Ultrafine Alpaca - nature's luxury

As the global alpaca community works towards the development of a viable fleece market, the commercial constraints associated with low volume are proving extremely problematic.

Almost all growers of alpaca fibre produce relatively small volumes of fibre which in turn, is highly differentiated by key traits such as micron, staple length and colour. This results in extremely high logistic and labour costs of production.

To place the issue of production volume into context, it is worth considering the volume produced by Australian merino wool growers. It is not uncommon for woolgrowers to produce 10 to 20 tonnes of wool per year. Most of the wool produced by any one producer would likely be within a 4 micron range, have almost identical length and be all the same colour. Each wool producer is therefore likely to produce individual consignments of uniform fleece type of between, say, 150 kilos to 1500 kilos. For this reason, economies of scale result in the cost of producing wool at about $AU7.00 to $AU10.00 per kilo. Harvesting costs, including labour, equipment, shearing and transport would be about $AU2.00 per kilo (AWI - Production Costs - Sheep's Back to Mill, 2010).

On the other hand, the lack of economies of scale for alpaca fibre production results in harvesting costs alone to be about $AU15.00 to $AU20.00 per kilo (AAFT breeder survey, 2011), or about 7 to 10 times more than merino wool harvesting. Just to cover all shearing expenses, the fibre needs to sell above these costs. The obvious problem is that alpaca fibre rarely clears over $AU20.00 per kilo - particularly when one considers price sustainability.

To find the answer to this problem, one actually need not look far.

The intrinsic qualities of alpaca fibre can be perfect for the lucrative 'prestige' market. Its softness, tensile strength, thermal properties and blending properties combined with its eco friendly and welfare driven production allow it a cleared pathway to 'high street' fashion labels. Presenting 'quality assured', low micron and high comfort factor consignments on a uniform and repeatable basis will give alpaca fibre a rite of passage down this lucrative pathway.

On this point, it should be noted that the prestige garment trade is booming, much to the envy of the 'middle street' textile trade which is still trying to find its feet in the wake of the GFC and Euro instability.

Buyers of fibre destined for the routine trade would not be willing to pay much above $AU15 per kilo. On the other hand, fibre destined for the luxury trade where garments sell for hundreds and even thousands of dollars can be expected to reach $AU30 to $AU70 per kilo. These prices offer a sustainable and viable outcome for alpaca breeders.

In Australia, the Ultrafine Bale scheme has secured such prices for alpaca breeders and owners.

Operating for at least 6 years, the scheme involves collecting sub 19 micron white huacaya fleeces from around Australia using the Premium Alpaca concept. The fleeces are subject to Premium Alpaca's shearing and fleece preparation protocols to ensure a high level of quality assurance. The fleeces are grid tested using OFDA2000 technology to test for minimum acceptable levels of average fibre diameter, staple length and comfort factor. The fleeces are then skirted a second time to ensure consignments are relatively free of contamination and coarse fibres before consigning to the ultrafine bale.

The ultrafine bales have now a reputation for being used by fashion houses over the world to be eventually worn as high quality apparel. The fibre is marketed as 'Ultrafine Alpaca - Nature's Luxury'.

The benefit to growers is that the fibre is purchased for up to $70 per kilo, giving clear profit margins after shearing costs. Further, the market impact of the bales has successfully been used to market all alpaca fibre types including broader microns, coloured fibres and hopefully in the near future, suri fibre.

The success of this venture, however, relies on its ability to go toe to toe with other luxury fibres such as cashmere and mohair. For this reason, the ultrafine bale scheme, through the Premium Alpaca concept, has embraced all relevant commercial procedures such as exceeding industry standards for bale weights, ensuring all bales are accredited under the core sampling and testing procedures and providing assurances of continuity of supply of uniform product.

Tangible proof of the Ultrafine bale scheme came this month in the form of the world record finest alpaca bale achieving the highest price ever paid for a bale of alpaca. The record breaking bale had an accredited core test result of 17.8 microns, weighed 112 kilos (almost 250 pounds) and achieved a price of $AU7,000 or about $AU62 per kilo. The bale was bought by Keenan Scott of Waiheke Alpaca of New Zealand and is to be processed into luxury 'next to skin' wear.

The most important aspect of this sale, however, is the fact that it is linked to an on-going arrangement to purchase as much ultrafine alpaca fibre as we can supply for the same per kilo price, based on the grid test results of the respective fleeces. Mr Scott will be releasing more details of the venture in coming months.

During discussions with Mr Scott, he made it clear that he was drawn to the Premium Alpaca consignments, in particular the Ultrafine Bale, because of the stringent and commercial based QA protocols adopted. His view was that this is the way alpaca fibre needs to be marketed.

 In proclaiming the successes of the Ultrafine Scheme, the fact remains that many alpaca breeders are content to supply broader categories to, say, home spinners, many are not bothered with commercial returns for their fibre and many would respond with comments such as 'this has nothing to do with my alpaca herd'. And these breeders would have every right to do so - obviously.

For those breeders, however, who seek a viable alpaca fleece industry, this scheme provides a vision and a key to opening doors of opportunity. Combined with effective genetic selection, I can see the outcomes of this scheme resulting in alpacas producing fleeces worth hundreds of dollars over their lifetime - and I am not just talking about white huacaya alpacas.

As we are already witnessing with the Ultrafine Bale scheme, a viable alpaca fleece industry is achievable - providing we adopt a 'can do' approach to a visionary outlook.

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