

# TMC lifts supply capacity

By ROWENA McNAUGHTON

**T**HE Merino Company (TMC) has moved from just supplying wool to manufactures to being able to custom-make wool garments for retailers, marking the completion of a promise to provide a full wool supply chain to Australian growers after just five years in existence.

TMC marketing manager Phoebe Croyle said the company's new manufacturing arm – TMC Apparel operating out of Christchurch, New Zealand – would develop both flatbed and circular knit Merino wool garments.

The new business unit is a big step for TMC, which had increased its national wool pool by 30 per cent year-on-year in 2009 with 800 growers selling wool through its pool, making it one of the largest vertically integrated wool supply companies in Australia.

To meet the needs and specifications of retailers that stock wool garments – particularly active wear market – TMC plans to bring together its innovative knit technology into a package that retailers can access more readily.

Ms Croyle said the business extension was aimed at driving wool garment retail sales in Australia and New Zealand, where a rising awareness of “green” and performance attributes of wool is expected to drive demand.

Ms Croyle, who has been involved in the launch of TMC Apparel last week, said TMC would provide its customers with a complete “Supply to Store” means of obtaining wool.

She said the company planned to cater for a range of retail demands, from technical base-layers for the outdoor market to Merino garments for the fashion industry.

It currently takes wool sold via the auction system 18-21 months to travel from paddock to retail shelf.

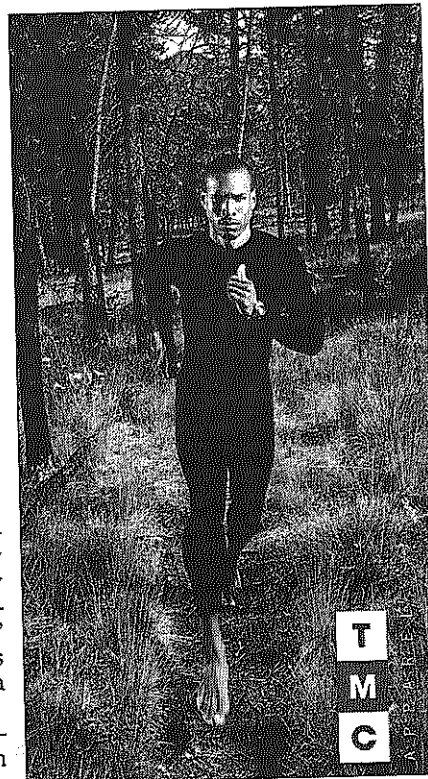
The new business unit will allow TMC to cut its transactions down to just one with retailers and shorten the delivery.

It is also designed to meet the needs of a range of active end-uses and ensure quality is maintained from source to shop.

Most of TMC's fabric production is in New Zealand and TMC hopes to capitalise off the countries' strong history in textile manufacturing. “We saw an opportunity in the current market to provide Australasian retailers and brands with Merino products made to order,” Ms Croyle said.

“TMC Apparel is an Australasian business – focusing on both the Australian and New Zealand markets. The head office is in New Zealand, however, garments will be manufactured using our global network of capabilities.” Ms Croyle said TMC hoped to extend its three-man TMC Apparel team and open a branch in Australia.

The new business unit will be headed by general manager, Geoff Young, who has more than 20 years experience in the apparel industry working for companies such as Reebok, Asics and Adidas.



■ TMC now offers a complete wool supply package.

## Wool market fails to ignite

THE wool market failed to ignite last week despite a steady tone in the previous week, a weaker Australian dollar, and the threat of falling quantities during the coming months.

A little more than 20,000 bales were offered for sale in Melbourne in a week that commenced with the ANZAC day public holiday. Prices were generally 10 to 15 cents cheaper throughout the two days, however there is a widening price gap between the growing quantities of lower style and strength types, and the increasingly scarce best style and 40 Newtons Kilotex (NKT) types.

Buyers are looking to bolster lower-style deliveries with any higher yielding/sound/low vegetable matter (VM) types they can find, and are generally willing to pay reasonable premiums for the privilege.

This trend has been evident for the past few weeks and also extends to the skirting catalogue which was down 10 to 30c for the sale, with the better types least affected. Merino Cardings are a similar story and fell sharply on the final day to close 20 to 30c lower.

Crossbred fleece wool was one of the only areas to close in positive territory after a final-day surge in the finer microns saw them firm 5 to 10c clean.