blue short coat with hood using woven blanket fabric of 100% Australian alpaca produced by Creswick Mills, Australia. The trousers are a grey houndstooth (blend of alpaca, cotton and silk) by Macquarie Textiles Australia.

Pale olive green balloon sleeveless top and made from Stansborough fabric in New Zealand. The lightweight fabric is 80% alpaca and 20% sheep's wool.



Another Macquarie Textiles fabric. A blended weave of alpaca and cotton, the garment was again designed by Sandy and Clancy.



These garments are just a few of the range put together by Sandy.

'A belief in the unique qualities of alpaca fibre inspired Sandy Retallick to design produce and fund a collection of alpaca designer garments.'

ANIMAL SALES

The alpaca breeder is either at a stud level or at a commercial level. Although most breeders think they are at the stud level, stud level is determined by the level of excellence and the repeatability of that excellence.

Those at stud level have the potential to make income from the **sale of stud males/females** and also income from stud matings. Those at the commercial level along with the stud breeders have the potential to **sell alpacas of a commercial status** for those who wish to breed at that level. **Excess stock to the breeders' requirements** is also part of income.

One of the attributes of the alpaca is as a **guard or protector** of sheep and goats. In Australia lambing has increased in some herds from 60 to over 100% where alpacas have been running with the sheep. Of course the alpacas should be white if the sheep or goats carry white fibre. These guard animals are mainly used against foxes **but are not as successful where packs of dogs/wolves/mountain lions etc are located.** This is another source of income for those that can avail themselves of this situation.

Breeders can act as a **BROKER** (selling agent) for other breeders. You can offer **AGISTMENT**, that is, Board client's animals for a weekly fee.

If you intend to take animals on to your property for either agistment, re selling or even housing for matings you need to make sure you cost the expenses involved e.g. food, labour as well as having adequate pastures available to graze the extra alpacas.

All breeders should have a business plan which indicates the total number of animals that will be running in the herd as well as those that will be available for sale.

CARCASS

MEAT

Then there is the taboo subject of the carcass, "MEAT." An alpaca breeder in Australia has taken on the development of alpaca meat. I have found in the past, the meat very tasty, and why shouldn't it be. The Peruvians have lived on alpaca meat for many, many years. I do however, understand how breeders feel because of the close feelings they have towards their animals.

Back in the late 1970's I organised the first sale of angora kid goats (3 months) for sale to the meat trade. It also was lean and tasty to eat. Also an enterprising woman in Tasmania started to value add with goat leather products and meat (Chevon). So to her and partner was an increase of income, not only the fibre, but meat and leather goods from her goats. Now we have commercial herds being run for their lean meat production. I do not think this is quite the answer for alpaca but it will come as part of the total income package from the alpaca per say.

La Viande meats is an initiative of Steve Ridout from Macarthur in Victoria. He has supplied alpaca meat for the menu of Adelaide's Hilton Hotel this year. Alpaca meat is high in protein, low in fat and is said to be like "a tender veal" that has no gamey taste and I can agree with that.



Here is a photo of one of the ways that alpaca meat can be presented.



(Steve Ridout)

Not only the "main cuts", but smallgoods too



The market is interested in gross 50 kg weight. In round figures the carcass dresses out around 25 kg, and at, say \$20, gives a return of \$500. Alpacas of 18 months to 3yrs would be ideal. Having eaten 14yr old alpaca, it still tastes good then.



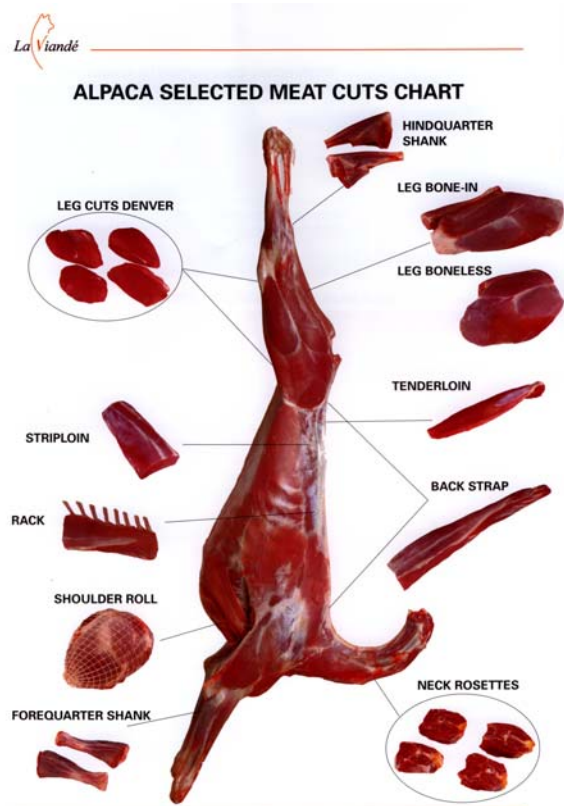
SKIN

More work on the commercial side is needed. However the skins are good for leather and wall hangings. At the moment returns should be \$150 upwards, depending on quality.



A photograph of the cuts that is now available from an alpaca carcass.

(Steve Ridout)



SUMMARY

The alpaca has the potential to give you income from fleece, animals, reproduction and carcass. Breeders need to decide on the type of alpaca, fleece quality and colour they wish to breed. In turn the decision needs to be made on what value adding they intend to do with their fleece.

Every alpaca breeder certainly has the right to decide what they do with their fibre. Some breeders with only a few animals are very keen to do craft work and there is certainly reward for those that follow that line. As mentioned earlier there will be those breeders with larger quantities that can have commercial yarn made, and from there the manufacture of garments.

The important thing I see for the alpaca industry to really be successful is to have that continuing supply of product in the market place. The product must be of high quality so as to get the buyers returning for more. I would like to think that those that are value adding their fibre do send a proportion to the local co op (IF ONE EXISTS), because this is where we will develop volume and out of this comes the ability to create high quality product in repeatable quantities.

So the question is, **“Do I process all my fibre into garments or sell it to the co op and concentrate on animal breeding” or a combination of all.**

Remember if you develop a craft/boutique approach, do you have the potential to market your product. New Zealand, Canada and Britain with their tourist trade are well placed to sell product as are other countries in a similar situation.

FOR AN OVERAL SUCESSFUL ALPACA INDUSTRY, YOU NEED A SUCESSFUL FIBRE HANDLING CENTRE/CO-OP (albeit it in private ownership). OR YOU NEED ACTIVE “VALUE ADDING” BREEDERS.

When the industry is small it is paramount that support is given in some form from breed society and breeders.

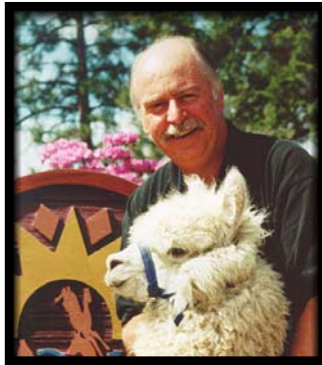
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Cameron has had some 45 years in the fibre industry, namely as a wool broker, sheep classer, judge, and educator. He is currently judging and training Judges for the Australian Alpaca Association and in his role as Senior Fleece Judge and trainer for AOBA, has been involved in the training of AOBA judges as well as judging. He travels internationally, judging for various alpaca groups in other Countries. Cameron, a leading alpaca fibre expert, still continues his educational clinics and lectures throughout the world. In his semi retirement of grandchildren, golf, fishing and community support, still manages to find time to continue with publications and research into alpaca fibre characteristics and allied areas.