

Wool across the generations

Generation Y (or 'Millennials') will form about 75% of the global workforce by 2025 and right now, they and their Generation Z siblings influence billions of dollars in parental spending. This group of tech savvy multiculturalists is key to growing the next generation of wool consumers.

This was a hot topic at the International Wool Textile Organisation (IWTO) congress in Sydney earlier this year, fronted by Craig Vanderoef (Senior Director of Adidas). The subject merits attention because everyone in the wool industry needs to take responsibility for educating upcoming generations about wool and its vastly important eco-credentials. It's up to us to future-proof wool and promote it as the fibre of choice for future generations.

PGW Wool is certainly working this angle with its 'Wool in Schools' Wool Shed project operating in partnership with the Campaign for Wool across New Zealand currently.

The natural performance characteristics of wool – handle, odour resistance, breathability and thermal comfort make it especially well suited to the ever expanding athleisure sector and what is known as 'fashionable fitness'. This and the sustainability story behind wool crosses the age divide, appealing to young and old.

Generation X and Baby Boomers occupy the other end of the demographic spectrum (aged 40 to 60+) and they form a very powerful group of consumers with discretionary income to spend. This discerning group tends to invest in premium clothing from sportswear to suits (buying less but buying better) and they take a keen interest in the health and well-being of themselves and the planet.

"The wool industry cannot afford to ignore this group," warned guest speaker Dr Clint R Laurent (Managing Director of Global Demographics) and an authority on interpreting the impact of global demographic change. He likened the spending power of the mature consumer to "a steamroller coming in" – especially in traditional wool consumer strongholds like the UK, US, Germany, Japan and now also including China and South Korea.

Research shows that wool garments are worn more often, last longer and require less washing than those made of other



fibres. The collective benefits of wool and its excellent environmental footprint appeals to a very wide group of people and transcends age differences. It's up to each of us within the wool industry to disseminate this information as widely as possible and capitalise on the very real benefits offered by wool to all generations.

Know wool, think wool, buy wool and wear wool.

Interest skyrockets

Interest in our Wool in Schools educational project partnered between the Campaign for Wool and PGW Wool has skyrocketed following ongoing publicity in the Education Gazette and online (courtesy of the Ministry of Education) and tweets and Facebook postings by Mary Wooton of Infinity Learning. The Wool in Schools website www.woolinschools.nz offers teachers an excellent learning resource about wool involving science, mathematics, economics, art, history and technology. Visits to the website



have risen steeply and teachers have been busily exploring and downloading the curriculum-friendly Wool Academy 101 and Woolly Workbooks to facilitate lessons in wool. We are delighted with the positive response to this educational initiative.



Bale Weight Alert!

Overweight bales are currently causing all sorts of strife during dumping. It means affected lines are being delayed going to market and missing sales opportunities. Not only that, but they are putting wool handlers at unacceptable risk.

Aim for bale weights averaging 180kgs and do not exceed 200kgs.

TRADING PLACES

Japan visits New Zealand

Last year a group of 30 top sales representatives from one of Japan's largest suit retailers, Konaka, visited New Zealand to learn about New Zealand wool. This year, in May, a delegation of 50 made the trip to experience the very start of the wool journey from the sheep's back.

Landing in Queenstown, the group was met by members of PGW's wool team and later escorted to Closeburn Station to be welcomed by Tony and Rebecca Clarke who are third generation merino farmers on this 4500ha high country property in Central Otago. The Clarkes enjoyed last year's visit and were again delighted to introduce this new group to the animal we call a sheep. Many had never seen one before, as home to them is the hustle and bustle of downtown Tokyo and other major Japanese cities. Their reaction to seeing a sheep for the first time delivers smiles and excitement all round.

The more adventurous of the group helped shear a sheep and they all observed classing and micron testing with the preferred measurement for a high-end Konaka suit being 14 to 22 microns. The Clarkes supply an ultra-fine 15 micron wool for Konaka's best suit and coat range. This particular wool is favoured for its deeply crimped fleece with little or no cross fibres and good colour. Such quality is not always easy to maintain, particularly in dry conditions, but the Clarkes employ supplementary feeding when necessary which is covered within the terms of their contract with PGW Wool and Konaka.

Konaka is a family business which has been operating for 60 years and is currently Japan's third largest suit retailer employing 4500 people across 500 high-profile stores throughout Japan. The chain uses New Zealand as their point of difference and during the recent visit the company's Senior Managing Director, Kaoru Yamazaki said, "Japanese customers are very happy to purchase a product from a green country and a friendly country."

In response to increased demand for kiwi products, Konaka has committed to buying 40% more New Zealand merino wool from PGW Wool over the coming year. The visit concluded in Auckland



Tony Clarke of Closeburn Station inspects one of his merino ewes with Kento Nagao (Nagao Shoji), Craig Smith (PGW) and Kaoru Yamazaki (Konaka).

where the Konaka delegation, Tony Clarke and PGW Wool representatives met with the Hon Bill English to discuss the growing wool trade between New Zealand and Japan. We expect this successful business model to prosper over the longer term.

New Zealand visits Japan



PGW's Craig Smith (L) and Cedric Bayly (R) in Tokyo with Toshihiro Nakai of Hamanaka examining their Amerry knitting yarn brand (grown in the South Island of New Zealand).

In late May Cedric Bayly and Craig Smith of PGW Wool flew to Japan to meet up with Japan-based PGW wool business partner Kento Nagao for a busy weeklong tour of the business operations of various PGW wool users. First business of the day was a meeting with Konaka CEO Kensuke Konaka at one of their four storey retail stores in Tokyo where top of the range fine wool suits sell for 100,000 yen. This high street store was ultra-modern and the sales team was impeccably dressed

– displaying a brand new range of nine New Zealand wool fabrics in navy colours – navy being a favourite colour for business attire in Japan.

Next stop was Nagoya to view the business end of futon and carpet manufacture and discuss volumes, price, performance and preferred wool types (greasy or scoured) regarding length, colour, micron measurement, turbidity ratings and vegetable matter content. The Japanese are very clear about their wool specifications and PGW is keen to maintain supply chain confidence in New Zealand wool.



PGW Wool GM Cedric Bayly in charge of the barbecue.

Cedric and Craig then travelled by train to Osaka where they hosted a 'Kiwi Barbecue Day' attended by a large contingent of Japanese and Chinese wool business associates and their families. The meat was very kindly provided by co-host New Zealand Trade and Enterprise and was cooked on an open air charcoal barbecue much to the delight of all who attended and for whom this was a novelty and a lot of fun – great for building relationships.

Several more visits were conducted to top makers, spinners, carpet manufacturers, and those involved in producing apparel, bedding and home and lifestyle textiles. The Japanese value meeting their trading partners and likewise it was enlightening for our team to comprehend the scope of business in Japan, the innovativeness of their business operations and to assess the opportunities for PGW Wool. It was a busy but fruitful week in a very intriguing country and we were warmly welcomed by everyone we encountered. Just to put matters in perspective, 250 to 280 tonne of New Zealand wool is exported to Japan each month.

Lance Paganini retires after nearly 40 years in the wool industry



Lance Paganini started as a wool classer with the NZ Wool Marketing Coop in Onehunga in 1969. The following year he attended Massey University to add to his wool qualifications which he completed while with Dalgety at Wiri in Auckland in 1971. Three years later he was transferred to Whanganui as a Field Representative. It proved to be a big year for Lance as this was the same year he married his lovely wife Linda and settled down to have children.

With a young family underway, in 1978 Lance was drawn back to his home farm in Keri Keri running sheep and beef over 650ha. Eight years on, the farm was struggling to support them and a position became available at Wrightson Wool (which had merged with Dalgety by then) in Whangarei. The timing was perfect and Lance never looked back. He knows Northland like the back of his hand and has driven countless kilometres, mainly in Crumpy's best choice – Toyotas. He clocked up 700,000k in some vehicles. Lance also worked closely with PGW's stud stock and livestock divisions over the years and helped out with stock takes for Landcorp. His sunny demeanour and breadth of experience will be missed. We wish Lance all the very best.

Henry Bradfield steps up



On a more cheerful note, we are pleased to report that the very popular Henry Bradfield has moved north from Balclutha to fill the position.

Henry is an experienced wool specialist, well practised in both on-farm consultancy and wool trading. Henry has worked in Whangarei before so knows the district and is grateful to be packing away his winter woollies and embracing the winterless north. If you wish to contact Henry, his mobile telephone number is **027 535 1924**.

Wool integrity under the spotlight

The drive for trusted and traceable wool ramps up as growing numbers of our exporters and overseas customers demand to know the details and origins of our wool.

To this end, over the next month PGW is distributing a letter and checklist to all its wool growers asking them formally to sign and declare that their wool harvesting practices meet specified criteria and their sheep are treated in accordance with the Animal Welfare Act 1999.

The new-generation young consumer, often concerned for the planet and well informed, wants full disclosure about the integrity journey of the products they buy. They want to be assured that the wool they wear is grown ethically and furthermore, they require proof of good farming practices concerning animal welfare and environmental issues across the supply chain. Stock management, transport and shearing practices are all under the spotlight.

Full disclosure is the only way forward with mounting pressure to document every stage of wool production from farm to market.

In early 2015, PGW's export arm, Bloch & Behrens introduced a new brand called Wool Integrity NZ™ to lift the profile of wool that it could prove has been grown and handled ethically every step of the way from grower to manufacturer. It set a bar and wool carrying this brand has been extremely popular.

Markets are asking for solid information about the performance and lifecycle of wool in clothing, textiles, carpets and building materials. Wool is very strong in all these areas provided the production backdrop meets market approval. PGW Wool is working hard to promote market confidence and we need our farmer clients on board with our Wool Integrity NZ™ programme. Proof of good farming practices is the way forward to secure and future-proof our wool export markets.



100% Lambswool Throws

PGW's export arm, Bloch & Behrens, carries a wide range of throws and blankets made in Latvia by a Swedish company using 100% New Zealand lambswool grown right here in our own backyard. The cooler weather is a reminder that there is nothing quite like 100% wool for real warmth. We have blankets for tots in cots right through to full-sized blankets in lots of colours. Email **bbnz@blochwool.com** about buying a beautiful blanket for this winter.



Uncertainty in overseas strong wool markets

As the new wool season gets underway, the crossbred market has declined sharply in reaction to a stronger New Zealand dollar, nominal interest from China, and overseas buyers adopting a 'wait and see' attitude towards Brexit.

Brexit has caused widespread uncertainty in all global markets and, like all other trading commodities, the overseas strong wool markets have

been adversely affected.

Demand from China has come to a virtual standstill due to overstocking by some mills and traders and in response to unfavourable currency movements.

Clearances are down amid selective buying and overseas buyers are expected to take a very cautious approach to the wool market until currency fluctuations settle and the consequences of Brexit are more fully understood.

Front Footing it

Emma Warren grew up on a sheep farm near Martinborough and learned early on to respect the unique properties of New Zealand strong wool. In her last year studying industrial design at Massey University she took matters a step further and created a wool shoe collection called 'Bound by Eight'. The name reflects the eight steps involved in making the shoes. School children who've been lucky enough to visit the PGW Wool Shed will have learned about Emma's shoes.

Studying wool under an electro magnifying glass gave Emma her 'eureka' moment. She suddenly saw how the uppers and soles of shoes could be interlocked using the felting process, completely bypassing harmful synthetics and glues. Felting occurs when wool is agitated, allowing the scale structure to open and form interlocking bonds. Felted wool bonds firmly to liquid, so the application of natural latex to felted wool created a tough, flexible sole. It worked really well.

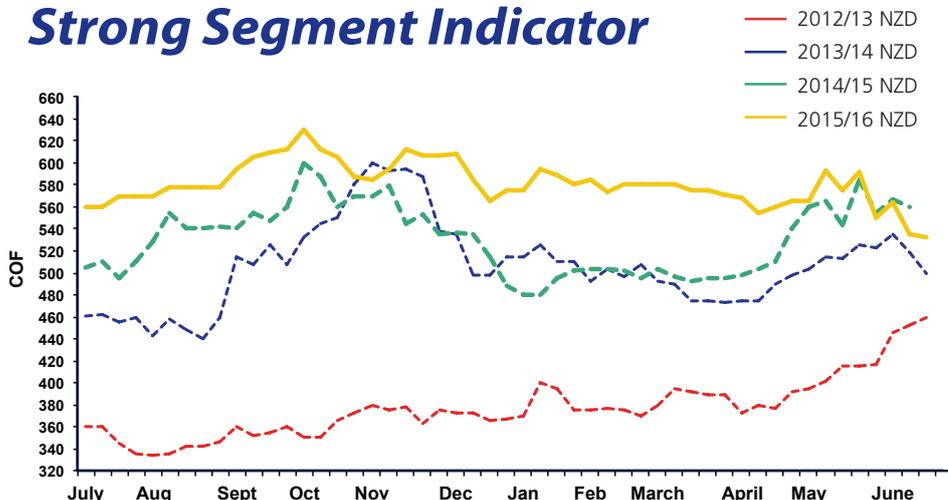


Emma entered her shoe design in the prestigious 2015 James Dyson national awards and was recently announced runner up. Entrants must submit a commercially viable product or concept which works to solve a tangible problem while keeping the environment and sustainability in mind. Her manufacturing process from paddock to product is an excellent ecological story and boosts New Zealand strong wool to boot. Congratulations to Emma whose designs can be found on her website: www.emmakathleenwarren.com.



Emma Warren wearing her award-winning Bound by Eight wool shoes.

Strong Segment Indicator



PGG Wrightson Wool

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