

Niche Marketing Success Stories: Processing Camelid Fiber Outside of South America

By Eric Hoffman

When discussing the processing of alpaca fiber I have often hear people say how hard it is to compete against the Peruvian mills because they produce such a large volume of yarn for a lower price than it can be produced in North American or European countries. When I hear this I am reminded of an experience I had on a market day in the small town of Ayvari in Peru. Almost all of the more than forty vendors gathered in the central plaza were selling the same three or four styles of shoes. There was virtually nothing to distinguish the wares in one stall from the next. Nobody had a niche and they were all getting a diluted response from market goers. I wondered if the Peruvian mills really do make competition too tough or if that perception is due to not understanding the importance of developing a special niche, as the vendors in the Peruvian village had failed to do.

I'm happy to report that I found plenty of success stories, from people working with not just alpacas but also with llamas, and guanacos and not in just one country, but in many countries around the world.

In 2006, as part of film project, we interviewed both Derek Michell and Juan Pepper at the offices of Michell & CIA in Arequipa, Peru. Derek's grandfather was the founder of what is commonly called the "modern alpaca fiber trade" in Peru. Juan Pepper is the Commercial Manager for Michell. Derek runs a mill with 1,500 employees yet he began his conversation with us by explaining how little alpaca fiber there is in the world (about 5000 tons). He points out this is only one-third as much as the annual cashmere harvest. "There are many variables at play in developing a worldwide market, the first being awareness. With greater awareness of



*Derek Michell and Juan Pepper
of Michell & CIA, Arequipa, Peru*



High
Fashion

the special qualities of alpaca fiber 5000 tons would disappear overnight,” declared Derek.

The term ‘specialty fiber’ is used to describe all of the South American camelids, plus cashmere, qiviut (Musk ox), angora, yak, and mohair. All totaled the specialty fibers comprise about 2.6 percent of the natural fiber grown in the world. When it comes to natural fiber production, sheep will always produce the highest volume. But when it comes to sheep’s wool and camelids (or vicuna, guanaco, and llamas) in the same micron range, alpaca will always have the smoother handle because of their smoother scale structure.

Juan Pepper is one of the most knowledgeable people in the international alpaca fiber trade. He spends more than six months a year traveling to develop new markets. Recently he has been working in Japan and China (which in 2005 purchased 50% of the alpaca fiber tops in the world). Juan also visits western European countries regularly as well as Syria, Turkey and Russia.

During our interview with Juan he explained that the creativity of people who know the likes, dislikes and traditions of their own cultures is the underpinning of developing successful niche markets and spreading awareness of alpaca fiber worldwide. In Juan’s words, “As Peruvians we can’t realistically address all the possibilities for blends and finished goods. We can never supply the entire world with all the needed alpaca yarns and fine finished products. We have a large processing capacity but much of the finishing is better done by a Chinese, Japanese or Italian who knows what works best in their situation. That’s why we will always keep a niche as an exporter of tops to supply many of the emerging markets of the world and countries who want to develop their own finished products.”

He continued, “When you look at the world, it is important to realize most countries have some kind of fiber trade. It may vary from very developed to new and experimental. Economics, technology, money for investment, fashion awareness and creativity all play parts in how these markets develop. The Italians are known for making their own



Tops are produced from the worsted system. A tops is an untwisted strand of staple after the combing process is completed. Tops are usually wound into a ball weight between 5 and 15 pounds (2.27-6.80 kg) for the purpose of trading. Much of the fiber processed in Peru is shipped to overseas destinations as tops, where it is further processed into yarns or finished goods. Some of large mills in Peru consider trading in tops their market niche.

fancy styles for high fashion. The Chinese or Japanese may have an entirely different way of looking at what is possible. In some cases they may want to work in blends that are only 50% alpaca because that’s what they can afford. This is why there is plenty of room in the world for expanding alpaca products. Creativity and awareness are among the most important variables.”

Juan’s insight was illustrated in the creativity of the producers I spoke with. It appears that there is plenty of room for successful niche markets in the camelid fiber industry.

N I C H E M A R K E T I N G

Victory Ranch Alpacas (United States)

Carol and Darcy Weisner



Carol Weisner of Victory Ranch Alpacas

Fiber Products

Yarns (both 100% alpaca and blends), yarn manufacturing supplies (spinning wheels, carders, ball spinners, etc.), they also sell everything from finger puppets for children to blankets, scarves, delicately woven shawls, sweaters made of baby alpaca yarn and custom jackets that amount to art pieces for adult customers. More than 140 products are offered in the ranch store and on their website, and classes and seminars are offered on a regular basis.

What’s Unique

Mora New Mexico lies in a beautiful setting at 7000 feet in the Sangre de

Cristo Mountains. Although they are far from large cities (Santa Fe is 90 miles to the north, and Albuquerque is 120 miles to the south, it is 45 miles to Taos and 35 miles from Angel Fire, a ski resort), tour buses pull up regularly to Victory Ranch. The ranch’s unwritten motto seems to be “ambience and something for everyone under the alpaca banner.” Victory Ranch is an example of what an entrepreneurial spirit can do if enough brains and heart are poured into a project. The ranch buildings are casual looking and consistent in Southwest pueblo design. What looks casual is more like a beehive in terms of activity: a ranch store stocked with the best high end garments from Peru and also inexpensive trinkets, a herd of 200 alpacas spread over hundreds of acres and fifty acres of hay production. Carol and her daughter Darcy regularly travel to and from Peru to keep their store stocked. But this is only part of why this out of the way ranch is successful.

They are a working ranch that is open to the public from 10 a.m to 4 p.m seven days a week, even on Thanksgiving and Christmas. They are closed in January and February. As an adjunct to the walking tours visitors can feed some alpacas (\$3.00 for a cup of pellets) and walk among the herd.

This is a large ranch where elk and bear are commonly seen crossing nearby roads and coyotes are kept from the alpacas by a vigilant pack of Great Pyrenees guard dogs. The naturally occurring pastures are similar in appearance to bofadales, the distinctive plant community where alpaca are most often found. This is, in part, why the tour buses stop here. Their customers see something unique in a beautiful natural setting and Carol, Darcy and the supporting cast provide something for every taste both at the ranch and on their comprehensive website, which underscores a second motto that was often quoted by Ken Weisner, “If you have a wheel barrow you need to push it to get the work done.”

Multi-faceted Marketing Approach

Merchandise revenues are about evenly divided between The Victory Ranch store and website sales. Carol Weisner: “Combining what we produce from our own herd of about 200 animals and what

we import from Peru I think we have yarn covered. We have every color, every weight and every style. For hand spinners visiting the ranch we have pictures of each of our animals. They can inspect the animals and choose a fleece by naming the animal. This has worked very well for us.” Depending on the age and quality of the animal’s fleece Victory Ranch’s fleeces end up with hand spinners, doll makers, and fiber artists. Nothing goes unused, even the coarsest skirtings have a place, in the rug trade. “We also like to do business with The Royal Spinnery run by Rod Daken. We can send him raw fiber and get back yarns we need. Rod heads up a program that only processes fiber grown in the United States.”

Darcy Weisner: “What’s interesting is that many of our hand spinners have come to know our animals so well they will order a particular animal’s fleece over the internet, which is a change in how our home grown fiber is sold. Imported yarns have sold this way for a long time but, it took more time to develop trust among our spinners about the consistent quality of our own animals.”

Economic/Ecological Considerations and Animal Management

Darcy Weisner: “Of course our animals are a big part of the business, but not the whole business. Sales, boarding and stud fees are income streams as well. We are also self-contained in terms of feeding costs. We have fifty acres dedicated to growing hay. We use our manure to fertilize the hay and are working towards organic farm certification. The animals also have pasture. The combination of our natural pastures and forage production means our running costs are much lower than they would be if we had to buy hay or pump water to irrigate for 200 animals.”



Ranch Manager, Darcy Weisner, sitting with the alpaca BJ, one of the colored alpacas found in the Victory Ranch herd of 200. Darcy is wearing an intricately woven handcrafted shawl made from the ranch's millspun yarn. The pattern for the shawl can be found in the book, Shear Spirit.

Biggest Honor

Carol Weisner: “We were featured in the book, *Shear Spirits* by Joan Tapper and Gale Zucker, but our biggest honor has been developing this business as a family. This is a huge job. My husband Kenny, who died in September 2007, was the inspiration. He was willing to take the chance to develop Victory Ranch. I would’ve never tried it without his lead. Each of us brought something different to the table. I have a masters in business and I made some of the first business contacts with Peruvians. Darcy has an art degree and has designed women’s clothing. Kenny was an independent thinker with a great sense for developing businesses, which he had done previously in Chicago. Now my daughter Darcy and Mark Bunting run the farm.”

What advice do you have for someone contemplating camelid fiber as a source of income?

Carol Weisner: “Don’t be afraid. If you have a dream try to fulfill it. Life is short. Have a vision of where you want to go. Chutzpah helps. Remember the childhood story of The Little Engine That Could. He kept repeating, “I think I can” as he chugged up a hill that was so steep it frightened him. Hard work and knowledge are your friends. We spent a lot of time in Peru and after awhile became good friends and business associates with people who designed clothing with us and would respond quickly after receiving an email. We also have many good relationships with people here. Cultivating relationships is very important.”

“We’ve been involved in alpacas for nineteen years. When we started we knew nothing about fiber. We kept wanting

to learn and try new things. Sometimes you get knocked back but as long as you keep learning, stick together, keep your determination and your health, things will work out.”

How important are relationships with breed associations and fiber organizations?

You have to always ask yourself who is benefiting and if it isn’t you, think about if you want to be involved with them.

Edy’s Mills Fine Fibres (Canada)

Heather Blanchard/Norris McAuslan



Heather Blanchard and Norris McAuslan receive the Premier of Ontario Award for Innovation in Agriculture in 2008.

Fiber Products

Roving, batting, felt, custom yarns are six different weights including rug yarns. Edy’s Mill works in 100% alpaca and many blends, including fine sheep, silk, yak and angora. They receive fiber from every province in Canada and from the United States. Clients commonly send five to ten pounds of raw fleece but they some times process 200 pounds in a single order. Volume varies from year to year with many repeat customers.

Why are you involved in fiber processing?

Heather Blanchard, the co-owner in the mill, bought some alpacas and began going to seminars and meetings. Heather: “We’ve been operating the mill for about six years. We are from a farming background so we think of what the animal



Superfine handspun yarn from Victory Ranch. Each skein has a picture and the name of the alpaca from which it is made. (this can be used as a dye lot).



Some of the unique felted items produced at Edys Mills.

is supposed to produce. We became interested in making products as our herd began to grow. There wasn't enough going on with processing, so we decided to do it ourselves. We bought a Belfast mini-mill and learned how to adjust it for custom orders. We soon found others wanted us to process their fiber as well."

Niche

Heather Blanchard: "Our niche is forever changing. It is important to remain flexible and open minded. For example, creative new pieces of equipment are developed that allow us to expand our capability to embrace a wider range in the products we can make."

What's most rewarding?

Heather Blanchard: "We won the 2008 Premier of Ontario Award for Innovation in Agriculture. (In Canada the Premier is the head of a province, much like a governor of a state in the United States). We are proud of the award but there are other rewards, like learning new techniques and watching people become excited when a fleece is made into a quality yarn. Processing has also helped us with our herd selection. We now know what works best and adjust our breeding program to get the fleece types that give us what we need. We have a saying, 'Quality in quality out.'"

What advice do you have for someone running their own mini mill?

Heather Blanchard: "It's a big commitment of time and money. Do as much research on the technical aspects of processing as possible before committing to a particular direction. There are many approaches to what you can do. It also helps to have mechanical know-how. In

our case my partner, relatives, and I have the combined skills necessary to adjust the machinery for the custom work we do."

What causes frustration?

Heather Blanchard: "We try to help people through educating them, which can become tricky. People sometimes buy animals based on what they are told is the quality of the fleece. Fleeces change over time, and in some cases just aren't what they've been told they were. Coming to grips with that reality can be difficult."

Attracting Customers

Internet, word of mouth, and attending alpaca shows.

About competition from South American sources

Heather Blanchard: It's the reality. They are out there, but it is possible to develop your own niche.

About belonging to organizations

Heather Blanchard: "We belong to the Alpaca Fiber Co-op (AFCO), which has been up and running for two years. This is a new organization made up of people involved in processing. We help one another and it's worthwhile for all of us."

N I C H E M A R K E T I N G

Pacific Northwest Llama Fiber Cooperative LLC (United States)

Larry McCool



Larry McCool
Llama Fiber Cooperative LLC

Fiber Products

The Pacific Northwest Llama Fiber Cooperative LLC processes their fiber



Llama fiber blankets

though Pendleton Mills, one of the longest running mills on the West Coast. The Cooperative's product line consists of blankets, rugs, and socks. Larry McCool: "We collect up to 6000 lbs (2727 kg) a year." The organization has been operating two years. The first year they made 100 blankets, the second year 575. Leg and neck fiber usually goes to make 4'x 6' rugs that are Southwestern in style.

Niche

The Pacific Northwest Llama Fiber Cooperative LLC believes they are the only commercial entity in the United States solely processing llama, and they are proud of it.

How does the organization work?

Larry McCool: "We have an open membership for anyone owning llamas in North America. Fifty-two farms belong and contribute fiber. There is a nominal membership fee for a lifetime membership. Currently our members are spread over Montana, Idaho, Oregon and Washington. All the big ranches in Oregon belong. We have a five member board of directors. Nobody is paid and there are no employees. Everyone sends their fiber to a centralized collection point. We then grade the fiber into four classes based on handle. Our graders rely on tactile skill to determine the four classes and visual skills to separate the fiber into different colors. We take about 1,200 pounds (545 kg) to the mill at time and processed around 6000 pounds (2727 kg) last year. Members get back what they put in. For example, if you contribute 5% of the fiber you get 5% of the profit. Members can also buy products at wholesale prices."



Llama fiber rug



Socks produced from Llama fiber and specifically labeled as being from the Pacific Northwest Llama Fiber Cooperative LLC

How The Pacific Northwest Cooperative, LLC was created

Larry McCool: “I was raised on a farm. I believe that livestock needs to produce something. I was attracted to llamas and have owned them for twelve years. We could pack with our llamas or take them to shows to get ribbons. A judge might tell us our llama had good fiber, but this really wasn’t developing a product. You can’t live on acknowledgment alone. People would win a ribbon and haul their fiber to the dump. I decided to organize llama growers into utilizing their fiber. At first it was difficult to convince people. Kay Patterson was our first paying member. This helped a lot. She is highly respected and seen as the founder of the llama business in the United States.”

How do you get new members and attract customers to your products?

Larry McCool: “Our members bring in new people and we go to shows to sell our products. We’ve just put up a website too.”

Processing helps llama raising

Larry McCool: “We’ve learned a lot about fiber now that we are in the processing business. The most expensive llama I ever bought didn’t have very good fiber. I’ve learned from my mistakes and so have others. Members of the co-op, including me, are now paying more attention to fiber quality, with a good idea of what quality really is. This influences animal selection and breeding.”

Advice for llama breeders

Larry McCool: “Be careful in selection of animals. Learn about the lineages. Young animals can fool you. Their fiber can change fairly drastically as they mature. Use all of the fiber not just the barrel cut.”

Have association with other organizations helped?

Larry McCool: “Yes, the Willamette Valley Llama Association has supported all kinds of research and learning about llamas. Many of our members also belong to that organization.”

Rewarding

Larry McCool: It is a great feeling to see this get off the ground. People are feeling positive about fiber. We are moving forward.

N I C H E M A R K E T I N G

UK Alpaca (England)

Chas Brooke and Rachel Hebditch



Fiber Products

Blended alpaca yarns. Brooke and Hebditch buy raw fiber from fifty farms in England and process it themselves. They make hand-knit yarns, which they sell as 100 gram-balls with a 265 meter length per ball. They produce five colors of yarn in three grades plus dyed yarns. In their first year they processed three tons.



Two years later they processed six tons.

The clearly labelled double knit yarn produced by Vulcombe Mill

The devil is in the details

Chas Brooke: “We process hand-knit



yarn employing the worsted system. Grading is probably the most important aspect of yarn production. As production is a serial process involving at least eight major functions between raw fiber and finished balled yarn, a failure of any process will not be easily correctable, if at all. The excellent handle of our finished yarn is a reflection of the quality and consistency of our grading process”

Formulas for blends

Chas Brooke: “The blend we choose depends on the use of the yarn. For example, our sock yarn is blended with nylon or wool. Our hand-knit yarns are blended with Blue Face Leicester and our baby yarn is blended with silk. Nylon gives more wearability. The Blue Faced Leicester gives finished yarn more loft and helps hold alpaca together. The silk helps emphasize the wonderful soft and silky feel. We are unable to blend the black alpaca, as there is not other natural solid black fiber available to us.”

Rachel and Chas have their fiber processed at a single, long-established mill to assure consistency. They find themselves attending trade shows outside the alpaca community, where they are commonly competing against wool and specialty fibers from around the world. Chas Brooke: “We feel we are competitive with Peruvian yarns in price and quality.”

Does their effort include involvement in alpaca breed association efforts?

“Absolutely not, This is a private business that makes a consistent product.”

Animal ownership

Animal sales is a big part of our business and it keeps us in contact with sources for the fiber that we process.

Starry Nights Mills (United States)

Blair Timmerman



Blair Timmerman (owner and operator of Starry Nights Mill) whose market niche is in fulfilling small orders.

Fiber Products

Mini-mill operator in business for 9 years. Makes roving, three different two ply yarns (finger weight, sport weight, worsted weight) and felted material. All products are 100% alpaca. Works with hand spinners wanting raw fleece made into roving. The grade produced is dependent on the quality of fiber received from customer.

Catering to the customer

Starry Nights Mills won the AOBA Mill of Year Award 2003, which was the only time AOBA awarded a privately run mill. The award was given for the consistent manner in which Starry Nights Mills customized orders to fit the need of its customers. Blair Timmerman: “Our first question is what are your goals. Experienced fiber artists often know what they need. I’ll customize the weight to what they want. With inexperienced customers I’ll create a variety of products for their ranch store: roving, and different yarns. However, the worsted weight seems to be the most sought after. Worsted, as a grade, is a little heavier, meaning making a knitted product like a sweater is less intense than hand knitting with a lighter weight. People learning to knit prefer worsted weight. I consider it the most versatile yarn.”

Niche

Blair Timmerman: “Our specialty is processing small orders and making what the customers wants. We operate

in a zone larger mills won’t touch because they would have to adjust their machinery more than they’d like. We have around 100 regular customers and process around 2,500 lbs a year. Five lbs (2.5 kg) is our most common order though our orders range between five and eighty lbs (2.5 – 36 kg). Our other niche is to consistently produce a yarn that is strong but with a handspun look. We have a style of yarn that has consistent highs and lows as it rolls off the ball. I call it alpaca yarn with a little character. The people we attract like this style.”

Why did you become involved in fiber processing?

In 2000 the Timmermans had a herd of alpacas so they joined a large fiber co-op that sent them thread when they expected a particular type of yarn. Blair Timmerman: “No matter what quality of fiber you sent them they wouldn’t guarantee what they’d send you in return. So we bought our own equipment to fulfill our needs to make our own yarns. It wasn’t long until we were processing fiber from farms from all over the place.”

What is most rewarding?

Blair Timmerman: “Winning the award, in the only year AOBA had an award was encouraging. But what really makes me feel good is the feed back from customers. It is fun to watch people who bought some alpacas go through the transition of really realizing what the animal is designed to do. Watching people light up for the first time to the wonderful yarn that came from their animal is a great feeling.”

What is the most frustrating?

Blair Timmerman: “It is frustrating dealing with people who have it set in their mind what their fiber will be made into, despite how coarse it is. Processing options are contingent on the quality of the fiber. A conversation about the properties of a fleece or group of fleeces usually gets everyone going in the right direction, but sometimes people are so insistent on what they think they need that we make it for them and they aren’t as happy as they could’ve been. There are processes for coarse fiber but

sometimes learning the truth is a sensitive issue. If it is going to rub against someone’s skin, it does make a difference if the fiber is 22 microns or 35 microns.

As a mini-mill operator do you feel threatened by the large Peruvian Mills?

“Not at all. I have a niche they don’t want and we both promote alpaca fiber”

What is the key to success in operating a mini-mill?

Blair Timmerman: “First, it really helps if you’re mechanically inclined. I happen to have a degree in engineering. I brought this aptitude to running the mill, which has helped me a great deal. I wouldn’t be able to adjust my equipment to cater to the differences in fiber from one small order to the next without my background. It is also important to carefully research the types of mills on the market. I work with a Belfast Mini-Mill but there are other good brands as well. There are also reconditioned older mills left over from the textile businesses that used to populate the East Coast. The mistake I’ve seen made a few times is hand spinners will buy a mini-mill and won’t realize the skill requirements for hand spinning and keeping the machinery used in a mini-mill running are different. The last ingredient for success is enjoying it.”

Did you find large alpaca associations helpful?

Blair Timmerman: “The big associations have little interest in small mills. After I won the award at AOBA they wouldn’t run an article about it. My guess is the decision makers realized that they had just given an award to a private business competing against their national co-op. I’ve learned that creating your own smoke, blazing your own trail works best. My relationship with organizations is as an educating influence. I’ve dedicated a lot of time and effort to processing fiber and learning about how to do it the best way I can. I’ve been invited to speak at many meetings. The more people learn about processing, the better their fiber will become, which is good for them and me. I try to get people to assess their fleeces for its processing qualities.”

What differences have you seen in the alpaca business during your nine years of involvement?

When we first came in we felt we were in a minority for being primarily interested in processing fiber. People were interested in breeding and selling animals. In recent years we've seen much more interest in processing. This is a shift."

Alpaca D'or (Germany)

Frank Nasemann
Mike Herrling



Mike Herrling

Fiber Products

Top of the line classic alpaca duvets in all commercially known sizes. Mike Herrling: Our product line consists of the "Comfort Line" with fleeces between 20 and 27 microns and the "Luxury Line" with fleeces below 20 microns. Both lines are available in spring/summer and fall/winter duvets. The product itself is ultra low in weight, thermo regulating (no sweating), anti-allergic and self cleaning.

Contacting Customers

Mike Herrling: "Our primary focus is breeding alpacas. On the animal side, our primary marketing tools are magazine ads and the internet. For the duvets we use sales personnel to present our products at bed and furniture stores across Germany. We have created a nationwide sales network."

Product Development

Mike Herrling: "Initial tests were done in 2006. Developing consistency and final product specifications were completed in 2007. The official company launch was in February 2008. Within 9 months Alpaca D'or processed almost 2.5 tonnes of fibre, collected from 12 farms in Germany. We produced mono (spring/summer) and duo (fall/winter) weight duvets, depending on the season. By Christmas 2008 we were sold out."

Why are you making products?

Mike Herrling: "It was clear from the start that we needed to do the work ourselves to make money from our fiber. In order to succeed as a fibre animal breeder and small scale fibre producer, you need to vertically integrate your business, meaning, you need to be involved at every step from breeding for good quality fleece, to fiber processing, product creation, distribution, and sales. If you are not producing good fiber you cannot create a good product. In small cottage industries preserving a certain amount of independence from the big boys is of utmost importance."

What is your niche?

Mike Herrling: "As long as we breed alpacas, we will produce alpaca clothing and other products like the duvets. The biggest problem has been finding enough fibre of the same colour and quality. A second challenge was to find a regional

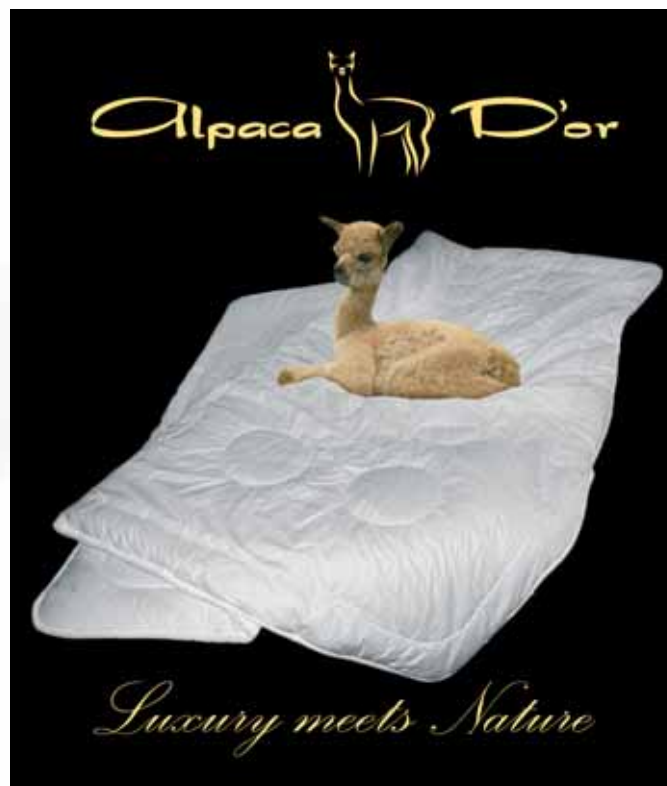
Colour and design is no longer a question. Production cost is reduced to only a few steps. Animal fibre duvets are considered the best selling niche product, because traditional down duvets are getting more and more expensive and the disadvantages of oil based plastic fibres are well known.

What's most rewarding about working in camelid fiber products?

Mike Herrling: "Experiencing our customers' enthusiasm for alpaca fibre products has been very rewarding. To actually see and feel the product created through your daily work is even more rewarding than actually seeing the monetary success of the venture. In our case, knowing that you will sleep under your own product, something that you accompanied from growing on the animal to its final destination, makes you happy to get in bed. We always believed in alpaca fibre as something really special. We are happy that we found our unique product."

How important is knowing your culture (or country) in developing product?

Mike Herrling: "It is an absolute must to know the culture of the country you develop products for, because it dictates product specifications. South American style sweaters are nice souvenirs, but often low value clothing when sold in Europe. In the duvet business, you need to know the "sleeping habits" of your target country. In several countries, spouses sleep under a single duvet, while in others they prefer their own. That dictates the sizes that you offer. Like in all businesses you need to do solid market research before you commit any money to production."



producer willing to process small amounts of fiber and yet to produce enough yarn to produce a reasonable collection of clothing. Every year we were confronted with the same problems: Which designs and colours will be in fashion, and which sizes do we need to produce so we do not have large amounts of leftover inventory? With alpaca duvets, we only need to separate the good from the bad fibre.

What advice do you have for others contemplating doing developing fibre products?

Mike Herrling: "First of all, whatever you produce, avoid going into direct competition with somebody who has a larger capacity than yourself. Join forces with people who know the particular market. Be careful about joining cooperatives. They are often not flexible

and may not be able to deliver an economic reward to the fiber producer. Do something special and unique and avoid copying product lines. If you have a good product, find a way to market it, before you start to advertise. Always go for products that are custom made instead of large off the shelf products were you need huge storage capacity. And finally, have a good exit strategy; one day you might need it.

N I C H E M A R K E T I N G

Esgyrn Farm (Wales, United Kingdom)

Ray Lerwill and Robin Pratt
Fiber Products



Ray Lerwill with his Guanacos

Guanaco scarves that are sold in boutique shops in Europe, primarily in Italy. Scarves retail for \$450 (USD).

Breeding practices and production goals

Ray Lerwill: You can expect close to 750 grams of undercoat from many of our animals. The majority of wild ones in South America produce about 380 grams. Diet and breeding account for the difference. Guanacos coarsen very slowly and chulengos (young animals) have an undercoat near 13 microns, which is comparable to vicuna. Adult undercoats usually are below 20 microns their entire life."

Why guanacos?

Esgyrn Farms founder Robin Pratt first farmed red deer, but after studying the potential of guanacos with their low micron undercoat switched to guanacos about twenty years ago.

Special Challenges

Guanacos are wild animals. Esgyrn Farms shears a herd of between 300 and 450 guanacos annually. They have designed a hydraulic shearing table that humanely restrains each animal while it is shorn.



Luxurious scarf made from guanaco fiber.

Also, farming guanacos requires higher fences and reinforced aisle ways. Handling wild guanacos can be challenging. Maintaining genetic diversity can be demanding because of the rareness of guanacos in the UK and the inbreeding of zoo stock, which is the primary source of guanacos outside of South America. Though guanacos are not an endangered species like vicunas, laws governing the transport of wild animals between countries are often different than the rules governing 'domestic animals', the classification for alpacas and llamas.

Economic Considerations

Guanacos are large animals (220 pounds/100 kg) with a low but valuable annual yield (380 – 750 grams annually). Feeding costs and housing need to be carefully considered. With the guanacos low fleece weight it takes a sizeable herd to produce enough fiber for sustained processing. Esgyrn Farms is a large operation. Their expansive, verdant natural pastures helps considerably on feed costs, and allow the guanacos the space they require for successful housing.

N I C H E M A R K E T I N G

A Simpler Time- Alpacas & Mill (United States)

Dave and Barbara Davies

Range of services offered

Fiber processing - yarn, roving, batts, and felt sheets. Stud Services, agisting, animal sales, sales of finished alpaca goods, Schacht Spindle company spinning wheels, looms and accessories.

How would you describe your business niche?

Dave: "I once heard a mini-mill owner say, 'They send it to me dirty, so I'll send it back to them dirty.' I wanted to save people time. People told me stories of spending days on each individual fleece working with the fiber to get the vegetation out. I bought a fiber separator

and dehairer which is the machine that removes hair and vegetation from the fiber. I realized that this area was the bottleneck in the fiber processing in the mill, which is why many mini-mills either do not have these machines and they send the fiber back as they received it, lots of vegetation or they charge per pass through the machines.

I wanted people to receive the nicest yarn they could without spending their lives getting the fiber clean themselves. So I traded in my small fiber separator and purchased two of the largest fiber separators and de-hairer machines mini-mill builds. The average fleece takes four passes through the large machines to get it clean. We do not charge anything more for this service. People need to be aware of this because when they compare prices they may not be aware that while some mini-mills may seem to have the same price per pound for say sport yarn, their price is not actually the same since we include getting the fiber run through the fiber separator and de-hairer without a per pass charge or per pound charge."

What aspect of the milling business consumes the bulk of your time?

Dave: "One of the activities that takes time is explaining to people about processing yarn. I often get asked, "If I have a not so nice fleece can I combine it with cria fleece to make the yarn softer? The answer is no, you will just make lumpy, bumpy yarn. The critical part about processing yarn is the consistency of staple length of the fiber and fineness you are starting with. If the fiber itself is varying even on one animal more than 1/2 inch it will affect the yarn. This difference in length will make the yarn lumpy. When this happens we have to take a lot of time using a special air joiner that removes the lumps and rejoins the yarn. We use quality control to make the yarn to be the nicest we can get it but this means that you lose even more yarn. So in the final analysis, you will have sent in a lot more fiber than you will get back in yarn."



Rachel Davies running the fiber separator and dehairer at A Simpler Time-Alpacas and Mill

Possible pitfalls in setting up a mini-mill?

Dave: "Debt. Many mills borrow the money to buy the equipment since the equipment is very expensive and then they go into business hoping to get enough business to pay off the debt and make a living on processing the fiber. They do not realize how absolutely labor intensive the process is and they just can't process fast enough to pay off the debt and make a living."

What has helped the most in developing your business?

Dave: "Teamwork is one of the keys to making our mill successful. Our family works together to make our business successful with my wife heading up the animal care and selection and I head up the mill processing, while at the same time we make all our decisions together. Our children also work with us in the business."

Why did you pick fiber processing as something you wanted to pursue?

Dave: "We picked fiber processing because I have over twenty years experience in manufacturing. These are just different machines. All of my manufacturing experience is put into this business and we can do this business as a family. I get to be at home with my wife and kids and the industry needed quality fiber processing mills."

What have been the biggest challenges?

Dave: "Our biggest challenge has been balancing processing fiber with re-building our house. Our home burned down in the Cedar Fires in San Diego in 2003. We just finished rebuilding our home in September of 2008 which is almost five years later. For the last five years I was very busy dividing my time between fiber processing and rebuilding our home. Now we have been

able to get our backlog down to 2-3 months. Our challenge now is getting fiber processed when people need it. Rather than just sending fiber in to our mill and waiting for our back log to get down so we can start their order and wondering when the yarn will be back to them, we have started a new program called "save a spot." Now a farm can select a month they want their fiber to be processed and we will process their order that month. They can see details about this program on our website at www.simplertimemill.com

And the biggest rewards?

Dave: "One of the biggest rewards has been the look on people's faces when they get their yarn back. Our customers have told us over and over again how beautiful their yarn is and how pleased they are, when the yarn comes back from our mill."

Briefly, what advice would you give to someone wanting to get involved in some aspect of processing?

Dave: "Enjoy it! Whatever aspect of fiber processing you choose: designing fabric, knitting hats, or weaving rugs. Enjoy it! If you really enjoy what you are doing it won't be work to you. Don't do something just to make money. If you choose something just to make money, you will hate it after awhile."

What are the strengths of alpaca and where can alpaca be improved...from a processor's point of view?

Dave: "Alpaca has a beautiful handle. When you touch alpaca fiber you can tell you are feeling something much nicer than many other fibers. Don't get into worrying about pretty bold crimp because from a fiber processing point this makes no difference. Concern yourself with the luster, the handle,

the fineness, the tensile strength, the density, curvature, and the staple length of your fiber. These are the areas that sell alpaca fiber from a processing point of view."

How do you attract business?

Dave: "We did one mailing in CA when we first started, just to let people know we were in business, and from then on word of mouth has built our business from California to Wisconsin and, as of this year, it looks like to Florida too."

How long in the fiber milling business?

Dave: "Six years."

Summary

I felt a positive outlook and sense of satisfaction from all the people interviewed for this article, and learned that beautiful, useful products are being made with camelid fiber all over the world. There are many more outstanding producers than could be included here. At last we are harvesting the wealth of camelid fiber. The viability of raising camelids as a profit-making form of livestock outside South America will be ensured by this type of ingenuity and hard work.

CQ

About the Author

*Eric Hoffman is the primary author of the second revised edition *The Complete Alpaca Book*, (Bonny Doon Press, 2006). He wrote the first scientifically based alpaca registry (today known as ARI) in the world and is author of hundreds of articles on all four species of camelids.*

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