

Wools of New Zealand Shareholder Communication No. 48  
13 February 2015

## From the Chief Executive Record Month for D2S

January was a record month for Direct to Scour with 5,000 bales delivered, eclipsing our previous high volume monthly record of 3,000 bales. January last year was just on 2,000 bales – impressive growth and we thank you for your patronage. Much of this volume is repeat custom, but it's good to see new volume coming through. Keep telling your friends and neighbours about this good news story. The best way to support OUR company is with OUR wool.

Our scour partners, now including Cavalier, have done a great job handling the increased volumes with minimal delays – we thank them for their efforts also.

## Open Contract Options

Specs	Laneve	Lawton SPM
Length	2-4"	2-3"
Micron	35 - 39	35 - 39
Y-Z Colour	2.0 max	2.5 max
VM %	0.1	0.1
Delivery	Feb 2015	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> or 4 <sup>th</sup> Quarter 2015
Price	\$5.00 kg (clean)	\$5.00 kg (clean) + Quarterly price review

## Care with Documentation

A reminder to take care with your specification sheets and ensure that they travel with the wool consignment, with a copy to Wool Logistics. With 5,000 bales per month, we are getting a lot of consignments every day and the process relies on correct and timely documentation.

Please also ensure your spec sheet matches what is on the truck and not what's in the shed.

## Staple Commitment Programme and Stable Price Mechanism (SPM) Contracts

We are very pleased with more than 150 growers committing to our Staple programme, representing more than 1.5M kilograms of wool committed for the first half of 2015. This gives us great confidence to go out to customers knowing that we have committed wool supply from you.

We are also keen to extend Staple to include SPM pricing to provide you and our customers with continued price stability. Committed Staple growers are being asked to confirm their interest in SPM by separate communication. We recommend both Staple and SPM as "new way" options for you. Please talk with your Shareholder Liaison Officer if you are interested in these programmes, D2S or our other contracts.

## Taranaki Wool

We have responded to logistical issues in the Taranaki region with Duncan Menzies (Taranaki GAP member) and Wayne Baxter (SLO Lower North Island) having agreed with Sandford Transport and Wool Logistics to make the process easier for Taranaki growers, saving you money in farm-to-depot freight costs. Taranaki growers should contact Wayne for details about how this will work.

## Timaru Scour Visit

Brent Melville, Upper South Island SLO, is co-ordinating a grower visit to Canterbury Wool Scour for Thursday 12 March. Once the scour merger is approved, Timaru will be the only South Island scour. Places are limited so the sooner you

confirm your interest the better – please RSVP directly to Brent at [brent.melville@woolsnz.com](mailto:brent.melville@woolsnz.com) who will provide more details. We are keen to organise more visits depending on the level of interest.

## Clip Preparation in Shed

Some advice to add value to your clip:

1. Lots of seed is evident now in dry areas – leads to higher VM levels and reduced prices
2. Cott's needs to be separated from main lines
3. Skirting, especially high colour, should be separated from main lines
4. Bin bales – keep "like for like" in your bins
5. All secondary wools are valued on the "lowest common denominator" so keep your lines as segregated and as "pure" as possible
6. D2S was set up for "whole bales" (>150kg) – so work with your neighbours to maximise value and minimise costs.

## Midas Rug



Wools of New Zealand have introduced Aulana, a new luxury brand in which

cutting edge science, Laneve wool and pure gold, combine to produce the ultimate exclusive textiles. The first Aulana product is the Midas Rug, a unique hand knotted rug. Fine particles of pure gold shift light into delicate shades of grey, pink and purple. The scientific process is called 'localised surface plasmon resonance'. To understand this, think gothic cathedrals and their stained glass windows, which are often red in apparent colour – when, in reality, they are gold dissolved in the glass. Designed by SoFarSoNear of Milan and hand knotted (2,500 knots per square inch) by Obeetee in India. On display at SoFarSoNear's London showroom. Check it out at [www.aulana.co.uk](http://www.aulana.co.uk).

Ross Townshend

## Market Report

The combined North and South Island auction offering 14,000 bales saw a generally strong

market with 96% clearance. Steady sales and quick shipment requirements are continuing to keep pressure on local price levels.

Mid Micron Fleece finer than 26 microns eased between 2-4%, though the 27-30 micron wools were 1-2% dearer compared to when last sold. Fine Crossbred full fleece were firm to 3.5% dearer with shears ranging from firm to 5% up for targeted types.

Coarse full length fleece were firm to 4% dearer with the poor styles gaining the most. Coarse shears were firm to 2% dearer. Lambs fleece were generally firm to 2% dearer except the fine end in the North which eased slightly. Oddments were firm to 4% dearer. Next sale on 19 February comprises approximately 7,750 bales from the North Island and 6,400 bales from the South Island.



## Contact Us

Please contact your regional Supplier Liaison Officer (SLO) directly if you wish to discuss anything.

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