

Submission to Commerce Commission on the Merger of Cavalier Wool Holdings and New Zealand Wool Scouring Services International

Summary:

- ∞ Access to scours (fiber cleaning) is a critical limiter for the development of niche fiber animals in New Zealand such as alpaca
- ∞ There are very few small-scale scouring facilities, and the large-scale (sheep's wool) scours only handle niche fibers infrequently
- ∞ Commissioning the smaller “Andra” scour or making more time available in the larger scours would be beneficial to the alpaca industry. .

Introduction

These submission are being made on behalf of the Central Region of the Alpaca Association of New Zealand.

Alpacas were imported from South America in the mid 1980s with a serious intent to establish a herd of alpacas that could become a commercial proposition. An Alpaca Association was established in New Zealand in 2001. There is currently ~900 members and approximately 23,000 alpacas. The bulk of the alpacas, about 97% are Huacaya, which have a fleece similar to a Merino sheep. The balance are Suri. They have a more lustrous fleece which is highly valued for making worsted fabric for high end fashion clothing for men and women.

In 2009, AgResearch undertook a research project on the Suri-style fibre. The finished product was taken to the Italian high fashion clothing manufacturers who were extremely surprised at the quality of the material and indicated that provided sufficient supplies could be maintained they would pay a very high price per metre.

Alpaca fibre is not easy to prepare for making yarn. The nature of the fleece makes it difficult to scour and in particular the Suri fleece because of its lustre and heavier weight. There is a total of 27 colours and a range of microns from about 16 through to 30, which results in a large range of possible combinations. In practice some colours can be combined and the range of microns reduced to about 4 or 5 in number, as the band of microns usually consists of about 4 microns. e.g. 22 to 25 microns.

As a result of these multiple combinations (and the current number of animals available for yearly shearing), the volume or weight of the fleeces to be processed is relatively low. There are two New Zealand alpaca woolbrokers who collect fleeces from breeders and group them into appropriate colour and micron ranges. These groups can then be processed, but the weight of each group is probably no more than about 250-500 Kg. The scours currently used by Hawkes Bay Woolscours process sheep wool at about 5000kg per hour. It is appreciated that the small lots of alpacas fleeces creates some difficulties for the scouring companies.

On the 20th June 2010, AgResearch Limited entered in to a purchase and sale agreement with Cavalier Wool Holdings Limited (trading as Hawkes Bay Woolscourers) for the purchase of a wool scour. The scour was a small unit and was most useful for AgResearch when undertaking research and development. It is an “Andar” make and described as the WRONZ Pilot Scour 1990. It is unclear as to the volume of fibre it can process at any one time. However, it was able to very successfully process the Suri fleeces for the 2009 project. Reports from current and former AgResearch staff indicate it was ideal for the scouring of small batches and was able process the

Suri fleeces successfully.

The issue for alpaca breeders, who usually have a small number of animals, is getting their fleeces put into yarn. As mentioned above the yarn makers and commercial knitters require the fleeces to be properly scoured, to ensure all dust, dirt and vegetable matter is removed from the fleece.

The alpaca woolbrokers do provide a valuable service, as they are able to combine a number of breeder's fleeces to create larger volumes. A concern, however, is that a proven small scour does exist but the current owner has not commissioned it. Cavalier has indicated they will provide a service for small volume producers, but this has been limited to 2 days a year and at the end of the calendar year when the alpaca shearing season is only half way through. If a breeder shears in January it can be 12 months before the fleeces can be scoured and turned into yarn from which product can be made. It is appreciated that the different colours and range of microns does create a difficulty for the scouring companies. Cavalier does have the option of commissioning the "Andra" scour instead of using their big scour at Timaru.

It is believed the merger between Cavalier Wool Holdings and New Zealand Wool Scouring Services International will result in scours being closed at Napier and Christchurch, which will reduce the number of scours in New Zealand and that does not augur well for the alpaca industry. If there is less scouring capacity in New Zealand, then the likely outcome is for the scouring companies to be less willing to do small volumes.

There is a growing interest from lifestylers and also established sheep and beef famers in breeding alpaca primarily for the production of fleeces, as there is a growing interest in products made from alpaca wool. The animals do not require the same attention as sheep or cattle and can breed and grow well on hilly, scruffy pasture.

To be able to optimise the production of quality alpaca products, the fleeces need to be scoured in standard commercial scours. Efforts are being made by some alpaca breeders to develop a washing process but the quality of the output is not acceptable for the commercial yarn makers.

For the alpaca industry to grow we need to be able to increase the yield from the herd and move towards increasing the return to a profitable level.

This could be done by commissioning the "Andra" scour or making more time available in the larger scours.