



# Customer Preferences (Topmaker & Spinner)

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Wool

Produced for the CRC for Premium Quality Wool undergraduate program by;  
Michael Blake, Chargeurs Wool Eurasia.



# Chargeurs

- largest wool processor in the world
  - globalised, centralised European/Asian operation
  - 120 million kg top p.a. world-wide
- Australian operations
  - commercial / strategic
    - Chargeurs Wool Eurasia
  - buying (auction & direct to mill)
    - Prouvost Hart
  - processing to top stage
    - Riverina Wool Combing (Wagga Wagga)

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# Raw Wool Demand

Consumer Demand



Fashion / clothing manufacturers



Weavers / Knitters



Worsted Spinners



Topmaker



Raw wool supply

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# Derived Demand (raw wool)

- consumer needs and wants
- processor requirements
- fibre related
  - weight
  - drape
  - handle/tactile
  - surface appearance
- service related
  - reliable supply
  - delivered on time
  - giving repeatable performance
  - helping high efficiency

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# Factors affecting Topmakers

- cost of topmaking in Australia
- seasonality of supply
- demand from spinner
- “least cost” solution to specifications

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# Cost of Topmaking in Australia

- **macroeconomic issues**
  - exchange rates
  - interest rates
- **low margins (see next 2 slides)**
- **high cost**
  - efficiency
  - technology
  - staff expertise
- **processing relocation**
- **close to raw material source**

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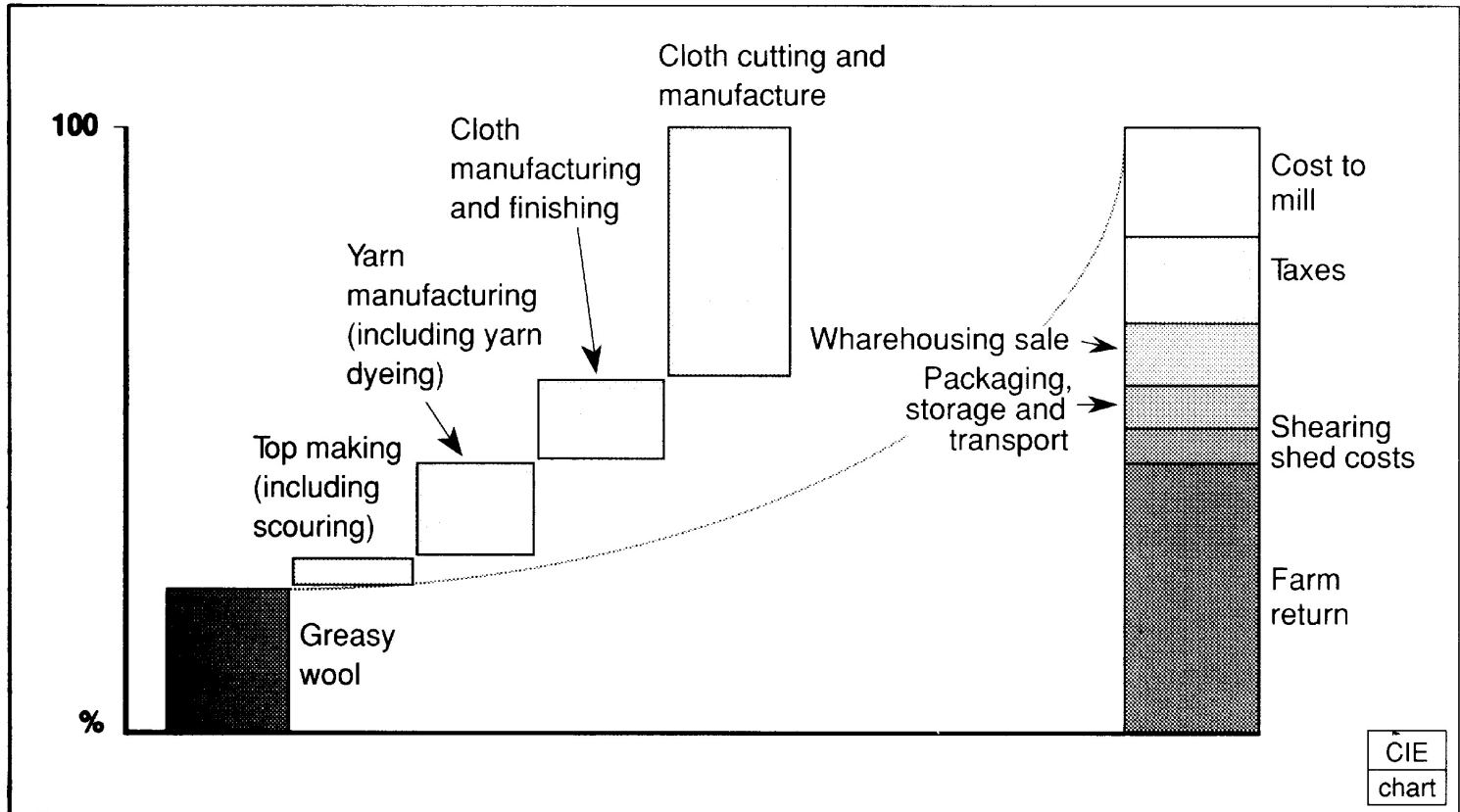
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# Share of Final Costs: Wool

**Figure 4.2: Costs of manufacturing a man's woollen suit in Australia in January 1989**



**Data sources:** Department of Primary Industries and Energy (1989); AWC (1990a).

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# Topmaking Costs

- \$1.35 to \$1.80 / kg
- depends on
  - diameter
  - yield
  - clip preparation
  - scour location
- contamination
  - 14c / kg
- effluent
  - 20c / kg W. Europe
  - 5c / kg Australia
- risk costs
  - client complaints
  - non-guarantee
  - 1.5c / kg
- raw material
  - 70% of total

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# Seasonality of Supply

- **wool availability throughout season**
  - supply - demand imbalance
  - specific types at specific times
  - fresh wool supply is falling
  - competing against exports
  - no imported raw wool
- **stock holding costs**
  - financial
  - storage capacity

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# Means of Raw Wool Supply

- auction
- private treaty
- futures
  - SFE
  - Macquarie
- stockpile forward sales
- trade
- sale by description
- electronic selling

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# Demand from Spinner

- **fashion / consumers**
  - comfort, coloured fibres
- **competition**
  - other topmakers
  - specialities
- **markets**
  - economic performance
- **spinner's specifications (next)**

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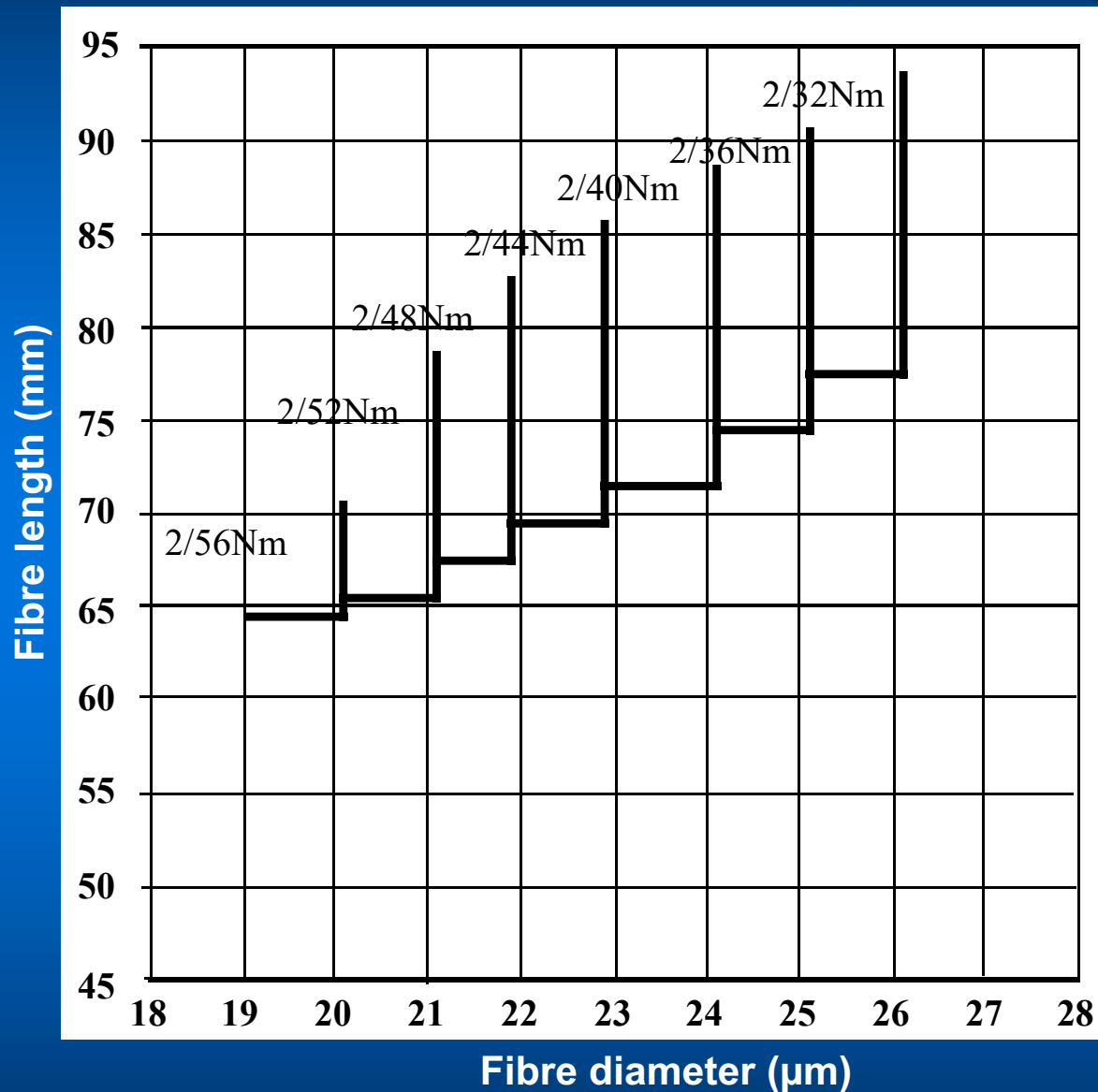
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# Worsted Spinning



- Nm = m/g
- yarn count
  - linear density
- 2/56 Nm
  - 2 ply
  - 56 m/g count

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# Assembling Demand



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# Spinners' Specifications

Parameter	21.5 micron	18.5 micron
Diameter (micron $\mu\text{m}$ ) - max	21.5	18.5
CV( $\mu\text{m}$ ) - max	22.0	20.5
% >30 $\mu\text{m}$ - max	4.5	3.0
Hauteur (H) - min	70.0	65.0
CV(H) - max	45.0	45.0
% < 25mm - max	7.0	7.0
% < 40mm - max	18.0	18.0
Soxhlet % - max	0.8	0.8
Neps per kg - max	40	40
Burrs per kg - max	10	10
P/Burr per kg - max	30	30
Shive per kg - max	20	20
P/Shive per kg - max	100	100
Slubs per kg - max	0	0
Coloured fibres per kg - max	20	20
Uster CV - max	3.75	3.75
pH - max	9.2	9.2
Sliver weight (g/m)	20	20
Ash content (%)	0.5	0.5

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# Wool Top Requirements

## fibre related

- micron
- Hauteur
- CVH
- short fibre content
- colour
- coloured fibres
- contamination
- VM
- style
- repeatability

## technical / industrial

- oil content
- sliver weight
- VM content
- top colour
- final form
  - bobbins
  - bumps

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# Challenges in Commercial Topmaking

1. **JIT requirement**
2. **Competition**
3. **Market Risk**
4. **Price fluctuations**
5. **Keeping up to Technology**
6. **Raw Wool Specification**
7. **Contamination**

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# Increasing Processor Demand

- promotion / R&D
- selling out of season / edge of season
- forward selling (direct to processor)
- QA programs
- additional measurement
  - good strength and length
- reduce delivery costs
  - farm gate to mill

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# Major References

- **Stanton, J. & Senior, A. (1994), Wool Market Awareness, Curtin University**
- **Blake, M. (1997), The Customers of the Wool Industry - The Topmaker, Access to the Experts Wool Marketing module, CRC for PQW**
- **Blake, M. (1998), Demand: A Processor's Perspective, Wool Marketing lecture series, CRC for PQW**

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