

FIBRE FARM FEASIBILITY COMMITTEE REPORT

This committee was formed as many alpaca breeders have males that do not fit into their breeding programs and pastures are getting full. Members of the CLAA Board of Directors determined that this topic should be explored.

Some of the aspects we took into consideration are:

1. To determine if a Fibre Farm would be for both llamas and alpacas.
2. To determine is there would be a steady number of animals to warrant such a farm.
3. To look at having a central location for camelids, who are not in breeding programs (males initially).
4. To determine if such a farm would help maintain or advance our industry.
5. To determine if such a farm could be economically viable.

Forty some topics were brought up that bear on this topic and are listed below.

Accounting	Insurance
Advertising	Legalities
Ages	Length of stay
Animal Identification	Llamas/alpacas
Animal sources	Locations-size
Breeding males	Management
CanCam	Meat
Continuing Education	Number of animals
Contracts	Ownership
Co-ops	Public relation
Costs	Product
Culling	Qualifications
Dung	Quality control
Environmental issues	Records
Facilities	Research
Females	Revenue
Feed	Sales-fibre/ hides/ product
Fencing	Shearing
Fibre-mills/market	Sorting
Financing	Start up
Gelding	Tanning
Health-inoculations/vets	Veterinarian costs
Hides	Volunteers
Histograms- micron counts	

In the following pages there will be a summary of the considerations for the above topics. Topics have been sorted in alphabetical order to facilitate referencing. Some of the fields have aspects that can be applied to more than one area.

Accounting

See – records

Ages

Candidates would be from weanlings onward in age. From the time a cria is born and until it is about one year old, it is being assessed for the qualities it can provide for adding positive factors to future herd improvement. If these markers are not there he could be a prospect for the Fibre Farm.

At present there is a need to take animals of all ages. However, candidates for the Fibre Farm will need to have certain minimum fibre requirements that will ensure the economic feasibility of the individual alpaca. Later on, hopefully, as our breeders advance fleece genetics, the majority of Fibre Farm candidates will have fleeces of fine and very fine micron traits.

‘Finer’ males will slowly come in. The Fibre Farm will likely get the higher end micron qualifications the first while. Fibre Farm animals, as with many, would have a propensity of ‘blow-out’ and therefore would eventually fall into the ‘cull’ category.

See- fibre, cull, meat, health, hides, requirements, research

Advertising

Word of mouth will likely keep the program supplied with animals.

An ad could be placed in related Camelid print/web-sites, Canada wide.

See - product

Animal Identification

This maybe a consideration, initially.

Ear tags and neck straps could be used.

Microchipping is always an option.

Animal Sources

Initially, the farm would be for 'extra' males of required qualities. There maybe a need in the future to have a place for females.

Owners with too many males could place them on the Fibre Farm.

Animals would come from owners with limited pasture.

Animals could come from any farm in Canada.

See - location, numbers, females, funding

Breeding Males

A suggestion came up to possibly have one paddock or area at the Fibre Farm for 'quality' breeding males. These would be the 'upper' end males that do not fit into a farmer's breeding program, yet are extremely nice and could possibly benefit another breeder.

Aspects of consideration - intact males tend to fight and vie for leadership

- increased need for vet care
- difficult for the Fibre Farm manager to oversee
- arrangements, breedings, or sales contracts, would still have

to be made with the owner.

- extra paperwork and expenses (phone calls) involved
- what period of stay would be considered before a male would

be transferred to the Fibre Farm or taken home by the owner?

- what responsibilities would the Fibre Farm owner/manager have?
- what responsibilities would the owner have?

Can Cam

Can Cam is not in a position to buy fibre outright at this time. There is no projected time factor for this to happen. However CanCam appears to be the best option for getting a return on raw fibre. Perhaps a working relationship with CanCam could be achieved. For example, the Fibre Farm supplies CanCam with raw fibre to produce products. When the products are sold, the Fibre Farm would receive their asking price for the raw fibre. Can Cam is based in Alberta at this time.

Alberta has four mills; three that deal primarily with alpaca and their turn around time varies from 6-9 months.

See - fibre, hides, product

See end of report for list of pricing given by CanCam for each grade.

Continuing Education

1. Shearing - a how to video could be made for sale
 - classes could be provided for a nominal cost
 - how to do record keeping of fleece weights/ staple lengths/ micron
 - would need someone to organize and keep records
 - need volunteers to assist
2. Sorting classes - a how to video could be made for sale
 - classes could be provided for a nominal cost
 - how to do record keeping for various grades of fleece
 - would need someone to organize and keep records
 - need volunteers to assist
3. New owners workshops for a nominal cost
 - need volunteers to assist

Some of these could be arranged by, with or through Olds College.

See - research, records, volunteers

Contracts

Some type of agreement would be needed between the owner and the Fibre Farm manager to cover agistment, vet costs, help with shearing, help with sorting, when payments are due, direction for fibre movement.

Perhaps this could be done with a letter of intent.

Ideally the Fibre Farm would take full ownership of the alpaca once the animal qualifies for the Farm.

See- ages, qualifications

Co-op

Would this be an area to consider? A Co-operative Fibre Farm.

There is a great deal of time and cost needed to set up a Co-op. Each province has its own regulations and each group would need to do all the prep work.

Many records to keep.

The membership would be variable. If they no longer had any males there, how would that be handled?

Cost

This could be a one time placement fee at the time of initial setup.
It could also be an annual fee.

The amount of \$150.00/ year has been discussed. This is based on an average of 35 to 41 cents/day. This initial fee would help to cover start up costs and expenses until fibre income is generated.

Factors that were considered in these areas reflected thoughts about vaccinations, shearing, toe trimming, hay requirements, mineral needs, GST, histograms, and the possible need for a computer and programs for record keeping.

Ideally, costs should be recovered with the sale of the annual shorn fibre.

Once the Fibre Farm(s) are able to sell fibre and start to breakeven, the farm will likely be able to purchase animals outright at a nominal price.

Culls

FACT-the slaughter and eating of camelids is frowned upon, but they are edible.

Aging animals usually means higher micron counts.

All fibre has a use.

An animal's premium fibre producing years are the earlier years.

Hides would be of better quality from younger animals.

Suggested cull age is prior to maturity when hormones start to affect behavior.

Alpacas dress weight varies from about 45-75 pounds for meat.

Can a market for meat be developed? Pet food? Food Banks?

Culling time would be in the fall when weanlings may be arriving.

See - meat, hides product, qualifications

Dung

Environmental concerns would need observation due to more animals in one locale- the farm could have from 100 to 1000 alpacas on it.

Location of site near towns and acreages might have an influence on the need for extra clean pastures.

Possible sale to local nurseries for garden fertilizer.

Possible monies generated to assist the Fibre Farm's operational costs.

See - environmental issues, record keeping

Environmental Issues

Likely good normal farming practices would be sufficient.

This area should be kept in mind with new laws and requirements added by governments.

See - dung

Facilities

The location should provide basic shelter, protection and water plus enough space for 100 to 1000 animals. Economical viability of one larger locale is more probable than having many smaller holdings each housing a few animals.

Females

Males are the focus of this report.

There is the possibility that females could be placed on the Fibre Farms.

In this occurred, the Fibre Farm could elect to breed these females resulting in a constant supply of animals for fibre.

All particulars in this report would be applied to the dams/females with the added needs for breeding, pregnancy and cria care to be incorporated along with the records needed.

See: animal sources

Fencing

Adequate fencing to reflect concerns about predators.

Guard llamas and dogs have been suggested.

Feed

Hay, free choice in winter.

Salt block available.

Possibility of approaching the local Co-op, UFA or feed mill to buy minerals and/or other pellets and salt in bulk.

Availability of a good supply of fresh water.

See – health, research

Fibre

Alpaca yield 5- 15#s of fibre per year. If only the blanket area is calculated- those amounts can be reduced by 1/2.

Ideally the fibre should be harvested and sold within the shortest time possible. A quick turn around time is ideal.

At the present time, most fibre is processed by Mini Mills and through CanCam. The time needed for processing is lengthy resulting in a long turn around time. Then, if product is to be made, more time is added to the shearing/sale period.

All fibre has a use. Alpaca fibre has been made into yarns, spun, knitted, woven, felted, tanned, sewn, etc.

Suggestions were made that the animals should meet a maximum micron count of say - 26.

Those with coarser micron would slowly be culled. As the industry strives for increased quality, the farm would be receiving improved fibre genetics each year.

No one has been found that will buy bulk, raw fibre outright.

Factors of shearing, packaging, transport, shipping and handling costs, GST/Customs, record keeping and quality control need to be kept in mind.

Post shearing, the manager would know exactly how much fibre the Farm had available.

All fleeces would be weighed and sorted prior to storage.

The possibility of selling some raw fleece at the 'gate' would require taking orders, filling orders, packaging and record keeping.

Avenues discussed for sales of raw fibre:

CanCam

AFNA

Australia

China- apparently gets fibre from South America and pays *only* \$2.00/#

South America - again a low fee paid

We must remember that the buyer often determines the quality of fibre sold.

There has been a statement that the true value for fibre purposes is \$500.00 US.

If and when a Fibre Farm becomes lucrative, the owner/manager may elect to add a large shearing/sorting facility, hide tanning area, meat processing, mill and product construction aspects and an outlet 'store'. All of this would be a huge undertaking with many hours of investigation, planning, investment and follow through with the hope of profitability.

See- CanCam, cull, record keeping, shearing, qualifications

Funding

It is unlikely there would be any profit during the first two to three years. A good part of this is due to no readily available fleece customer(s) and the annual cost of animal care.

Owner to pay \$150.00 per male placed on the Fibre Farm during the initial start-up phase. Hopefully this would change within a year or two, allowing the Fibre Farm to purchase these males outright at a nominal fee from money returns of fibre sales.

There are monies available from Government sources.

Diversified Funding

Farm Credit - a new department for value added products

Alberta Finance Corp. - for agriculture and commercial loans

AVAC Ltd.- up to \$25,000 for agribusiness value added sales (grant)

Canadian Apparel and Textile Industries Program - grant up to \$100,000 for new market opportunities

FCC - Farm Credit Canada (farm focused)

BMO - loans under Farm Improvement and Marketing Cooperatives Loan Act – assists/helps to qualify- have guidelines - finance up to 80% max.

Farm owned Marketing Co-ops may also supply to a max combined \$3 million

Loans verses grants- various payment schedules and interest fees

Each province will have different programs available for investigation. The majority of these require in-depth ‘proposals’ to be drafted.

Gelding

If there are a large number of males together, this may be needed to avoid injuries, vet bills and death.

Average vet costs for gelding are \$100.00 each.

If the manager were able to geld, a waiver would be needed in the contract.

Gelding may not be required in herds kept on large pastures. However, if and when females are introduced to the Fibre Farm, the owner/manager would likely opt for this procedure for many of the males.

See- contact

Health

General considerations would be in place.

Other livestock in the vicinity maybe a problem. The care and cleanliness of the site, possibly weather conditions and other factors may come into play. For example, there are areas in the US where deer are problematic and worming is required every 4 weeks, year round.

It may be possible to worm and vaccinate less frequently. This would depend on conditions in a particular location, and consultation with a nearby vet re: medical concerns that are particular to that region may be required.

Annual inoculations would be done at shearing time.

If there were a large number of animals (over 100) the need for more frequent worming must be taken into consideration.

A need to assistance on the farm may also come into play.

A respected veterinarian should be available for care and advice when determining whether or not to treat or cull. If treatment is not warranted due to cost, the animal should be culled.

See –feed, research, records, volunteers

Hides

Culled animals hides could be sent for tanning in bulk. The younger the animal (i.e in their prime by about 3 years of age), the better the hide.

The manager should be able to skin the animal.

This is a saleable commodity. It takes 2 - 6 months for hides to be tanned with February or March being a good time to take hides to the tanners as they are not as busy.

Hides can be used to make seat covers, pillows, vests, slippers, teddy bears, rugs, wall hangings, bed throws, jackets, gloves and wallets.

Tanning costs vary between \$10 and \$15.00 per square foot. An average adult hide costs about \$200 to tan at the \$15.00/sq.ft. rate.

Work needs to be done to define the potential market for hides. Possible areas that have been mentioned are: arts and crafts stores, aboriginal clothing artisans and cottage industry for teddy bears, slippers, vests, etc.

Histograms/Micron counts

All fibre has a use, regardless of micron or handle.

Initially, it was felt that histograms would be needed on all animals to assist with determining the qualities of the harvested fleeces.

To save money, samples from various fleeces along with their previous known micron counts can be displayed on a board for easy comparison of fibres during sorting time. Olds College held a class for sorters/classers in 2004 and one of these individuals could be hired to assist on shearing days.

Records of the grade and/or micron, staple length and fleece weight produced from each alpaca will need to be kept. This will give the owner/manager data to verify the return on any given animal and assist in a decision as to that animal's worth as a fibre producer.

See – records, research

Insurance

There would be no need for animal insurance.

The manager can sign a release as most injuries are within the realm of normal farming and good basic practices should be in play.

Legalities

See- contracts, insurance, manager, gelding

Length of Stay

Come in as a weanling and cull at 18-36 months or when no longer economically viable. Research animals may require a longer stay until the project is finished.

Llamas & Alpacas

This report is geared toward an Alpaca Fibre Farm. Any of the information collected in this missive can easily be applied to llamas.

A Fibre Farm could be started by anyone, anywhere in Canada, using some of the enclosed factors for consideration.

Location

The location can be anywhere in Canada where there is a need and there is someone willing to oversee the venture. The farm should be guided or managed by someone who has land available (vs. the need for purchasing land) that requires few changes to accommodate 100 to 1000 animals and has knowledge of camelids.

Most of the contained information is geared towards Alberta as it has the largest number of alpaca breeders.

Alberta does not have PST, Can Cam is in Alberta, there are four mills, and transportation costs would be cheaper.

Management

See - location, contracts

Meat

FACT - the consumption of camelids is generally frowned upon but they are edible. Culling should be done in their prime for better meat quality. Average dressed weights are between 45 and 75 pounds.

Food banks have been known to accept meat and give a tax receipt for the donations.

Various butchers will work with alpacas. Working with them, one could develop and perfect a product such as jerky.

The pet food industry is doing some investigation of camelid meat for general production.

Ownership

During the start-up years, the owners would be paying a fee of about \$150.00 for placement. This fee is representative of the general annual cost of each animal's care. These fees would be treated like agistment fees and can be claimed on income tax along with the GST being retrieved.

Another tax incentive could be for the owner to donate their male(s) for a receipt.

The ideal would be for the ownership of the alpaca to be passed to the Fibre Farm owner when the animal is delivered to the farm.

See- costs, contracts

Public Relations

Assistance from CLAA, CABA, CanCam may be possible to make people aware of an existing Fibre Farm. The Farm would be portrayed in a positive light, letting people know that their animals will be well cared for and the fibre utilized.

Perhaps in the future, the farm could branch into the production and sale of alpaca related goods. This would necessitate more in the marketing/sales areas.

See- meat, product, hides

Product

Many conversations were held about this topic and it is an area that the Fibre Farm may entertain to generate money.

General thoughts were: the development of items is a long process; quality control is needed to ensure consistent and adequate supplies for customers; contacts must be developed for continued purchases; deciding the variety of product produced; marketing/advertising costs; the turn around time of fleece to product is usually lengthy and therefore monies returned would be slow to come in; catalogues maybe needed and would require frequent updating; web-sites with ordering capabilities could be used; shipping and handling costs with Customs factors to consider; record keeping; banking; perhaps encouragement and a ready supply of fibre could expand the cottage industry and guilds.

Many of these require more time and development could be costly.

Bottom line is, sell the raw fleece as soon as possible for the quickest cash flow.

See- CanCam, hides, meat, public relations, quality control, and record keeping

Qualifications

All animals (initially males) placed on a Fibre Farm will need to meet a minimum fibre micron count. This would be in the 25 to 28 range but preferably less. The idea is to reap the best quality fibre to obtain the highest returns per pound. Thus allowing a decent profit margin.

Quality Control

All facets of any program need to be reviewed on a regular basis to ascertain that the initial objectives are being met. If this target is not being obtained, amendments have to be found.

See: record keeping

Records

All records kept must measure results of any venture. If it is not recorded, it did not happen.

This venture would need exacting records to show its feasibility and profitability for others to consider the merits of establishing a Fibre Farm.

Some actives needing verification are: condition on arrival; feed; medications; fibre shearing with staple length, fleece weight, sale price; volunteer hours; research process and findings; product production and sales, plus other expenses and revenue intake. There are many computer programs that would aid the entry and tabulation of all information.

See: feed, health, product, research, shearing, volunteer
List of computer record keeping programs at the end.

Research

A Fibre Farm would house a number of animals in one spot that could provide a sound research process.

Ideas for research projects are:

- fibre growth variances with different age groups
- fibre changes when an animal is gelded
- stress related fibre growth incidents
- fibre changes with feed (hay/pellets vs. free range and differences of these effects in various locations throughout Canada)
- fibre changes with age
- all aspects of the aging alpaca
- effects of medications on the alpaca with dosage determinations for age and possible side effects
- other animal nutrition components
- effects of mineral supplements; meat animals vs. fibre animal requirements in conjunction with feed/topography/medications
- study of ability to process different feeds & types that would be optimum for a specific region
- fibre qualities vs. sheep wool; color genetics; withered males.

The University of Saskatchewan could be approached to have input in this area. Olds College may be interested in having a testing site to assist in many projects and ideas to better the industry.

Government matching funds could be examined for this area.

The record keeping for this type of venture would be different than that of running Fibre Farm and the Institution setting up the projects would be in charge and responsible for their data collection. The Farm manager would just keep an eye on the physical format.

Revenue

The basic income for the Fibre Farm should be from selling the fleeces obtained from each year's shearing.

Other areas have been looked at under the topics of hides, meat and product. Research may also generate some money. These are possibilities that would arise as the farm evolves.

Shearing

This annual event would yield the Fibre Farm's main revenue source.

Factors to think about with a large number of animals in one spot are whether the manager would be able to do accomplish all of the shearing by himself; the time factor needed to shear 100 to 1000 animals; costs of hiring shearers; housing to allow shearing during inclement weather; weighing fleeces; noting staple lengths; record keeping of yield; sorting and storage space; cost of shearing equipment and upkeep; disposal of soiled fibre; sale of shorn fleece and transport/shipping of same.

A shearing video could be made to sell as a learning tool. Sales of video could generate income. One could also be made for the sorting aspect. These may need to be updated at times. There is a cost factor to consider.

4H clubs could be approach to assist and learn.

Olds College may be pleased to have a facility with animals to shear for some of their programs.

An education day could be set up at a nominal fee for new owners or others who would like to learn to shear.

Again this takes time to organize and occur and assess.

At the end of the process, the fibre should be ready to leave the farm.

Sorting

Having fibre well sorted and labeled would speed up the sales process. A buyer would be able to have their order filled quickly and the manager would always know what 'stock' there is on hand.

See- records, shearing

Volunteers

There are two main reasons for tracking volunteer hours. The first is that often this is a requirement or can really help in obtaining funding, whether grants or loans. The second is to account the actual time elements of care/activities.

Volunteers are difficult to find.

Some sources for volunteers for this venture could come from 4H groups, livestock college students and owners.

Volunteers could be most helpful on shearing days, sorting times, packaging/labeling and addressing orders, assisting with product sales when this area might be developed, during animal health days, and helping and learning about record keeping and property up keep. Their hours of service and mileage can be totaled and given a value which may vary in different parts of the country.

See- funding, record keeping, shearing

Summary

This study is focused on the alpaca part of the camelid industry. Topics can easily be applied to llamas. It is not felt that the two should be on the same Fibre Farm. A llama or two could be used as guard animals.

A farm that is able to house a large number of animals is more conducive to success as a Fibre Farm than having many smaller holdings that would increase the costs such as transport and the shipping and handling fees of fibre.

Looking at the topics of meat, hides, fibre, education and research, there is a vast scope to enhance and advance the camelid industry.

Bottom line at this time is that there are no outlets that will buy bulk, raw fibre. There are farms that are able to sell their fibre and/or products created. This is to be applauded but it is not being done on a large scale to date. Utilization of fibre needs to have a much broader horizon to merit a Fibre Farm. A side effect would support farms that have accumulated fibre with no outlet or return.

A Fibre Farm would allow existing owners an outlet for males taking up paddock area and allow breeders to concentrate on upgrading their breeding programs to enhance the qualities of fleeces for finer end products thus adding value to our industry and its product(s).

Many contacts were made to mills, individuals and fibre co-ops. Some national and international prospects did not reply, some were not in a position to buy large quantities and others stated they did not have the funds to outright buy raw fibre.

At this time, supporting CanCam would be the best bet for a Fibre Farm as they have the ability to make contacts and find markets for alpaca end products which in turn will provide the highest value added returns for the operator of a FF.

Until a committed buyer is found to purchase raw fibre on a continual basis, a Fibre Farm is not viable.

CanCam fibre pricing list-

Grade 1-	\$21.00/#	under 20 micron - royal baby
Grade 2-	\$19.00/#	20- 22.9 micron - baby
Grade 3-	\$17.00/#	23 - 25.9 micron - superfine
Grade 4-	\$15.00/#	26 - 28.9 micron - medium
Grade 5-	\$13.00/#	29 - 35.0 micron - coarse

Computer Programs

1. AlpacaEase - US
Able to download for a one-month free trial
Cost: \$159.00 US
2. PACA+site - Oregon, US
User can customize this program. The first version was put out in 1995.
Able to predict due dates of dams, has reminders for routine, can add your farm logo to reports.
Cost: \$145.00 US
3. Lama logic
Able to back up and store information, register your animals with different registries, there is a manual and CD plus free technical assistance for 2 years and 1 year of free upgrades.
Based in Calgary, Alberta
Cost: \$199.00 US
4. Herd Pro - has a 60 day support and upgrade feature “
Stockkeeper”- Based in Ontario, Canada.
Cost: varies based on number of animals in your herd.
25 animals - \$195.00 US 50 animals - \$395.00 US
150 animals - \$595.00 US 300 animals - \$795.00 US
600 animals - \$995.00 US
Over 600 - \$1295.00 US

Coordinator's notes

I would like to express gratitude to committee members Rod Unruh & Tracy Banner, They spent a great deal of time fully covering the many themes in the development of this report. Frequent contact generated the bulk of this report.

Our liaison CLAA Board member, John MacLeod, was always available & provided valued critiquing of our findings to generate better wording & views. My sincere appreciation, John.

Others who provided information & thought were Rod Elvestad, Al Clark, Stan Black, butchers, Rich Schell, plus various alpaca breeders.

There were two other members on this committee. Marilyn Ross & Trudy Handel.

Respectfully submitted by Danny Lucas/ Fibre Farm Feasibility Coordinator

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