

We have finally fixed our ‘camelid’

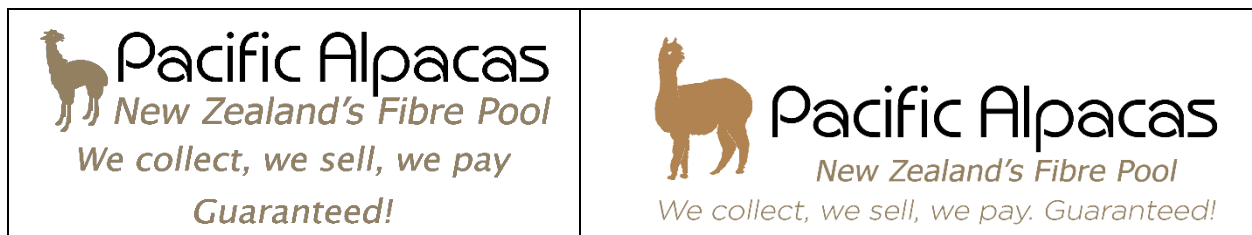
February 22nd

Your Account Number: (INSERT ACCOUNT NO.)

Bit late I know, but Happy New Year from all of us here at Pacific Alpacas.

OK, OK, OK – we heard you – our camelid / llama is gone for good!

One of the first things I did when I took over running Pacific Alpacas was to replace the original company logo with one I thought was much better. I hired a graphic artist who clearly knew as little as I did about alpacas and the logo on the left was ‘born’.



To be honest, I thought it was great, until more and more of you growers (and thankfully not one member of the public) pointed out that the animal was a llama at best or a “bitser” camelid at worst. What it most definitely was not as an alpaca.

Oops. Sorry. I guess that’s what you get when a marine biologist tries to run an alpaca fibre business.

I have finally had a new logo designed using a photograph I took of an alpaca just prior to shearing; the result is shown on the right. We will be rolling out this logo on all future bags, signage etc.

THE ELLIS FIBRE RECEIVERSHIP

A few of you have asked if the loss of so much money (\$173,798.77 to be precise) with Ellis Fibre going into receivership will have any long-term effect on Pacific Alpacas.

The answer is no, it is business as usual here and we have already shifted our focus more from selling fibre to using it for our own purposes with the aim of increasing its value to growers.

So, while the Ellis receivership certainly I am pleased to say we are strong enough to sustain the hit and move on; indeed, we have already and are starting to get inquiries from duvet retailers that used to stock Ellis’ duvets.

GROWER CREDIT POLICY

Michelle has been getting some negative feedback on the new way of calculating grower credits that we have introduced this season; i.e. that we now base this on estimated scoured weight not greasy weight.

This change has **absolutely no impact on end of year payout** it simply protects Pacific Alpacas from the risk over 'over-paying' a grower through them using up their fibre credits or obtaining an early payout and us having the write off that loss when the final payout calcs are done at season end.

Grower Credit is simply the amount of credit Pacific Alpacas is prepared to extend to any contributing grower towards the purchase of our products by that grower. It represents our comfortable exposure based in the 'security' provided through fibre supplied.

SCOURING LOSSES

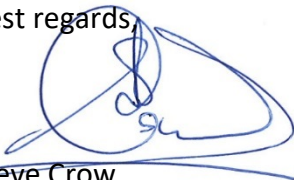
So called 'scouring losses' are a very significant challenge to the business; as I mentioned in the last newsletter, the 2017/18 season saw these regularly increase to more than 20% of greasy weight from the 15 to 20% experienced in previous years.

This year, instead of averaging the losses incurred from the various scours during the year we are going to use a more sophisticated methodology and apply losses per scour to each respective grade of fibre. In this way, those of you that supply cleaner, higher quality fibre will be less likely to be impacted by the losses attributable to dirtier, lower quality fibre.

018/19 Duvet Price List

Please find attached our updated price list for duvets for this season. We have had a run on Chinese sizes and are out of stock of all of them temporarily. We expect new stock of these sizes to arrive mid-April.

Best regards,

A handwritten signature in blue ink, appearing to read 'Steve Crow', written over a circular scribble.

Steve Crow

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