

Fiber – It's Working

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I received mail this past Saturday just as I do 6 days a week. But, this was no ordinary mail day! It was a **FIBER IS WORKING** day!

An Alpaca Fiber Cooperative of North America, Inc. (“AFCNA”) (www.afcna.com & www.americasalpaca.com) envelope was in the mail. And, inside was a check for my farm’s share of AFCNA’s 2007 profits. Our share is based on the amount of fiber we submitted to AFCNA. What a milestone! This is the first time AFCNA paid members for their submitted fiber.

A milestone – A large volume fiber industry has now been demonstrated to be viable for the U.S. alpaca industry. Fiber craft persons and mini-mill processors have heretofore made alpaca fiber into product. 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.

I see this large volume fiber industry as a compliment to the existing craft and custom processing arena. This large volume arena focuses on generating income for farmers from all grades of their fiber. The fiber tracking into particular products, artisan and other aspect of the craft and custom arena is also important to our industry.

AFCNA has struggled for 10 years as a pioneer in uncharted waters - building a large volume national alpaca fiber industry. It has finally put together a viable U.S.

manufacturing pipeline from fiber sorting by grade & color, scouring and spinning to weaving and knitting products. AFCNA has also adopted a North American Alpaca trademark telling the buyer the alpaca content of a product is 100% North American alpaca.

AFCNA is now refining this pipeline so a large fiber volume can be handled and more products manufactured. Product design and marketing are also on the agenda.

Cooperative Business Model Magic – The fiber industry AFCNA is creating, though, is not a typical entrepreneurial endeavor. It is carefully designed to maximize the farmer’s income from alpaca fiber by utilizing the cooperative business model.

As stated in my 2006 *Alpacas Magazine* article *Cranberries to Alpacas – The Benefits of a Farmers’ Cooperative* (available at www.angelwoodalpacas.com/resources.html): “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.” As a result, over 1,700 AFCNA farm members’ income from alpaca fiber is no longer set by the world fiber price.

Cooperatives are extensively used in U.S. agriculture to market agricultural commodities. Alpaca fiber, like most agricultural commodities, is worth more in

the manufactured state than raw. This value added through manufacture (“consumer value”) is captured by the cooperative member through net income distributions based on the amount of agricultural commodity each member submits.

So, as AFCNA brings this North American fiber industry into full throttle, its members will benefit from the consumer value generated by an extensive alpaca product market. And, most importantly, each member’s income will not be limited to selling raw fiber as the Peruvian alpaca farmer income is.

So, Who Wins? – Corporate America, equity investors and financial institutions are not the big winners with AFCNA. Agriculture is the winner. So let’s applaud alpacas and support AFCNA since farmers are frequently overlooked in today’s fast paced, bottom-line focused economy.

The alpaca fiber adventure is just getting started. It will not happen by itself! Join AFCNA if you are not already a member (www.afcna.com/content/view/15/83/). Support AFCNA if you are already a member. Together we can make this alpaca fiber adventure a success for all alpaca farmers.

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