

Appendix A: Costs of Scouring in New Zealand and China Compared

Dumping compression ratio	3.00
Kilograms clean per full container load - dumped greasy wool	16500
Kilograms clean per full container load - dumped scoured wool	21000
Average clean yeild	0.79

	Dumped or Undumped?	Greasy or scoured?	\$NZ/FCL	\$NZ/kg clean	NZ v Chinese Scouring for NZ Processing	NZ v Chinese Scouring for Chinese Processing	NZ v Chinese Scouring for European Processing
Cost of scouring greasy wool in New Zealand			\$6,750	\$0.32	\$0.32	\$0.32	\$0.32
Cost of cartage of undumped scoured wool from scour to NZ processor	Undumped	Scoured	\$450	\$0.02	\$0.02		
Cost of aggregation, dumping etc. scoured wool in NZ			\$4,125	\$0.20		\$0.20	\$0.20
Cost of cartage of dumped scoured wool to NZ port	Dumped	Scoured	\$150	\$0.01		\$0.01	\$0.01
NZ stevedoring charges for dumped scoured wool	Dumped	Scoured	\$200	\$0.01		\$0.01	\$0.01
NZ Courier. MAF, Customs charges for wool exports			\$100	\$0.00		\$0.00	\$0.00
Cost of shipping dumped scoured wool from NZ to China	Dumped	Scoured	\$2,050	\$0.10		\$0.10	
Chinese stevedoring charges for dumped scoured wool	Dumped	Scoured	\$100	\$0.00		\$0.00	
Cost of cartage of dumped scoured wool from Chinese port to processor	Dumped	Scoured	\$300	\$0.01		\$0.01	
Costs of shipping dumped scoured wool from NZ to Europe	Dumped	Scoured	\$5,000	\$0.20			\$0.20
European courier, customs etc for wool imports			\$100	\$0.00			\$0.00
European stevedoring charges for dumped scoured wool	Dumped	Scoured	\$300	\$0.01			\$0.01
Cost of cartage of dumped scoured wool from European port to processor	Dumped	Scoured	\$300	\$0.01			\$0.01
Total					\$0.34	\$0.65	\$0.77
Cost of aggregation, dumping etc. greasy wool in NZ	Dumped	Greasy	\$5,562	\$0.34	\$0.34	\$0.34	\$0.34
Cost of cartage of dumped greasy wool to NZ wharf	Dumped	Greasy	\$200	\$0.01	\$0.01	\$0.01	\$0.01
NZ stevedoring charges for dumped greasy wool	Dumped	Greasy	\$200	\$0.01	\$0.01	\$0.01	\$0.01
NZ Courier. MAF, Customs charges for wool exports			\$100	\$0.01	\$0.01	\$0.01	\$0.01
Cost of shipping dumped greasy wool from NZ to China	Dumped	Greasy	\$2,050	\$0.12	\$0.12	\$0.12	\$0.12
Chinese stevedoring charges for dumped greasy wool	Dumped	Greasy	\$100	\$0.01	\$0.01	\$0.01	\$0.01
Cost of cartage of dumped greasy wool to Chinese scour	Dumped	Greasy	\$300	\$0.02	\$0.02	\$0.02	\$0.02
Cost of scouring in China			\$2,793	\$0.13	\$0.13	\$0.13	\$0.13
Cost of aggregation, dumping etc. scoured wool in China			\$1,707	\$0.08	\$0.08		\$0.08
Chinese stevedoring charges for dumped scoured wool	Dumped	Scoured	\$100	\$0.00	\$0.00		\$0.00
Cost of shipping dumped scoured wool from China to NZ	Dumped	Scoured	\$2,500	\$0.10	\$0.10		
New Zealand stevedoring charges for dumped scoured wool	Dumped	Scoured	\$200	\$0.01	\$0.01		
NZ Courier. MAF, Customs charges for wool imports			\$100	\$0.00	\$0.00		
Cost of cartage of dumped scoured wool from NZ port to processor	Dumped	Scoured	\$150	\$0.01	\$0.01		
Cost of cartage of undumped scoured wool from Chinese scour to processor	Undumped	Scoured	\$707	\$0.04		\$0.04	
Cost of supervision and testing wool for delivery in europe ex Chinese scour			\$500	\$0.02			\$0.02
Cost of shipping dumped scoured wool from China to Europe	Dumped	Scoured	\$3,075	\$0.15			\$0.15
European courier, customs etc for wool imports			\$100	\$0.00			\$0.00
European stevedoring charges for dumped scoured wool	Dumped	Scoured	\$300	\$0.01			\$0.01
Cost of cartage of dumped scoured wool from European port to processor	Dumped	Scoured	\$300	\$0.01			\$0.01
Additional financing costs - 3 months at 7% on \$7.00/kg				\$0.12	\$0.12		\$0.12
Chinese Vat differential (17% on scoured cf 13% on greasy)						-\$0.02	
Total					\$0.98	\$0.67	\$1.06
Differential					\$0.63	\$0.02	\$0.29
Differential as percentage of cost fo scouring in NZ					197.1%	6.6%	91.2%
Breakeven scouring cost					\$0.96	\$0.34	\$0.61

0.14

0.4

0.26