

WOOL EVALUATION

- Personal Development
 - Critical Thinking
 - Decision Process
 - Express Logical Reasoning
 - Gain Knowledge
 - Fun, Trips, Team, Relationships
- All of these are beneficial in commercial wool industry

WOOL EVALUATION IN THE REAL WORLD

Does subjective appraisal have merit other than contests or show ring?

- Wool traits are highly heritable
- Wool production responds to management and preparation
- Understanding wool qualities allows for practical goal setting for a producer

WOOL EVALUATION IN THE REAL WORLD

- Management
 - Nutrition
 - Forage
 - Production stage
- Year round process

WOOL EVALUATION IN THE REAL WORLD

- Genetics
 - Ability to establish goals
 - Ability to improve quality/quantity

Have to make a focused effort

WOOL EVALUATION IN THE REAL WORLD

- Preparation
 - Recognize differences
 - Separate differences

Enhances wool value to buyer and therefore price grower receives

COMMERCIAL WOOL PRICING

- Based on Value Determining Wool Characteristics
 - Fiber Diameter* (Blood grade, spinning count, μm)
 - Staple Length* (Staple; French; Clothing)
 - Staple Strength* (Tender, Broken)
 - Yield* (High, Medium, Low)
 - Color
 - Style
 - Purity (Hair)

*Traits can be measured objectively

Wool is sold by the pound; therefore weight is a measure of value to a grower.

COMMERCIAL WOOL MARKETING

GROWER WOOL IS PRICED AND SOLD ON A
CLEAN BASIS

GREASE WOOL CONTAINS

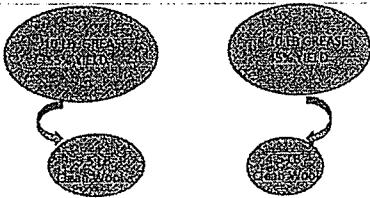
WOOL FIBER	(45-70%)
MOISTURE	(4-20%)
GREASE	(>10%)
MINERAL MATTER	(Highly variable)
VEGETABLE MATTER	(Highly variable)

WOOL YIELD??

- USED TO CONVERT CLEAN PRICE TO GREASE PRICE
- Grease price = (Clean price X Yield) – Handling Costs
 = (\$ 4.40 x 50 %) - \$.20
 = \$ 2.20-.20
 = \$ 2.00

WOOL YIELD??

- USED TO MAKE EQUATABLE PAYMENT



WOOL YIELD??

- USED TO MAKE EQUATABLE PAYMENT

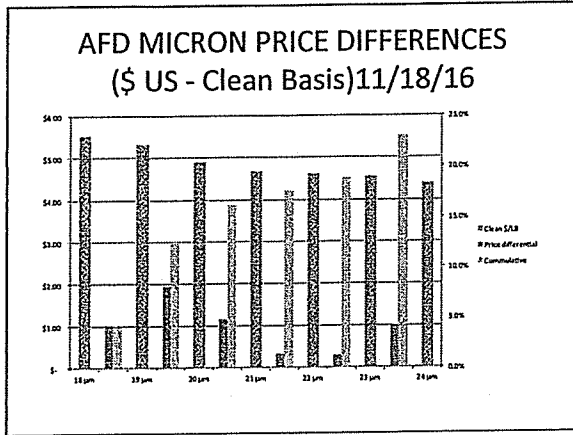
10.0 lb	10.0 lb
55% Yield	45% Yield
\$4.40 Clean	\$4.40 Clean
\$2.42 Grease	\$1.98 Grease
Total Fleece Value	
\$24.20	\$19.80

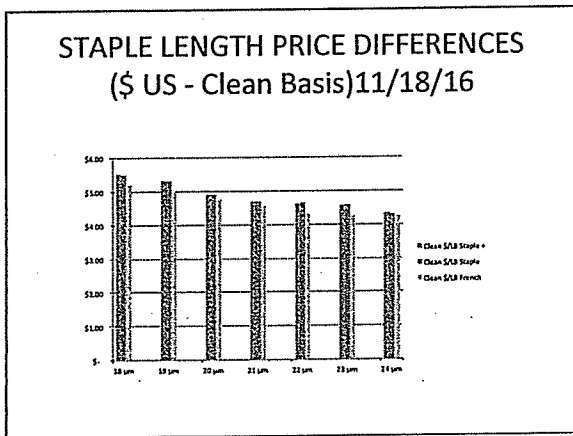
WOOL FIBER DIAMETER

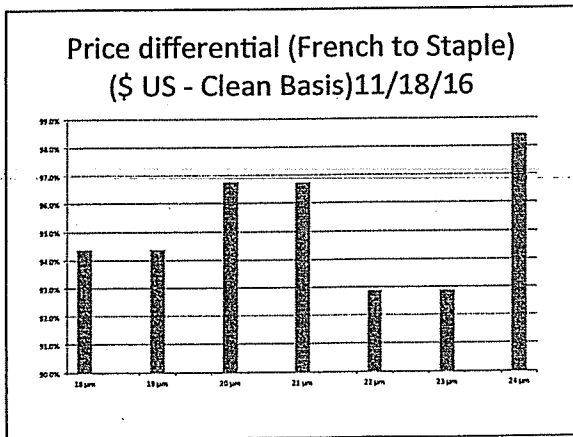
- MEASUREMENT – (1/1,000,000 METER) MICRON
- SOMETIMES A LARGE PRICE DIFFERENTIAL BETWEEN MICRON CATEGORIES DEPENDING ON SUPPLY AND CONSUMER DEMANDS

AFD MICRON PRICE DIFFERENCES (\$ US - Clean Basis)11/18/16

AFD Category	Clean \$/LB	Price differential	Cumulative
18 µm	\$ 5.53		
19 µm	\$ 5.31	4.2%	4.2%
20 µm	\$ 4.91	8.1%	12.3%
21 µm	\$ 4.68	4.9%	16.2%
22 µm	\$ 4.62	1.4%	17.6%
23 µm	\$ 4.56	1.2%	18.8%
24 µm	\$ 4.38	4.2%	23.0%







MAKING THE TRADE

NOVEMBER 28, 2016
 Contract: 1233
 Purchase Confirmation
 Supplier: WOOL WAREHOUSE
 Mertzon, TX 75241
 Buyer: WOOL BUYER

Staple Wool 20.5um	1 Pcs	US\$ 4,000.00 Pcs
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Good style 20.5 um average, 3 hch staple minimum, lots subject to agent approval.
 Terms: Payment and delivery on receipt of invoice.
 WOOL WAREHOUSE
 Mark N. Agent
 WOOL BUYER
 U. Ben Fieced

MAKING THE DELIVERY

SPINNER	ITEM #	YTD	REQ	CLEAN WWT	GRACE WWT	CUMUL WWT	GRACE CUMUL WWT	YTD PCT	GRACE PCT	VALUATION	SETTLED
1	11470	2010	5070K	\$ 400	\$ 2484	\$ 4360	\$ 2313	\$ 28370.71	\$ 26718.10		
2	7943	2010	4820K	\$ 400	\$ 2107	\$ 4310	\$ 2111	\$ 14731.90	\$ 14770.06		
3	7311	2100	4480K	\$ 400	\$ 2131	\$ 4400	\$ 2097	\$ 14093.01	\$ 13370.47		
4	4833	1920	4810K	\$ 400	\$ 2310	\$ 5300	\$ 2190	\$ 10180.45	\$ 11532.31		
5	4419	2090	4720K	\$ 400	\$ 2313	\$ 4700	\$ 2218	\$ 10794.06	\$ 10357.71		
6	5353	2070	4740K	\$ 400	\$ 2313	\$ 4870	\$ 2358	\$ 12837.60	\$ 12818.23		
	41749	2010						\$ 83378.91	\$ 81587.29		

WOOL PRICING

SPINNER TO SPINER	CONTRACTED	SELLER TO BUYER	CONTRACTED
CONTRACTED SPINNER PRICE	\$ 560	CONTRACTED SPINNER PRICE	\$ 564
AGENT'S FEE/1000 AS CENTAGE	\$ 181	SPINNER'S FEE/1000 AS CENTAGE	\$ 18
TOPMAKER SALE PRICE	\$ 544	TOPMAKER SALE PRICE	\$ 546
LESS PROFIT MARGIN	\$ 181	LESS PROFIT MARGIN	\$ 18
TOP VALUE	\$ 358	TOP VALUE	\$ 530
COMBING FEE/100 @ 150CENTS/TON	\$ 181	COMBING FEE/100 @ 150CENTS/TON	\$ 18
WOL ADJUSTMENT @ 10% (TOP VALUE)	\$ 103	WOL ADJUSTMENT @ 10% (TOP VALUE)	\$ 18
WOL LESS ADJUSTMENT @ 10% (TOP VALUE)	\$ 181	WOL LESS ADJUSTMENT @ 10% (TOP VALUE)	\$ 18
TOP VALUE @ 10% (TOP VALUE)	\$ 181	TOP VALUE @ 10% (TOP VALUE)	\$ 434
WOL COST		WOL COST	
BUYING COST @ 150CENTS/TON	\$ 10	BUYING COST @ 150CENTS/TON	\$ 10
SERVICE CHARGE @ 150CENTS/TON	\$ 10	SERVICE CHARGE @ 150CENTS/TON	\$ 10
TEST @ 10CENTS/TON	\$ 10	TEST @ 10CENTS/TON	\$ 10
FREIGHT @ 150CENTS/TON	\$ 10	FREIGHT @ 150CENTS/TON	\$ 10
INSURANCE @ 150CENTS/TON	\$ 10	INSURANCE @ 150CENTS/TON	\$ 10
VALUATION CHARGE @ 150CENTS/TON	\$ 10	VALUATION CHARGE @ 150CENTS/TON	\$ 10
AGENCY FEE/1000 @ 150CENTS/TON	\$ 10	AGENCY FEE/1000 @ 150CENTS/TON	\$ 10

Value to the Grower

TRADITIONAL COST TABLE SHEET

PREPARATION	WT	FLEECE	FLEECE X CAS WT	YIELD	CLMWT	FAA	END	DIFF/NO	NO/DA	\$/DA	WORKERS
100	1.0	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
105	1.05	1.05	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
110	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
115	1.15	1.15	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
120	1.20	1.20	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
125	1.25	1.25	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
130	1.30	1.30	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
135	1.35	1.35	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
140	1.40	1.40	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
145	1.45	1.45	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
150	1.50	1.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Value to the Grower

TRADITIONAL COST TABLE SHEET

PREPARATION	WT	FLEECE	FLEECE X CAS WT	YIELD	CLMWT	FAA	END	DIFF/NO	NO/DA	\$/DA	WORKERS
100	1.0	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
105	1.05	1.05	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
110	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
115	1.15	1.15	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
120	1.20	1.20	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
125	1.25	1.25	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
130	1.30	1.30	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
135	1.35	1.35	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
140	1.40	1.40	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
145	1.45	1.45	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
150	1.50	1.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Returns above \$5.00 shearing cost

TRADITIONAL COST TABLE SHEET

PREPARATION	WT	FLEECE	FLEECE X CAS WT	YIELD	CLMWT	FAA	END	DIFF/NO	NO/DA	\$/DA	WORKERS
100	1.0	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
105	1.05	1.05	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
110	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
115	1.15	1.15	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
120	1.20	1.20	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
125	1.25	1.25	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
130	1.30	1.30	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
135	1.35	1.35	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
140	1.40	1.40	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
145	1.45	1.45	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
150	1.50	1.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
