



# Primary WOOL CO-OPERATIVE LTD

Member News – June 2013

*100% farmer-owned co-operative, committed to capturing the real value of wool, returning profits to members and supporting and funding industry-good initiatives.*

## The Value of Communication

We understand the amount of information that fills your inboxes, desks and kitchen tables. With this in mind we carefully choose our communication tools and frequency.

However, everyday discussion with many growers, both members of the Co-op and not, has repeatedly proven that it is vital to consistently communicate industry issues, as well as the value you receive supporting your Primary Wool Co-operative.

We want you to feel part of the Co-op and be confident that you understand how the Co-op works, what it is doing for its members and for the whole wool industry. We want you to be proud to discuss that with your friends and neighbours.

We are working hard to ensure all Co-op members receive our communication, preferably by email, but we are glad to send yours via post or fax if you prefer. Please contact the Secretary at the numbers provided below.

## How the Co-op model works

Need a refresher? It's very simple.

1. Most importantly, **the Co-op is 100% owned by you**, the growers.
2. It operates a 50:50 joint venture, namely Elders Primary Wool Ltd, with Elders Rural Holdings as the other partner. This is a broking business (testing, warehousing, preparing wool for sale) and an international brand development programme (Just Shorn™).
3. If, as Co-op member you hold one \$1 share for every 5kgs (i.e. 20c/kg) of wool you produce, the return you will have received to 30 September 2012 say, equated to a 3c/kg rebate off your auction wool handling charges. Or in other words, a 15% on your 20c/kg investment.

In addition to rebates to members, Co-op profits are utilised in several ways including:

1. **Benefits to members**  
Recently these have come in the form of **dividends**, such as the 10% just paid, or **discounted woolpacks**, saving up to \$8 per bale this year. Last year, the cumulative value of benefits to members was 9.8c/kg (i.e. a 49% return on an initial 20c/kg investment) as well as a lift in the Co-op's equity.
2. **Industry-good spending**  
With the objective of lifting demand for wool, we provide the financial resources to drive the [Campaign for Wool in NZ](#). This is in addition to our Just Shorn™ support.

# Just Shorn™



Just Shorn™ is our international brand development programme. Sales volumes have grown by over 120% each month since the roll out of [Just Shorn™](#) carpets into about 480 USA retail stores in February. Historically, we have lacked vital support from industry leaders but that has changed with the new Minister Nathan Guy supporting us.

Last year, the contracts for Just Shorn™ were all about building inventory for this roll out. Now we have the first contract to replace what is being sold as carpet in the USA. After four years of hard work, investment and development, Just Shorn™ is getting runs on the board.

No one said it would be easy and it has proved just as hard as we thought, but we believe there is no better way to raise the awareness and demand of your product, to your target customer, than to have a stunning effective brand story. A brand story promoted in-store by retailers and backed with quality product.

The icing on the cake? Through the Co-op model, you as growers have 50% ownership in the brand.

## Wool Prices

May 2013 has seen a significant lift in wool prices. The primary factor is the softening currency, which has allowed more European, Indian and local interest. Additional reasons for the lift include the cancellation of a Napier sale in May (due to a lack of wool) and a growing awareness in the industry that more shortages are likely to occur in the future.

## Industry Unity

We are still exploring opportunities to develop workable, united wool industry units with more horsepower than individual groups can provide on their own. There are multiple groups working to develop a long desired unity within this often segmented industry.

The Co-op has strived for industry unity for 40 years and will continue to explore any opportunities that we can to help create an entity that will add value for wool growers.

## Campaign for Wool

The Campaign for Wool is working hard to spread the good news about wool around New Zealand. With a mission to tell as many people about the positive properties and uses wool as possible, the campaign is partnering with knitting groups, universities, fashion and wool retailers in unique projects around the country. Around the globe the Campaign pushed Wool Week in South Africa, started the 2013 Wool School challenge and saw over 15,000 visitors to their Wool House in London.



THE CAMPAIGN FOR WOOL  
PATRON: HRH THE PRINCE OF WALES

**Bay.de Lautour**  
**Chairman**

## Contact Details

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