

Strong markets in Europe

Palle Petersen, GM of PGW Wool's export arm Bloch & Behrens is just back from Europe with an update on his view of the markets in that part of the world.

He reports that in spite of a collapse in oil prices, uncertainty about a looming Greek election, problems with Russia and Ukraine and a very volatile currency situation, the mood at Domotex last month was very positive towards wool.

It seems European manufacturers have finally accepted that lower prices for synthetic fibres does not automatically translate to lower prices for wool. In fact, they are increasingly viewing wool as a niche fibre that can be sold at premium prices and this is very good news for us and our woolgrowers.

Integrity Brand launched

During this latest trip to the continent, Palle and B&B's European-based representative Hans Bering successfully launched the 'Integrity Brand' as an extension of the 'Farm Integrity Programme' introduced last year. In essence, this brand is a quality guarantee to our international trading partners and manufacturers who expect the very best – offering full traceability all the way back to the farm. The brand was met with strong approval in select and targeted quarters with some expressing interest in employing the brand in their own marketing strategies. We are very pleased with the reception of this concept to date.



Three-Year Lambswool Contracts

Given the record prices being paid for lambswool right now, we were delighted to conclude some three-year supply contracts with a leading upholstery maker.



Hans Bering at Domotex with Renata Trykozko, the Purchasing Manager from Agnella in Poland, and her Deputy Manager, Maciej Stepiuk.

As a result, we are currently able to offer growers prices for 2016, 2017 and 2018 for a limited volume of top-quality lambswool, at prices very close to present rates. We feel this is a great opportunity for growers to lock in some certainty for a few years.

This contract is not for pesticide-free lambs, but the wool needs to be super white, low VM and 28 to 29 microns.

The company concerned is very committed to sourcing their wool from us, mainly because of the attention to detail we provide, and their marketing team is looking to use our new Integrity Brand to market any product lines produced exclusively from our wool.

Please talk to your local PGW team about supplying wool for this and other wool orders to meet our ongoing export requirements.



Digging the dirt on wool



During a function held in the gardens of Clarence House last year to mark the fifth anniversary of the Campaign for Wool, Prince Charles buried two garments side by side in a flowerbed. The two garments looked identical but one was manufactured from wool and the other from synthetic fibre. The scene was set to demonstrate the biodegradability of these two items...

Four months later, members of the Campaign for Wool returned to the gardens and dug up the proof! It was noted that the wool garment was well on its way to becoming a nutrient-rich fertilizer for the garden, while the synthetic garment was intact with virtually no signs of disintegrating! The benefit of wool in this respect (and in all other ways) gets the royal tick of approval!

point6 a fine deal afoot...

PGW business development manager Craig Smith has recently returned from the Outdoor Retailer (OR) winter event in Salt Lake City, Utah, USA where he caught up with the owners and backers of a leading sock manufacturing company called Point 6 (www.point6.com) to pull together a deal to supply them with kiwi-grown merino wool for their very popular range of multisport socks.

The OR event is huge. It is *the* place in the United States to meet leading outdoor industry professionals and discover new sports products, apparel and equipment. Held twice a year (winter and summer), it attracts thousands of buyers, top sports manufacturers and is the perfect launching pad for all sorts of new, high-fashion sports clothing, extreme wear and innovative outdoor equipment.

Point 6 founders, Peter and Patty Duke, have visited New Zealand many times (they were the founders of Smartwool) and are friends with financier, business investor and New Zealander Chris White who now lives in the States but remains connected with his family farm back in Twizel. Another well-known Mackenzie Basin farmer, Simon Williamson of Glenbrook Station, has also invested in Point 6 and supplies merino wool for the manufacture of Point 6 socks and other direct supply contracts with US garment manufacturers.

As the brand grows its market share in the USA it needs more wool and PGW is

currently sourcing product to meet the contract requirement. In particular, 22.5 micron merino wool over a three-year contract term with a premium paid for wool that meets the tight measurement criteria including length, strength and whiteness.

PGW wool representatives have been briefed and will be on hand to assist fine woolgrowers preparing to enter into these supply contracts and again at the start of shearing to ensure quality criteria are met. In a market such as this, quality is vital to the success of the end product and to ensure on-going demand.

Point 6 socks might indeed prove to offer a toe-hold in a market that could lead upwards to base-layer clothing and other items of specialty outdoor clothing using fine New Zealand merino wool as the key element.

Point 6 is named for 98.6° F, the body's optimal Fahrenheit temperature and stands for the temperature stabilizing properties inherent to Point 6 merino wool. Merino wool naturally regulates body temperature to keep you cool when it's warm and warm when it's cold, and it's an efficient insulation even when wet. These hard-working socks are fit for a wide range of activities including hiking, cycling, snow sports and mountaineering. PGW plans to introduce this brand of socks to our farming clients at the Wanaka Show in March – so look out for them and put them to the test.

Barry Chamberlain Retires



Well-known PGW wool auctioneer, Barry Chamberlain, set down the gavel at the end of January having clocked up a full half century in the wool game – most of it wearing a blue jersey (wool of course!) with the name Wrightson on it.

Back in 1965 he joined NZ Farmers' Cooperative Distribution fresh off the farm in Wanganui where his father farmed Jersey stud bulls and Southdown sheep. As a child, his first thoughts were to become a stock agent just like every other young farm boy in those days but luckily he was equally keen to become an auctioneer and used to practise his skills when no one was looking. When he came of age there were no vacancies for a trainee stock agent/auctioneer so he started in on the ground floor as an office clerk. Three years later he was transferred to the Wellington office to continue his accounting duties and that same year (1968) he was also selected to attend Outward Bound Anakiwa, which specialises in helping young people to develop to their full potential. Barry describes the experience as a life-changer and an opportunity for which he remains extremely grateful. His wish to become a wool auctioneer solidified and during his four years in Wellington he trained extramurally to become a qualified wool classer. In 1972 he was ready to roll and conducted his first wool auction in his home town of Wanganui. Over the years Barry went on to auctioneer at nearly every wool selling centre in New Zealand – but made a real name for himself at the Napier auction house where he has been based for the past 30 years.



(L to R) PGW business development manager Craig Smith and New Zealand farmer/investor Chris White with Point 6 founders Peter and Patty Duke at the Outdoor Retailer conference in Utah, USA.

Unique wool deal in Dipton

Barry has sold billions of dollars' worth of wool under the hammer during his 50 years in the industry and witnessed first-hand its wildly fluctuating fortunes – past and present. He notes that the day synthetics came sauntering into town with its big-talking money, oil to burn and extravagant advertising budgets was a bad day for wool. It was a bad day for consumers too – all things considered. Barry hopes that inspirational new products (such as the Icebreaker brand of clothing) and educational platforms (like the global Campaign for Wool with HRH Prince Charles as patron and the upcoming NZ Wool in Schools programme being sponsored by PGW) will see the tide of public opinion swing back in favour of the vastly more worthy candidate – wool.



Speaking of worthiness, Barry describes his wife of 46 years, Marlene, as his rock and appreciates that she reared their three children almost single-handedly while he put in long hours traversing the back blocks of New Zealand during the early years. What next? Two of Barry's children run businesses in Hawke's Bay and have earmarked him to help out, so between that and his ten grandchildren he may end up longing for those quiet hours on endless country roads!

Barry's last day in the auction room (Thursday 29 January 2015) ended on a high note with lambswool reaching its highest price level in three years and all other styles up slightly. It was a good day. He has now handed on his mantle to the very capable Stephen Fussell in whom he has the greatest confidence. Barry will be missed but we know he will remain a huge fan of wool for life!

PGW Wool recently brokered a unique, personalised wool deal between one of its long-standing farming clients in deep south Dipton and a respected Japanese trading house based in Nagoya.

While visiting Nagoya late last year, it came to the attention of our business development manager, Craig Smith, that this Japanese firm required a reliable source of top-quality, high-lustre wool to create luxury products including Harris Tweed coats, winter suiting and exclusive bedding supplies.

In consultation with his PGW Southland wool colleagues, Craig and the team identified the Beer family of Dipton as the perfect candidates to supply nine tonnes of lustrous Lincoln wool from their 4,300-strong flock for an initial trial run.

Three generations of Beers have farmed pure-bred Lincoln long-wool sheep since 1957. They have stuck by the breed which is renowned for growing exceptionally heavy, soft-handling wool which opens freely to display broad, flat, well-crimped locks. Textile manufacturers are attracted to the almost iridescent sheen of the fibre together with its outstanding length and strength.

The Beers' local PGW wool representative Lawrence Paskell is delighted to see history in the making. He says, "This is the first time in my 37-year career that a client's wool will be linked to a specific brand and marketed under their own farming name."

It's a concept both parties hope will work to their advantage.

The Japanese firm wishes to 'sell' the origins and sustainability of the Lincoln flock farmed by this New Zealand family as part of its branding exercise. The on-farm story behind the luxury products will add value to the merchandise at an esoteric level of particular value in Japanese society. Conversely, the Beer family will have the satisfaction of being linked personally to a high-end product made from a wool type they have preserved and perfected over a period of almost 60 years. Imagine the pride they might feel in seeing or wearing a branded garment made from the wool they grow. Additionally, a premium will be paid for mutual exclusivity and wool selection that meets the client's exacting standards. Everyone is interested to see how the arrangement plays out and where it leads to next.

In the normal course of events, wool is sold privately or at auction and the grower has no idea where it ends up. Equally, manufacturers and retailers do not know where it is from except in the broadest sense. So this contract is different. In this instance, possibly a first for New Zealand, it is a case of sayonara to anonymity and konnichiwa to Beer's Lincoln Wool from deep south New Zealand.

Representatives of the Japanese company will visit the Beer farm this year and the Beers anticipate a reciprocal visit to Japan in future. We are all hopeful that a successful wool story is unfolding for the Beer family.



Woolgrowers Neville and Nigel Beer in their Dipton woolshed with PGW wool representative Lawrence Paskell discussing the unique deal for their Lincoln wool to be sold into Japan.

Fibre in Fashion

Pippa Auld is the daughter of PGW clients Jamie and Lorraine Auld who farm top-performing Corriedale ewes at Cheviot in North Canterbury. Five years ago Pippa headed off to Victoria University to study architecture but switched to the Massey (Wellington) campus in 2011 to do a Bachelor of Design majoring in fashion.

Her crowning achievement in her final year (last year) was a project called "Give & Take by Pippa & Kate" – undertaken in partnership with her fellow student and friend Kate Chalmers. Pippa and Kate met at Massey and found they shared a passion for utilising kiwi-made resources to produce fashion items for the domestic market – echoing the old slogan - Buy New Zealand Made!

With Pippa's hands-on background in farming and shearing sheep – it was little wonder that she and Kate chose wool to complete their joint graduate project. They developed three different fabrics from two types of woollen yarn (Corriedale wool sourced from Anna Gratton yarns in Fielding and lambswool from Woolyarns in Upper Hutt) combining the different weights and textures to create 16 amazing garments. They knitted all of the fabrics using a dubbed hand-operated knitting machine and dyed everything themselves. Some of the fabrics were felted after knitting for textural interest.

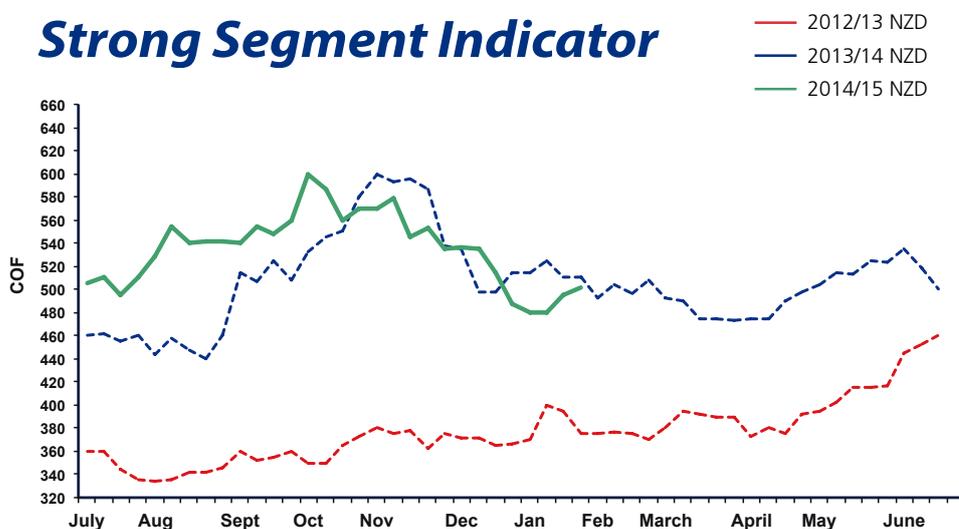


Kate Chalmers (L) and Pippa Auld who teamed up for their final year project at Massey (Wellington) to create "Give & Take by Pippa & Kate".

The work was shown at the Massey Graduate fashion show in November last year during which the girls were bestowed the "Kirkcaldie & Stains award for Creativity and Innovation" in recognition of their outstanding efforts. The garments were also exhibited one evening at a boutique gallery in Wellington that same month.

In May this year Pippa will formally graduate with a Bachelor of Design with First Class Honours. She now wants to gain industry experience via an internship or graduate job and continue her Master's and research into more sustainable and local ways of creating, buying and selling fashion. We wish Pippa (and her friend Kate) every success for the future.

Strong Segment Indicator



Contact Us

Alexandra
Graeme Bell 027 650 2900
Alistair Flett 027 432 5369

Auckland/Waikato
Malcolm Todd 027 590 4831

Bay of Plenty/Taupo
Peter Burnell 027 485 2187
Chris Hart 027 705 0433

Christchurch
Peter McCusker 027 432 4926
Doug McKay 027 432 6910
Rob Lynskey 027 591 8454
Craig Smith 027 807 5368

Dannevirke / Waipukurau
Tom Deighton 027 958 2215

Dunedin
Kevin Waldron 027 432 0117

Feilding/Taihape
Andy Anderson 027 702 9496

Gisborne/Wairoa
Shane Horne 027 598 6540
Chris Payne 027 956 5192

Gore
Jared Manihera 027 226 0263

Invercargill
Stuart McNaughton 027 435 0993
Daryl Paskell 027 548 3469
Lawrence Paskell 027 434 7641

King Country
Paul Terry 027 498 6618

Masterton
Marcus Loader 027 448 3250

Napier/Hastings
Stephen Fussell 027 595 3351

Timaru
Chris Munro 027 436 2603

Wanganui/Taranaki
Eric Constable 027 440 9784
Tony Cox 027 596 5144

Whangarei
Lance Paganini 027 598 6755