



Clip Call Letter 2016

Dear Members

We depend on Members to supply large amounts of commercially useful fiber to make the products America's Alpaca is known and respected for. Fiber shortages directly result in product shortages. No fiber, no products, no sales, no profits.

To keep the manufacturing pipeline flowing steadily, we must receive a steady and dependable supply of fiber from our producers. It turns out there are 2 things that greatly impact our supply:

Members in Name Only – Many Class A shareholders purchase products in significant volume but do not invest in the cooperative by supplying fiber, or who supply much less fiber than is required to make the products they buy. While sales are very important to all of us – it is how we make income – it is not appropriate or fair for buyers who do not contribute fiber to continue to receive the privilege of member discount prices. Beginning in January of 2015, members were required to submit an ANNUAL fiber contribution of a minimum of 20 pounds of useable fiber to be eligible for the full 50% members discount on purchases from America's Alpaca. Members who do not contribute a minimum of 20 pounds of useable fiber per year now receive the Wholesale Account discount rate on their purchases. This policy of requiring an annual minimum contribution of 20# of fiber to be eligible for member pricing is being looked even more closely in 2016. We know how important that 50% discount is to members who resell but some further changes will likely be necessary to ensure that members who do not resell are fairly compensated for the fiber they supply.

Procrastinators – Although we open our Clip Collection in March, 50% of fiber is received right before (or after!) our December clip year deadline. This means we are begging members to send us fiber all through the summer when we need it to keep our vendors ramping up production for fall and winter sales.

This year our goal continues to be to collect 75,000 pounds with more than 65% of it yielding to Grades 1 to 5 (under 32 micron) and with more than half of it received in Decatur by July!!

The Board of Directors and Staff have made contributing fiber to AFCNA the most convenient and lowest cost solution to marketing fiber for all farms raising alpacas. In 2016 members will find:

- More Event and Farm/Ranch Collection sites! Last year, we implemented a plan to have a Clip Collection at every AOA Show, and this year we will continue to grow our event collections.
- The Find a Member Map on AFCNA.com allows members to find each other to organize their own community collections.

Alpaca Fiber Cooperative of North America, Inc.

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But we need YOU – our members – to do your part as owner-shareholders in our cooperative to help lower the expense of collection and grading. If you want us to continue to provide free shipping and to accept unskirted fiber, we need you to do your part. Last year we spent over \$30,000 dollars on freight to ship fiber collections from farms, ranches, shows and events. However, over 10,000 pounds of the freight was packaging – wasted space in boxes and on pallets which caused us to spend far more on freight than we should have. Another 10,000 pounds was fiber we did not call for – grades 6, 7 and NCV. Yes, we are making a few products and trying to market the grade 6 & 7 fiber but there is NO market for NCV. So even though we will take unskirted fleeces, we ask all of you to learn the difference between commercially useful fiber and literally trash.

We recognize that fiber producers have many choices for how to market their fiber. We believe that cooperative marketing is vital for a successful future for Fiber farming. We believe supporting your cooperative is an essential part of every farm's fiber marketing plan. We ask every one of you to step up to support AFCNA in 2016 by contributing a share of your fiber harvest every year. By helping us keep costs low, we can make profits to distribute as Annual Net Proceeds.

The 2016 Clip Collection will open on March 1, 2016 (although we are planning a pre-opening collection at this year's TxOLAN show!), and continue until December 16, 2016. Numerous [collection locations](#) are available to consolidate your clip with others for free transport. Find one near you or start a collection site of your own!

Respectfully,
AFCNA Board of Directors