

# CP Wool



## CARRFIELDS PRIMARY WOOL

### NEWSLETTER WINTER 2017

### INNOVATION - FOR A BETTER TOMORROW

## Message from Craig

As we move past the shortest day and mid-winter we're wondering where the last six months have gone.

2017 has been a very busy year so far across the group, with some exciting developments coming to fruition. Just last month we were proud to launch our Just Shorn® carpet and rug range into North America, in New York on the 18th of May with a jam packed day starting with a panel session hosted by Conde Nast in the One World Trade Center building followed by formalities in the A&D building on

57th Street. It was immensely exciting to see our product formally presented into a market where we see great potential. Our North American MD of CP Wool, Krista Eliason, and her team have done a fantastic job developing the initial range of carpets and rugs for this market and we look forward to the future success of the brand.

In the week leading up to the Just Shorn® launch we hosted a group of NZ wool growers on a "Farm to Floor Tour," beginning in Dallas and ending in New York. The tour was a great success, with highlights including visits to state of the art carpet and rug manufacturers and plenty of opportunities to raise the profile of NZ wool on the world stage. It was great to show our staff and growers we are constantly striving to innovate around yarn technology, new markets and identifying new partnerships.

Also in mid-May we opened our new Waipara Machinery and Carrfields Irrigation branch, a key part of our South Island network which will allow us to better service our clients in North Canterbury.

The South Island Fieldays were also an opportunity to showcase some exciting innovations, like the Cross Slot low-disturbance, no-tillage drill which we are now exclusively distributing in NZ and Australia under a partnership with Baker No-Tillage Ltd.

Carrfields and CP Wool attended the New Zealand Fieldays at Mystery Creek this year and had great success. There was ample opportunity to catch up in person with many of our customers. We had a great presence at the event,

with many of our businesses together under one roof.

Since my father Greg acquired his first tractor and a revolutionary round baler in the 1970s, innovation has underpinned everything we do and is one of the five key values on which our company is based. It's not necessarily about reinventing the wheel (or the hay bale), but constantly searching for and developing the best agricultural technology improvements and bringing them to our customers, to help them operate more efficiently and productively.

Other examples of this innovation include our work with international seed breeders to develop new varieties that suit New Zealand conditions. This year our winter wheat variety Oakley broke the world record for wheat crop yield, following our barley variety 776 setting the world record in 2015.

In irrigation, we have developed a sustainable and renewable water driven irrigation system called Hydro Drive which utilises alternative power sources.

Also new in livestock we have launched some new innovative finance packages along with new farmer to meat company programmes called, Beef Connect and Lamb Connect.

And finally in Contracting you will read about new innovations we have brought in this year with shredlage for maize.

I hope you enjoy this newsletter – don't hesitate to get in touch if you have any feedback or queries.

**Craig Carr, Managing Director**

*Left: Craig Carr and Beatrice Faumuina, ONZA Trade Commissioner/Consul General.*



JUST SHORN®  
NEW ZEALAND WOOL

*Proud moment as New Zealand farmers take their wool to the*

# world stage

*Seeing their product presented to the North American market was an emotional and triumphant experience for a group of New Zealand wool growers in May.*

*Just Shorn®, CP Wool's range of premium New Zealand wool carpets and rugs, was launched in New York City on May 18 at an event attended by New Zealand Trade Commissioner - Consul General, Beatrice Faumuina.*



*Above: Some of the beautiful range of Just Shorn® rugs and Carpets.*

Craig Carr, managing director of Carrfields, said the farmers who attended the event were immensely proud to see the finished carpets and rugs, which are now available from US luxury flooring specialist Carlisle, presented at the event.

"Our growers were thrilled to have the chance to see the range and touch it. There was real emotion in the room as the Carlisle representatives spoke about our wool being the best in the world."

For most of the growers, the event was a unique opportunity to see carpets made from their wool presented on an international platform to an audience which included media, interior designers and Carlisle sales specialists, Carr said.

"Our growers got to see first-hand that their wool is a truly premium product that is in high demand at the exclusive end of the market in the US. It was a very proud moment for them."

On the day of the launch, the farmers were given a tour of One World Trade Center, the first building to be completed on the rebuilt Twin Tower's site. The New Zealand contingent was the first group to ever be permitted to tour the building, following an invitation from Architectural Digest, owned by media giant, Conde Nast, which has its offices on the 34th floor. Growers were then introduced to the three celebrity interior designers, Mark Brunetz, Jennifer Bertrand and Lonni Paul, who are instrumental in developing the new range of designs and are charged with producing new concepts every quarter.

Under CP Wool's partnership with Carlisle, the Just Shorn® luxury range of carpets and rugs is now being made available through its six strategically-located showrooms across the US.

Carlisle, which is well known across North America for its luxury wide plank timber flooring, recognised the potential for New Zealand wool carpet among its customer base, said Carr.

"Americans have been slow adopters of wool carpet in their homes to date. It made sense for Carlisle, which supplies the high end of the market, to offer a premium, natural soft flooring option alongside

their wood product. So far the response has been great and Carlisle is now working with interior designers to put Just Shorn® carpets into the homes of customers."

Among the first customers are US TV personalities Bill and Giuliana Rancic, who are working with interior designer to the stars, Lonni Paul, to decorate their LA home, which will include Just Shorn® rugs and carpet.

A key area of opportunity that CP Wool and Carlisle have identified is the luxury apartment market in New York, where 80% of a residence's floor area must be covered in soft flooring to reduce noise, Carr said.

"We also know that high-end homeowners in the States like to follow trends, so they often have carpets in their homes for around five years before replacing them with more up to date colours and styles. This creates a further strong opportunity for our future sales."

The Just Shorn® range is being produced by a small number of carpet and rug manufacturers across the US, who source their material from NZ Yarn in Christchurch. NZ Yarn are specialising in yarns that create beautiful rug like construction in wall to wall carpets that showcase wool's unique characteristics, that designers and customers love. Their whole product innovation strategy is to purposely step off the commodity curve.

We are compelled to push creative boundaries and will be continuously developing and commercialising "step change" yarn systems and working with our channel partners to provide new, unique and exclusive ranges, Carr said. Our yarn gives these manufacturers an innovative product to work with, resulting in a superior end product.

"We are providing yarns that showcase the beautiful unique characteristics of wool, that designers and customers love and that our competitors find difficult, if not impossible, to replicate.

This strategy has resulted in a product that stands apart from the rest, distributed through a supplier that is already very well known for its iconic hardwood flooring in the US, Carr said.



*Above: Celebrity Interior designers Mark Brunetz, Jennifer Bertrand and Lonni Paul*

# Comments

*from people on the tour*



## *Mark Warren and Julie Holden* - Waipari Station

CP Wool are doing what others just dream about.

I think history may record that this event and campaign will turn out to be a pivotal point in the NZ Wool industry.

The CP Wool group have achieved what so many others have just been dreaming about and deserve a significant pat on the back for executing a world class marketing campaign.

To be welcomed into many of USA's premier carpet and rug factories and shown our NZ Yarn Ltd wool being made into stunning one off flooring for private jets etc. for some of the most influential people in the world was super exciting in itself.

Then to be joined on the tour by even more influential peeps in the top end floor fashion-world was another step up.

However, the marketer's dream would have to be having your official product launch 34 floors up at the One World Trade Centre, in the uber ritzy head office of one of America's most influential design magazines (where the staff were taking photos of us humble wool producers arriving!!). This must take the cake.

So many incredible highlights over the week, but one that sticks out was being shown the tallest most expensive apartment block in New York, standing proud right beside the Empire State Building, and learning that the company Just Shorn® has an exclusive arrangement

with, Carlisle Flooring, already has 5 of the top 10 apartments as clients .

A massive vote of thanks to (in strict alphabetical order) Bay de Lautour, Craig Carr, Colin McKenzie, Hamish de Lautour, Howie Gardner, Shelley Donnelly, and the whole CP Wool team for the many years of hard work to make this happen .

And last but certainly not least our new uber cool wool family friends from Carlisle, Krista Eliason, Jennifer Bertrand, Amanda Bemis to name just a few, thank you for your fine hospitality and such a hot welcome!

## *Trev and Karen Peters* - Peters Genetics

Being a ram breeder as well as a grower we have a lot of control on the end product. Our wool for CP Wool is 1200 bales annually of bright white wool. What more could you ask for! Before the trip to the States for the Just Shorn® launch in New York I was a bit sceptical whether we hadn't been down this road before, but I was pleasantly surprised of all the work that had gone in from the Farm to Floor Tour and the partnerships formed. The carpet factories that we visited from Dallas to Nashville were amazing, along with their hospitality and passion! To top it off was the launch of Just Shorn®'s new range of carpets and rugs with Carlisle in New York in the new World Trade Centre, Wow! With the Carlisle team being focused on natural products, wood floors and wool floors (carpets and rugs) is a great combination. They have a very passionate team of well known designers and TV personalities and are in high profile

magazines. N.Z. wool yarn is what they want for their designers to let loose on.

The group that went consisted of farmers, CP Wool reps, CP Wool Marketers and Management so we had all fields covered. A great bunch of people! As Karen quoted from the John Wayne team "we were blazing a trail for wool!" (It's on its way and will I say it "We will expect a better return at the farm gate as it takes off!)." 

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## *Holly Greenslade* - The Lakes Station

I have thought a lot about the recent Farm to Floor Tour and feel very proud and very lucky to have been part of what we saw over there and the exciting things that are happening with the NZ wool my dad helps to supply.

Not only did I love America and meeting so many passionate and hard working people, I also learnt a huge amount about how valuable our New Zealand products are considered to be by the rest of the world, reflected upon by the amazing relationships you have built with Carlisle and high-quality carpet manufacturers.

I have been spreading the word about what I learnt in America and the exciting things that are happening for our agricultural community. What stood out for me most over the trip was the incredible people that are on board with this venture. Craig, Collin, Shelley, the stunning designers in America and so many others are, I believe what will make this venture a success and I'm excited to see what the future brings!

## *Richie Hurring* - CP Wool representative

I just wanted to give you a personal account of my recent trip to America to promote Just Shorn carpets and rugs!

There were many, many highlights!!

I'm positive that history will tell us that this tour and campaign will have had a significant effect on the New Zealand wool industry. The professionalism shown by Krista and Craig in executing a world class marketing campaign is something I was overwhelmed with and proud to be part of.

The new path that he has quietly chosen for Just Shorn® is a road that other NZ industry players could only dream of! To be wholeheartedly welcomed into America's premier carpet and rug manufacturers was hugely rewarding! Then to witness our own NZ yarn that's come from your NZ farms being processed into the most amazingly beautiful high class carpets and rugs that I have ever seen! We have seen carpets and rugs custom-designed for multi millionaire's jets and apartments, this was the realisation that we do have a special world class product!

Then to be joined on our tour by our own American Just Shorn® interior designers was the reality of our company's brilliant new strategy to raise the profile of the best fibre in the world!

However, the pinnacle of the tour was launch day, to walk past ground zero memorial with the sobering beauty of the timeless waterfall was bone chilling. We then made our way into the One World Trade Centre, home of American magazine AD (Architectural Design).

The presentation from Carlisle Flooring was absolutely first class, CEO John Blaine opened and welcomed us with a sincere and passionate belief that this

*"Three celebrity designers told us our NZ wool yarn was something they had not seen or been able to source before"*

relationship will be the re-positioning of NZ wool.

Three celebrity designers told us our NZ wool yarn was something they had not seen or been able to source before. Then to top it off we just had to turn and look out the window at the tallest building in New York, standing beside but taller than the Empire State Building.

5 of the top 10 floors are owned by clients of Carlisle and will require soft flooring.

Given the location and excitement of

the launch it was a very satisfying and emotional event.

We visited one of Carlisle's show rooms in New York and got to see the Just Shorn® carpets, rugs and display cabinets! Beautiful floors! Beautiful stores! "WOW."

This relationship With Carlisle has been sealed with the ability to source your wool, (the best in the world), the ownership and quality of NZ Yarn, and the credibility of CP Wool, these people want quality, consistency and above all honesty.

If we continue down this path, NZ wool will be able to re-position itself to where it belongs, at the very top end in quality flooring.

Your continued support of CP Wool is helping to make a difference. Please spread the word - 100% NZ owned.

## *James and Kate Rogers* - Koeke Estate

How cool is it that for the first time in my life I have been able to go to a wool event and come away feeling proud and excited to be a New Zealand wool producer, but more importantly a CP Wool Just Shorn® producer!

*Above: The New Zealand Farm to Floor Tour attendees with the team from Carlisle Flooring*



# Chairman's update

As is obvious with the content elsewhere in this newsletter, considerable effort and resource has been directed to the relaunch of Just Shorn® carpets and rugs in the USA. There are differences from the first Just Shorn® programme that are important to understand and appreciate.

The raw wool will still be supplied by CP Wool growers and handled by CP Wool but the similarities with the original programme end there. Instead of handing over ownership and control before any further processing, the yarn will be spun by NZ Yarn (CP Wool and farmer owned), then manufactured into carpets and rugs by our partner companies in the US.

From that point the differences become even more significant. We have a completely new channel to market. Our new US retail partners, Carlisle Flooring no longer operate in the traditional retail way. Carlisle use online marketing, social media, direct contact, and back it up with their own showrooms strategically placed around the US. Very high quality Just Shorn® carpets and rugs along with the 'story' are a perfect soft flooring solution for Carlisle. By CP Wool Nth America supplying quality, and ever evolving products, Carlisle believes good sales levels will be achieved.

A standard timeline for the development and delivery of a range of carpets and rugs is 18 months to 2 years, on a conservative scale. Following the establishment of CP Wool North America last winter, the whole range has been

brought to market in just 9 months. This is a monumental achievement and has been commented on many times by John Blaine, the CEO of Carlisle. Credit can be shared by the CP Wool team in NZ, Krista Eliason, her team of celebrity designers in the US, and the team of people at Carlisle Flooring. I'm sure all CP Wool clients will join with me in thanking those involved for their efforts.

A number of NZ wool growers joined some CP Wool reps, management

"We have a completely new channel to market. Our new US retail partners, Carlisle Wide Plank flooring no longer operate in the traditional retail way"

and directors on a tour recently to see first hand the manufacturers we have partnered with in the US. All were impressed with the quality of the products and the enthusiasm that the initiative has created. The tour concluded in New York and we were able to witness the official launch of the spectacular new range of Just Shorn® carpets and rugs. Equally everyone was able to meet Krista, our celebrity designers, and the team from Carlisle. We were privileged to witness something special in the history of the NZ wool industry.

The current wool market performance (or lack of it) continues to cause challenges at all levels. Clearly farm returns are unsatisfactory and downstream from that there is a ripple effect that is affecting many others. There are still low levels of demand out of China and there are mixed reports of what might be going on there.

Inside the farm gate other product returns are at much better levels. Those higher meat returns are allowing some to withhold wool from the market. Others hold the view that they are not in the business of speculating so are prepared to meet the market. Without the aid of a crystal ball no one is prepared to say which is the right or wrong approach, and equally no one is making predictions around when there might be a turnaround.

Inevitably when one of our primary products endures the level of volatility we are currently witnessing with wool, there is much handwringing and talk about what might be wrong. Those conversations are critical for the future of the industry as long as some initiatives are developed as a result. Meanwhile in the spirit of not wasting a good recession CP Wool continues to work hard to add value, and reduce even more costs through improved efficiencies.

Howie Gardner  
CP Wool Chairman

## New Timaru wool store

The Christchurch Wool Store has been re-located to a new facility in Timaru. With ongoing costs associated with the Christchurch based wool store along with increased logistical issues operating an agricultural business in a metropolitan city, a decision was made to relocate to a more central location. Timaru was identified as a key location because of its rural base city and its proximity to wool scouring and the Timaru Port.

As of 1 July the CP Wool Christchurch office and show-floor will operate out of the NZ Yarn facility located at 15 Sheffield Crescent, Christchurch. This facility will be our new wool hub and will have a drop off point for wool which will then be forwarded on to the Timaru store for processing.

Our existing show-floor will be set up in the new Christchurch facility for exporters and growers to inspect wool for sale and it will contain an office area for existing staff members as well as an area for client meetings.



New Timaru wool store

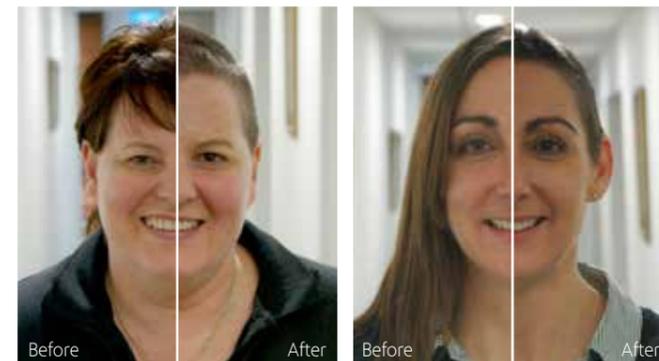
## Carrfields Pink Ribbon fund raiser brings in over \$11,000

By taking a step out of their comfort zone, along with a few laughs, staff members from Carrfields have managed to raise more than \$11,000 for breast cancer research.

Staff members Sheryn Hales and Jolene Lewis had their heads shaved in June as part of Shave Day, there was also the opportunity to bid to wax a strip of back or chest hair from male staff members.

Hales said Carrfields had held a number of Pink Ribbon Breakfasts throughout the month of May, raising \$5000 in the process.

The Carr family generously offered to match dollar for dollar all the money raised bringing the final amount to \$11,317.50.



Sheryn Hales

Jolene Lewis



After spending 47 years in the wool industry, Dennis Wakely is retiring. He penned together a brief account of his days spent in an industry he has dedicated himself to.

After my dad spoke to Wally Drew at the Dannevirke A&P Show in February 1969, an interview followed (with me in my school uniform). I started working at AWE (Associated Wool Exporters), in early March just one month into my 5th form year. Dad said that school was a waste of time anyway, so that was that - I was employed as a wool classer.

Wally had just merged with JJ Cammock to form AWE and it was a great place to work, with three experienced wool reps on the road, there was no shortage of wool. In the winter huge blends were made of crutchings 'A CRT' along with lambs held over from early summer shearing. This meant a lot of night pressing. We got 12 cents a bale which was big money.

A stint at Massey University saw me achieve my Practical Classing Certificate which made Wally happy. There have been lots of name changes and take overs and the years have just flown by. Burrows have been replaced with fork lifts, and there is now a lot of bulk classing carried out. I have had some great times working in the same building for 48 years, made some great friendships, many people have come and gone. But with the high caliber of road staff, dedicated store people and the great management of the Carr family, I'm sure the future holds good in all branches of Carrfields.

It's now time for me to relax, do a bit of gardening and most importantly, spend time with my family.

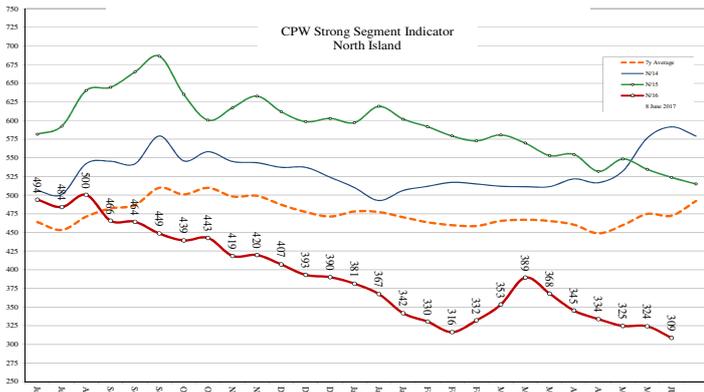
Cheers everyone

Dennis Wakely – 'Wakes

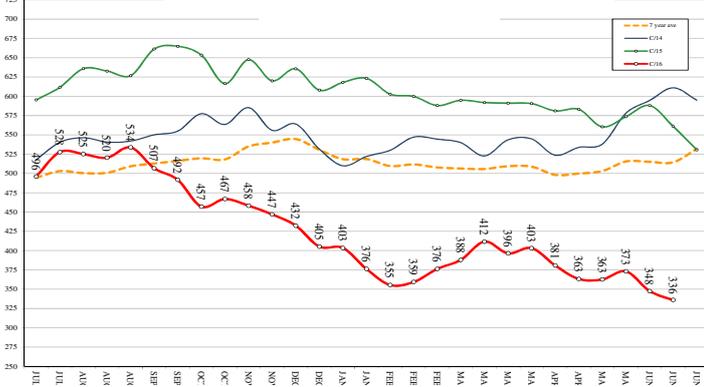


Having a few drinks at Dennis Wakely's retirement party

### CP Wool Strong Segment Indicator North Island



### CP Wool Strong Segment Indicator South Island



# Wool market report

As the new wool season is upon us it is time to reflect on where wool prices have been and where they are heading.

Unfortunately the 2016/17 season has not been memorable with crossbred wool prices at their lowest levels since the 2010/11 season.

China being traditionally one of the major players in the market is continuing to be very quiet, and only doing business on very small volumes, exports into China are back 37% year to date, which really tells the story of why prices have dropped to these levels.

Wool stock piles continue to build across the country which is continuing to impact on any future recovery in the market.

Mid micron wools have also suffered the same issues as crossbred although prices have firmed up over recent weeks which is encouraging for wools due to be shorn over the next couple of months.

Merino prices have seen substantial increases over all micron categories which started in Australia around Christmas time and have risen to levels that growers are now finding more acceptable. There will be corrections along the way, but the demand for good sound types will continue to be sought after.

Growers who decide to hold wool waiting for a lift in prices will need to seriously look at how long they want to hold wool for. With market conditions where they are and the large amount of hold wool yet to be sold, we believe that there is not a quick fix in the short term.

Due to favourable growing conditions and the drought regions having now recovered, we will be looking forward to seeing a good quality wool clip going forward into the new season.

**Simon Averill,**  
CP Wool National Wool Manager,  
simon.averill@cpwool.co.nz

## Mystery Creek Fielddays

Below is a snap from the Carrfields 2017 Fielddays site in Hamilton. Check out our next newsletter for more.



Find us on facebook  
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