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

September 2014

Industry Collaboration

As you have no doubt read in the media, August was full of talks about industry collaboration. We value the trust you have put in us to keep your co-operative and your industry at the forefront of decisions we make around this.

The following investments and collaborations are not donations - we are working to facilitate the projects that will work to unite and strengthen our industry and which will hopefully see an eventual rise in the wool price.

Wool Equities Limited

As a result of ongoing discussions with Wool Equities Limited (WEL), we saw an opportunity to unite two of the larger grower owned entities for the benefit of members and the industry.

This transaction is still subject to some WEL constitutional changes and approval by WEL shareholders, which will be sought at a Special General Meeting of WEL ([Link here](#)) to be held in Palmerston North on the 12th of September 2014.

Please note that this meeting will allow for an opportunity to vote by proxy. Primary Wool Co-operative board members will be in attendance. So if you are unable to attend and would like to have your voice heard, please submit your proxy to Wool Equities nominating one of the PWC directors.

Christchurch Yarns

The Christchurch wool spinning business operated by Christchurch Yarns NZ Limited (CYNZ) is the last remaining independently owned, purpose built carpet wool spinner in the southern hemisphere.

CYNZ was placed in receivership when difficult post-earthquake trading conditions impacted on profitability. Primary Wool Co-operative directors identified the strategic nature of this asset and the importance of keeping it operational in New Zealand. We are currently leading a process to secure the future ownership through a newly incorporated entity, NZ Yarn Limited.

NZ Yarn has entered into an agreement with CYNZ to purchase the business subject to raising the \$3 million required.

As a part of the new business model we propose to implement a wool supply pool, with wool being sourced on contract through Elders Primary Wool. The wool will be scoured and delivered to NZ Yarn. It is intended that NZ Yarn will offer a higher wool price to farmers to purchase the wool for an extended payment period for that wool. This is expected to deliver an increase in returns to farmer suppliers and a lower cost of wool to NZ Yarn by capturing more of the value between the grower and the mill.

You will shortly be receiving a letter from Ocean Partners and Primary Wool Co-operative with more information and an offer of shares in NZ Yarn Limited as we wanted to provide all co-op members with the opportunity to share in this offer.

Grower Stories



You, our members shape the co-operative and every week we share one of your stories on our website. This week, be sure to take some time to read about [Tony and Larney Miller](#) and [Hamish and Cilla Carswell](#). The profiles are also shared in Farmer's Weekly ads. If you cannot see these stories or know someone who should be interviewed for a grower story, please contact us: secretary@primarywool.co.nz.

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
