BUILDING A MARKET FOR MINNESOTA WOOL

2011~Ongoing
SHEEP & FIBER FARM TOUR
SUSTAINABLE | NATURAL | LOCAL | DEMONSTRATIONS | YARN | TEXTILES | SHEEP
SATURDAY, OCTOBER 11TH & SUNDAY, OCTOBER 12TH 9-5PM
WWW.FIBERFARMTOUR.COM - FACEBOOK.COM/SHEEPFIBERFARMTOUR
Dinner on the Farm
Sunday, October 11
Clear Spring Farm
Walsh, MN
Celebrate the 4th annual Sheep & Fiber Farm Tour with Dinner on the Farm hosted by Clear Spring Farm in Walsh, Minnesota. Dinner featuring local, fresh food by Grand Cafe & Brewery. Live music by The Jett Jackson. Prairie Plains Farm will be partnering with Bad Roddy Food & Eatery.
Advance tickets required. Tickets available at dillercreativeco.com/bad-rod-2014
Contact
Diller Creative Co.
16918 Hwy 10
Grant, MN 56446
612.749.1234
info@dillercreativeco.com
Thanks
This project was developed with support from the North Central Sustainable Agricultural Research and Education (SARE) program, which is nationally funded by the U.S. Environmental Protection Agency (EPA) and the United States Department of Agriculture (USDA). SARE is an equal opportunity provider and employer.

2014 North Central SARE
CONSUMERS ARE WILLING TO PAY A
27-45% PREMIUM
for
locally produced
certified organic
environmentally friendly
all natural
animal fiber product

University Delaware, Kansas State University, Texas State University
Hustvedt, Gwenolyn~Bernard, John~Peterson, Hikaru (2012) SARE Southern USDA
Marketing of Locally Produced Sustainable Animal Fiber Products.

A 3 year applied economic study by University of Delaware, Kansas State University & Texas State University

final report LS08-208
12-31-2012
projects.sare.org
Hustvedt, Gwenolyn ~ Bernard, John ~ Peterson, Hikaru
AMERICAN WOOL
NATURAL & SUSTAINABLE
WWW.AMERICANWOOL.ORG

NATURALLY GROWN
Wool isn't created in a lab like petroleum based fibers. All sheep need to grow wool is fresh air, water and grass.

RENEWABLE SOURCE
Sheep grow their fleece year-round. After they are shorn in the spring, the sheep head back out to pasture to grow another fleece.

LESS WASTE
Wool is not fast fashion. Wool's timeless style and durability means a longer shelf-life than other fibers which wear quickly and end up clogging landfills.

Microfibers from synthetic clothes are poisoning our oceans

Energy Used in the Production of Textiles

<table>
<thead>
<tr>
<th>Material</th>
<th>Oil Usage*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nylon</td>
<td>4.0</td>
</tr>
<tr>
<td>Acrylic</td>
<td>3.5</td>
</tr>
<tr>
<td>Polyester</td>
<td>2.2</td>
</tr>
<tr>
<td>Wool</td>
<td>0.5</td>
</tr>
</tbody>
</table>

*kg of oil used to produce 1 kg of final fabric
ORGANICA IS THE ANSWER TO THE NEW CONSUMERS

ORGANICA OFFERS PREMIUM WOOL FIBER AND END TO END PRODUCT TRACEABILITY TO THE MOST FASHIONABLE BRANDS
This “Climate Beneficial” Wool Hat Comes From Carbon-Positive Sheep

The North Face’s new beanie is woven from wool from sheep raised on a farm that takes in more carbon than it puts out.

“I like to think of the carbon farming and the climate beneficial work that we’re doing now as a change of thought.”

[Photos: The North Face]
16. Expand if more markets available:
   a. 58% yes
   b. 29% depends (not wanting to be big, need to be profitable, if there was a return and sheep remained fiber sheep, acreage, time, feed prices, type of market and type of return)
   c. 9% no

17. Who processes the fiber:
   a. 76% mills
   b. 53% self

18. Reasons for being optimistic:
   a. more individuals interested in local fibers
   b. excited about local fiber production
   c. lots of acreage
   d. love it
   e. lots of people interested in locally produced / unique products and combine farm visits with studios and with acquisition of a product
   f. positive feedback from others
   g. rare wool and sought after
   h. wool is great and fiber products the best
Understanding Consumer Preferences for Origin-Specific Wool Products

Hikaru Peterson
Department of Applied Economics
Wool Conference, October 7, 2016
Consumer-Driven Demand Analysis for Locally Grown and Organic Wool in the Upper Midwest

Survey Analysis (Apr. 17, 2016)
Conduct a survey aimed at wool manufacturers and intermediate processors of their attitudes of local /organic wool.

Based on the analysis, develop a woolen product from Minnesota wool.
According to a USDA/SARE-supported study\(^1\) conducted in Texas, Virginia and Georgia and finished in 2012, the researchers find out that many consumers are willing to pay a 27%-45% premium for locally produced and “organic”, “all natural”, “eco-friendly” or “sustainable” labeled animal fiber products (see the graph below).

**Graph:** Premiums (compared to the products labeled as conventional) that the sampled consumers are willing to pay for locally grown animal fiber products with different labels.
Manufactures feel there is value in local wool.
More than 50% of manufactures are willing to pay a higher premium
CONCLUSIONS

- Manufactures are in favor of the possible market potentials for Midwest Wool due to its local identity, regardless of their operation scales.
- They are willing to pay a premium of no more than 15%.
- Further developing the local wool business is feasible and promising.
- The most challenging difficulties may likely be the quantity and quality.
THE HAT PROJECT

2nd Component
Based on 5,000 stocking hats

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Cost</th>
<th>Location</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Wool</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wool Micron 21</td>
<td>5000 lbs</td>
<td>$3.81</td>
<td>$19,050.00</td>
<td>Farmers: MN &amp; SD;</td>
<td>Groenewold Fur &amp; Wool Company</td>
</tr>
<tr>
<td>Wool Micron 24</td>
<td>5000 lbs</td>
<td>$3.28</td>
<td>$16,400.00</td>
<td>Warehouse: Jamestown, SC</td>
<td>(warehouse): Farmers MN &amp; SD</td>
</tr>
<tr>
<td>Wool Incentive</td>
<td>10000 lbs</td>
<td>$1.00</td>
<td>$10,000.00</td>
<td>Mitchell, NE</td>
<td>Shadow For esti</td>
</tr>
<tr>
<td>Scouring &amp; Top</td>
<td>4675 lbs</td>
<td>$6.00</td>
<td>$28,050.00</td>
<td>Chargeurs Wool: The Brown Sheep</td>
<td></td>
</tr>
<tr>
<td>Spinning &amp; Dying</td>
<td>4675 lbs</td>
<td>$14.30</td>
<td>$66,852.50</td>
<td>Xpologistics,</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td></td>
<td></td>
<td></td>
<td>From Forrester, IL 61030 to</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Jamestown, SC</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>From Jamestown, SC 29455 to</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mitchell, NE</td>
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<td></td>
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<td></td>
<td></td>
<td>From Mitchell, NE 69357 to</td>
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<td></td>
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<td></td>
<td>Nelson, MN</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>From Nelson, MN 56355 to Company warehouse</td>
<td></td>
</tr>
<tr>
<td>The Ribbed/Plain Hat:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knitting</td>
<td>5000 hats</td>
<td>$5.34</td>
<td>$26,700.00</td>
<td>Nelson, MN</td>
<td>Northland</td>
</tr>
<tr>
<td>Unit Cost:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 35.03</td>
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<td>The “North” Hat:</td>
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<tr>
<td>Knitting</td>
<td>5000 hats</td>
<td>$12.50</td>
<td>$62,500.00</td>
<td>Nelson, MN</td>
<td>Northland</td>
</tr>
<tr>
<td>Unit Cost:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 42.19</td>
</tr>
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</table>
Hothouse Collaborative is a strategy and insights company.

Specializing in brand strategy, product positioning and consumer insight.
a short list of clients: blue chip and boutique brands
SPRING IS HERE

What’s in season... Timeless patterns, touchable throws, pillows & totes

SHOP
THE EARTH NEEDS REBELS!
Footnotes

1. Austin Yang, Ph.D. Student Applied Economics University of Minnesota 2016
2. Austin Yang, Ph.D. Student Applied Economics University of Minnesota 2016
3. Austin Yang, Ph.D. Student Applied Economics University of Minnesota 2016
4. Austin Yang, Ph. D. Student Applied Economics University of Minnesota 2016
5. Austin Yang, Ph.D. Student Applied Economics University of Minnesota 2016