



Primary WOOL CO-OPERATIVE LTD

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Farmers keen to take up ownership opportunity of Just Shorn

Farmers have been quick to respond to the opportunity of joining the Primary Wool Cooperative (PWC) which has just launched a membership drive. Despite the initiative being underway for less than a month they have already had over sixty growers join and have received a significant number of requests for further information.

Cooperative Chairman Bay de Lautour said that the main reason for those joining the cooperative is to support the efforts of our joint venture company Elders Primary Wool (EPW) to return the profitability of strong wool to growers.

The PWC Directors have no doubt the strategy, Just Shorn™ and its consumer focus will increase the price farmers receive for their wool.

"Farmers are keen to show support for the initiative and the change in thinking. They understand the need to educate carpet retailers, designers and purchasers of the benefits of wool over synthetic. It is only by increasing demand for wool carpet that we will be able to gain a better price for our product."

John Beattie from the Maniototo is one of the farmers who has joined. "Recently I took the opportunity to participate in a wool-growers tour to China to learn more about Elders Primary Wool. I was impressed with their commitment to the wool industry and their marketing strategy which targets the end-user, the consumer. Along with grower contracts, I believe this is the way of the future for wool and consequently I have joined the Primary Wool Cooperative as a sign of my support for Elders Primary Wool and their strategy."

Board member Howie Gardner believes that membership benefits makes joining the coop a logical business decision.

"Whilst many are electing to invest up to their maximum requirement, the minimum investment up front is \$500. This investment will ensure the ongoing development of the EPW marketing initiatives, and will return the grower a rebate of 3c/kg of wool traded through auction or the Wool Marketing Enterprises (WME) programme," says Gardner. "This rebate effectively refunds the cost of the investment and continues to provide future returns."

Both Gardner and de Lautour agree that the mix of farmer and corporate ownership of Elders Primary Wool is advantageous, allowing for greater sharing of information and a more integrated supply chain from farm gate to end consumer.

Gardner added "We greatly value the relationship we have with Elders and JSB (one of NZ's largest exporters) through our joint venture – Elders Primary Wool. Elders are a significant contributor to what we are trying to achieve for New Zealand growers with initiatives such as Just Shorn. The levels of expertise, resources and international contacts that the Elders camp brings to this campaign cannot be underestimated."

The present membership drive hopes to gain 1000 new shareholders by the end of the year and is open to all wool growers. Interestingly a number of existing members have also responded to the call, taking up extra shares.

ENDS

For comment please call Howie Gardner, Director, on 03 4180645 or Bay de Lautour, Director, on 06 855 6827.



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Supporting Information

The Primary Cooperative was originally formed in Dannevirke in 1974 as East Coast Wool Cooperative, to support the new wool spinning plant, New Zealand Woolspinners Ltd, and to allow farmers to participate further down the supply chain in scouring, spinning and exporting. CRT's wool division merged with East Coast Wool in xxxx and was renamed as the Primary Wool Cooperative.

Elders Primary Wool (EPW) was formed in 2005 as a joint venture between Elders New Zealand and Primary Wool Cooperative (PWC), to strengthen the Cooperative and continue to increase wool revenue for its farmer members. The Cooperative has nearly 900 shareholders with approximately half in each island and has paid rebates on all members' wool sold at auction through EPW. Last year \$159,000 was paid in rebates and shares.

PWC is delighted to partner Elders as the first company to register a "Primary" brand for New Zealand wool carpets. The Just Shorn™ brand is expected to provide the price pull that will enable our growers to regain confidence in the wool industry. The Primary brand structure allows further ingredient brands to be attached, such as "Romney" or "Perendale".

PWC has been striving to achieve this breakthrough for twenty years, and at last, largely due to the strength of the Elders organisation both in New Zealand and worldwide, this exciting milestone has been achieved. A number of factors have emerged in recent years, including the consumer's desire to source green sustainable goods that are produced ethically and are traceable back to the producer. Wool Marketing Enterprises (WME) will achieve all that with New Zealand strong wool.

Further details of the Cooperative can be obtained on our website www.primarywool.co.nz or by emailing secretary@primarywool.co.nz.