

Welcome to new members, the difference a Co-op makes, Positive talks with Wools of NZ, Wool market prices

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Primary WOOL CO-OPERATIVE LTD

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

October 2013

Welcome to new members

We continue to have a steady stream of new members joining each month so if you are new to Primary Wool Co-operative, welcome to the only farmer-owned wool co-operative in New Zealand. Please visit www.primarywool.co.nz/news to read past newsletters, stay up to date on Co-operative news and to learn more about your company.

The difference a Co-op makes

Being the only farmer-owned wool co-operative in New Zealand provides a tangible difference for all members. Unlike the corporate model that simply returns profits to owners, the co-operative model ensures our 50% profit share from joint venture entity, Elders Primary Wool:

1. Comes back to members via rebates, dividends, discounted woolpacks and other initiatives
2. Helps to develop our international brand, Just Shorn™
3. Supports industry-good investments

That's the co-op difference. And it's how we delivered returns in excess of \$1M to members over the past 3 years.

Positive talks with Wools of NZ

In line with our on-going commitment to promoting unity in the industry, Primary Wool Co-operative continues to hold positive discussions with Wools of NZ.

While WONZ have an optional arrangement with WSI to send wool direct to the scour, Primary Wool Co-operative members need to know that with the value returned in rebates, dividends and wool packs, putting your wool through Elders Primary Wool rather than WSI is a better option.

By supporting Elders Primary Wool with your wool you are helping drive the industry-good activities of the Co-op and the unique Just Shorn programme, which is about owning our own strong retail brand telling the wool story where it has not been told before. It is vital that this continues to grow. Again, this is all part of the tangible difference a co-op makes that you are an integral part of.

You can rest assured that the Co-op has one mission and that is to improve the fortunes of wool growers and your directors will embrace, support and endeavour to be part of every initiative WONZ have that delivers that.

Wool market prices

Prices continue to track upwards as the shortage of wool becomes a reality. Some think this is unlikely to change until January when larger volumes are available.

Most hogget wools are making around 550 c/kg clean which is about 400 – 450 c/kg greasy while a lot of ewe wool is around 500 c/kg clean. The top hogget price in Napier on 19 September was 640 c/kg clean for some very fine Romney hogget.

Inventory throughout the value chain is said to be very low, just as it was when the prices shot right up 18 months ago. Last time it was a shock to all players and panic buying followed. This time manufacturers appear happy to operate hand to mouth rather than build up inventory again.

With prices still holding up in the face of a rapidly strengthening US dollar that is a very good sign of strong demand.

It's your wool. It's your industry. It's your Co-op.

Bay de Lautour
Chairman

Contact Details

www.primarywool.co.nz

www.justshorn.co.nz

Chairman – Bay de Lautour - tukipo@xtra.co.nz – Phone 068556827

Director – Howie Gardner – gardners@es.co.nz – Phone 03 4180645

Director – Hamish de Lautour – del@wnation.net.nz – Phone 06 8577926

Director – Martin Udale – martinu@cranleighmb.com – Phone 09 353 2056

Secretary – Alan White – secretary@primarywool.co.nz – Phone 06 3538200
