

# Is Organic Alpaca the Answer?

By Adrian Stewart

Here in the New World the alpaca industry is doing some serious soul searching.

Having voted down the adoption of a breed standard, breeders have now turned their attention to the future of fiber.

Historically the AOBA marketing juggernaut has concentrated on driving demand for the alpaca lifestyle, mainly through TV advertising and this has been very successful, with 20% of alpaca owners citing TV advertising as their first introduction to alpacas.

Today more and more alpaca farmers are looking to make the fiber element of their alpaca operation revenue generating. This isn't going to be easy as most farms still have quite small herds. In 2006 fully 67% of farms had less than 20 alpacas and only 5% had more than 50 alpacas. In a country of this size shipping costs can be significant so collecting the fiber economically from so many farms presents logistical challenges.

Quite how AOBA makes the transition from focusing on the promotion of the "alpaca lifestyle" and the sale of alpaca breeding stock to the development of a viable alpaca fiber industry remains to be seen.

The newly formed Long Range Planning Committee is currently working on its mission statement so the direction is far from clear.

Historically the development of a fiber market has been left substantially to the fiber cooperative (AFCNA) which has enjoyed meager financial resources compared to AOBA and is currently supported by about 25% of AOBA members. Thanks mainly to a new and enthusiastic board of directors at AFCNA this number is expected to rise to almost 40% in the current year.

When asked the vast majority of alpaca owners state that "investment potential" and "tax advantages" are the main reasons they got into alpacas. With only 19% saying it was because of the fiber, which is kind of odd when you think about it. But reflects how the animals and the alpaca lifestyle have been promoted both by AOBA and by some of the larger member farms as the "huggable investment". Many farms find it hard to kick-start their marketing operations effectively, if at all. Apparently 24% of farms have never tried to sell any of their alpacas and 22% have tried but not had any success. Maybe that is one reason why they now want to see a financial return from their fiber? Whatever the reason fully two thirds of breeders want to see AOBA spend more of its advertising and promotional budget promoting alpaca fiber and apparel to consumers.

This is where the soul searching began.

There are some in the industry who say that it is too early to start promoting alpaca fiber to end users as we do not have the volume of quality American fiber to satisfy demand and that if we turn the promotional tap on too soon consumers will become frustrated when they can't get

enough American product and instead buy inferior product from South America and perhaps have a disappointing alpaca experience.

Personally, I don't buy this argument one bit. Experience has taught me that if you want to sell a quality product for a premium price, then demand has to exceed supply and that's as true for quality alpaca fiber as it is for tickets to the men's final at Wimbledon.

Right now in the US there are about 130,000 alpacas. To put that in perspective last year in Australia they clipped 117 million sheep. Doing some quite detailed modeling of birth rates and death rates I reckon it will be at least 15 years before there are 1 million alpacas in the US, so like it or not we are going to be a niche player in the global fiber market for the foreseeable future.

But this is no bad thing; in fact I think being a niche player is a real opportunity. Consumers are buying not only organic food but also clothes manufactured from organic fiber. The producers of cotton, wool and bamboo are already moving to meet the demand from retailers.

Take Marks and Spencer as an example. Graham Burdon from the Marks & Spencer chain has just returned from a tour of western NSW, in search of enough organic sheep fiber to knit 650,000 sweaters, (about 1,000 tons of wool).

Mr. Burdon says concerns about environmental sustainability have become mainstream ideas and are shaping retail trends. M&S has plans to convert their entire wool product range to organic fabric and they're prepared to pay a premium for organic wool.

In May, 2007 the largest sale yet of organic wool was held by the firm Elders Ltd in Melbourne Australia. Although organically grown wool represents only about 1 % of the country's wool clip, the sale demonstrated that there was growing international interest in sourcing wool to make clothing from sustainable fibers.

In December of 2006 the United Nations designated 2009 the International Year of Natural Fibers. (IYNF 2009)

“The International Year of Natural Fibers will raise consumer awareness of natural fibers and strengthen demand for natural fiber products, improving the livelihoods of the farmers who produce them and revenues for countries that export them. At the same time, promoting the use of natural fibers will enhance the environment.”

The stars are coming into alignment for natural organic fibers, but will the alpaca industry seize the opportunity?

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Adrian Stewart

MulberryAlpacas.com

