

Check's in the Mail



by Daryl W. Goodrich, JD

When my wife and I owned apartments, a few tenants would be late rent payers. Their reply to my phone call often would be: “Check’s in the mail.” Sometimes it was and sometimes it wasn’t! But, their reply always delayed me pressing them further.

Once in a while, though, my call would uncover a real problem such as a lost job or illness. So, I would give them time to work through the problem and pay the rent. They expressed their appreciation for me believing in them when their life collapsed by being exceptional tenants.

And, so it is with the Alpaca Fiber Cooperative of North America, Inc. (www.afcna.com). My farm submitted alpaca fiber year after year after year to AFCNA. In 2008, when I heard AFCNA generated a profit, I thought about calling to ask: “Where’s my share?”

I feared the reply would be: “Check’s in the mail.” Fear worked – I never called. I knew AFCNA had a health problem and worked very hard for many years to reach its goal of producing an income to member farms for their entire fiber clip. I believed in AFCNA’s integrity and dedication to its goal.

I received mail on Saturday, June 21, 2008 just as I do six days a week – week after week. But, this was no ordinary mail day! That day, a large envelope was in my mailbox. Inside (drumroll, please...) was a check for my farm’s share of AFCNA’s 2007 net income. Enclosed papers explained our share was based on the amount of fiber we submitted to AFCNA.

What a milestone! This is the first time AFCNA paid my farm for submitted fiber!

Milestone

This check demonstrated to me that a large-volume alpaca fiber industry is now viable for North American alpaca fiber and that a large-volume alpaca fiber industry is now in place here in North America. Most importantly for me, though, it demonstrated that the cooperative advantage of AFCNA is no longer a dream. It is now a reality for alpaca farmers.

Fiber craft persons and mini-mill processors have heretofore made alpaca fiber into products. But to handle the expected large tonnage of alpaca fiber from the growing North American

herd, a large volume national fiber industry needs to be created. And, a large volume



fiber industry for fine and coarse fiber alike needs to be created. I see this large volume fiber industry as a complement to the existing craft and custom-processing arena.

AFCNA struggled for 10 years as a pioneer in uncharted waters to build a large-volume North American alpaca fiber industry. It has finally put together a viable U.S. manufacturing pipeline from fiber sorting by grade and color, scouring, and spinning to weaving and knitting products.

AFCNA is now refining this pipeline so a large fiber volume can be handled. Its focus is on marketing member North American alpaca fiber through manufacturing, designing, and selling more and more products made from their fiber. One of its creative marketing tools was the adoption of a North American Alpaca trademark to indicate a product's alpaca content is 100% North American alpaca.

Cooperative Advantage

AFCNA is not a typical entrepreneurial endeavor. It was incorporated under the State of Colorado Cooperative Act to serve its member alpaca farmers who are also its owners. AFCNA maximizes the farmer's income from alpaca fiber with the cooperative business model.

As stated in my *Alpacas Magazine* article (Spring '06 issue), *Cranberries to Alpacas – The Benefits of a Farmers' Cooperative*: "The appeal of marketing cooperatives comes from the demonstrated fact that people working together for their mutual benefit can reduce costs, generate greater income from their products, and secure services unattainable on an individual basis." These cooperative benefits arise from four facts:

- Most agricultural commodities are worth more in the manufactured state than raw. This is true for alpaca fiber.
- He who controls product manufacturing and marketing captures the consumer value added to a farmer's

raw commodity through product manufacture.

- The economies of scale, centralized management, and vertical integration necessary for successful manufacture and sale of consumer products is beyond the reach of most individual farmers.
- All cooperative services, profits, and other benefits go to only farmer members who are also the only cooperative owners.

Cooperatives are extensively used in U.S. agriculture to market raw commodities. They empower farmers to capture the consumer value otherwise lost to entrepreneur investor owners of consumer product factories. Cooperative benefits are distributed to their members based on the amount of raw commodity handled for each farm member.

AFCNA means to its over 1,700 farm members that their income from alpaca fiber is no longer set by the world fiber price. It is determined by the consumer market sales price of, for example, alpaca socks. AFCNA's marketing services are on behalf of its member owners and all net income is turned over to them.

As AFCNA brings the large volume North American fiber industry into full throttle, its member-owners will directly benefit from the huge alpaca product market potential. And, most importantly, each member's fiber income will no longer be limited to selling raw fiber as the Peruvian alpaca farmer income is.

In addition to the foregoing marketing endeavor, AFCNA operates a market place for North American and Peruvian alpaca products made by it and by others. Its goal is to facilitate manufacturers and customers (wholesale and retail) coming together in a hub of commerce. AFCNA manifests this goal by maintaining a sales venue, inventory, sales force (including pick, pack and ship services), marketing strategy, and accounting.

Look for
North American Alpaca



How to Join AFCNA

It's easy.

Just go to www.AFCNA.com,
and click on the "JOIN" link
in the left-hand column.

The Winner Is?

Corporate America, entrepreneur business investors, and financial institutions are not the winners with AFCNA. The alpaca farmer is the only winner!

So let's applaud alpaca fiber and support AFCNA. Farmers are frequently overlooked in today's fast paced, bottom-line focused economy. The alpaca fiber venture is just getting started. It will not happen by itself!

Send your fiber to AFCNA if you are a member. It will pay for 500 pound and greater shipments. Combine your and neighbor farm fiber boxes to meet this savings hurdle. Together, we can make this North American alpaca fiber industry a success for all alpaca farmers. There is strength in numbers!

Daryl W Goodrich is a New Jersey attorney who served many years as in-house counsel for Fortune 500 companies General Electric Company and Kidde, Inc. He is past President and a past Director of the Alpaca Fiber Cooperative of North America, Inc. Daryl and his family own Angel Wood Alpaca Farm, LLC in Hackettstown, NJ. He can be reached at 908-852-7204 or daryl@AngelWoodAlpacas.com.