CANADIAN CO-OPERATIVE WOOL GROWERS

LIMITED ?

BRANCHES AND ASSOCIATIONS ACROSS CANADA

Box 130

CARLETON PLACE, ONTARIO

K7C 3P3

TEL: 613-257-2714 FAX: 613-257-8896 E-MAIL: ccwghq@wool.ca WEB: www.wool.ca

History of Canadian Co-operative Wool Growers Limited (CCWG)

The Co-operative was established in 1918 by the sheep industry as a national system of collecting and marketing its members' wool on a co-operative basis. This meant that regardless of the size of the wool clip, the time of year received or distance from the market, each member was paid the same price for the same grade of wool. Being merely an instrument of the growers, the company operates quite simply. It collects, grades, measures and markets the producers wool and after deducting the cost of operations returns the entire difference to the growers.

The Co-operative grades and markets approximately 3 million pounds of raw wool each year; the majority of this coming from Quebec, Ontario and Alberta. Each of the three general classes of wool (fine, medium and coarse) are sold wherever the best price is available, China is a major buyer.

Wool is received directly from the producer by way of truck or rail. It is then graded according to type classification, quality and method of preparation. Wool of similar types and quality are hydraulically packed in bales weighing up to 1,200 pounds.

In addition to handling wool, the Co-operative operates Stockman Supply outlets across the country and a Real Wool Shop Boutique at Carleton Place. The Co-operative also publishes an annual magazine entitled The Canadian Co-operative Wool Growers Magazine which is designed to assist the wool producer with information and a mail order catalogue for livestock supplies, equestrian products & clothing.

The company's mandate is to be a producer co-operative endeavouring to market wool at the top price it deserves while operating the business efficiently to maximize returns to the wool producer.

Canadian Co-operative Wool Growers Limited occupies what was once the round house and machine shops for the Canadian Pacific Railway. The Company is located in Carleton Place, Ontario and is a totally Canadian Company.

When used by the CPR (1890 - 1939), as many as 200 men were employed in this building. It was a serious loss to the town when the whole operation was moved to Smiths Falls, Ontario in 1939. Still, Carleton Place is not easily discouraged, and in the fall of 1940, the "roundhouse" was once again open. No, the CPR did not return, the "wool growers" moved in.

Eric Bjergso, the General Manager, says the place was a mess ... tracks, turn table, wheels anything and everything needed for train repair could be found in the building. In 1940, at the beginning of World War II, scrap iron was much in demand and what might have been a liability was turned into an asset. After a massive cleanup, Canadian Co-operative Wool Growers Limited was in business. On the direct line (CPR) from the West through to Montreal, Carleton Place was in an excellent position to handle wool from the West and ship it via Montreal, to England, Holland, and Germany, as well as all over Canada. During the war some of these ports were closed to Canadian business, but were reopened at the close of hostilities.

When the Company opened in Carleton Place their main warehouses were in Weston, Ontario. Due to the changing wool industry, in 1967 these buildings were sold and the entire wool grading operation was moved to Carleton Place. The administration offices in Toronto were retained until 1972, then they were also moved to Carleton Place. The administration offices are housed in the section of the building that was once the storage room and boiler room for the CPR.

In 1979, the CCWG decided to put the old CPR coal bins to use and in August of that year "The Real Wool Shop Boutique" was opened. It is difficult to imagine how anyone could wear wool if all you ever see is a "bag of fluff". The Co-op Warehouse shows the first stage - the Real Wool Shop Boutique shows

the final one. In 2006 the engine house of the CPR Round House was renovated and is now our Equestrian Centre for tack and western clothing. This room also contains a mini museum with numerous railway memorabilia on display.

The wool arrives in large sacks, raw from the sheep. At the warehouse it is graded according to the fibre diameter (micron) and length of the fibres, amount of grease, and amount of foreign matter present in the wool. After grading, the wool is shipped out in compact bales. Ninety percent of all the wool is exported out of Canada.

An interest in wool means an interest in sheep, and the CCWG currently sells livestock supplies, equestrian products & clothing from coast to coast in Canada.

Baa, Baa Canada Sheep Have You Any Wool?

Yes Sir, Yes Sir more that three million pounds arriving annually from every part of Canada to be graded in Carleton Place, Ontario, national headquarters of the Canadian Co-operative Wool Growers Limited. Farmer owned, the co-op was set up in 1918 to sell Canada's wool clip. It occupies a large stone structure over a century old, built by the railway in 1887 to repair locomotives. Traces remain of the building's original purpose.

Tours of the grading operation are often possible weekdays between 9 am and 5 pm. Phoning ahead is advised. Wool is graded twelve months of the year. The Wool Growers Real Wool Shop and CCWG Livestock Supplies & Equestrian Centre share the same historical location and are well worth the trip. A short half hour drive from Ottawa, Canada's capital.

Canada's Wool To Market

SHEEP Early French settlers brought the first sheep to Canada about 1650. Canada's sheep population has varied considerably but today there are over one million with the largest flocks in Quebec, Ontario and Alberta. Most Canadian sheep are bred for meat. Suffolk, Southdown, Hampshire, Dorset, Cheviot and Arcott are among the most popular breeds. Wool breeds include Rambouillet, Corriedale, Columbia and Targhee.

SHEARING the usual practice is to shear in the spring before lambing. An expert shearer using power equipment similar to barber clippers only larger can shear a sheep in less than five minutes, rolling off the fleece in one piece. Fleeces are sacked and shipped to the Canadian Co-operative Wool Growers for grading and marketing.

GRADING Wool is weighed when it arrives at the CCWG warehouse and then graded and core tested. Grading is very labour intensive. The raw wool is spread out, inspected by hand and classified by average diameter (micron) and length of the fibre, colour, lustre and crimp (tight, natural wave). From Carleton Place the graded grease wool is packed in 1,200 pound bales and shipped to world markets. **MARKETING** Although Canada's three million pounds is a fraction of the world production, Canadian wool has a niche because of its high elasticity. This elasticity or springiness enables wool to retain its original shape. Canadian wool is blended with wool from other countries with less of this desirable characteristic. Since there is virtually no wool processing in this country, only ten percent of Canada's production is sold here. Ninety percent is exported to Britain, France, Germany, Spain, Japan, United States, China and India.

WOOL SYSTEMS The complexity of wool processing is why the wool is graded before it is sold. Medium wool goes to WOOLEN system and becomes sweaters, knitting yarn and tweed fabrics. The finer wool enters the WORSTED system, undergoing an additional process called combing and drawing which removes short ends, (noils) and further straightens the long, smooth fibres. This wool makes the finest of wool fabrics. Coarse wool is streamed into the CARPET system.

WOOLEN SYSTEM



Medium Wool Breed Canada 3/8 Canada 1/4

WORSTED SYSTEM



Fine Wool Breed Canada Fine Canada 1/2

CARPET SYSTEM





Canada Coarse



BE A SHAREHOLDER

SUPPORT THE GROWERS OWN COMPANY

The Canadian Co-operative Wool Growers Limited

Tel: (613) 257-2714 Fax: (613) 257-8896 Email: ccwghq@wool.ca Web: www.wool.ca

WWW.WOOL.CA

Is directly responsible to the sheep and wool producers of Canada, serving their interests.

Is the only grower owned and operated wool marketing association in Canada.

Brings you highest possible returns for your wool through orderly marketing methods.

Provides year round service for the grower by carrying a full line of stockmen's supplies, including animal health products, feed, livestock identification and equipment supplies, fencing, pet food, bird seed and clothing to name a few.

Welcomes you as a financial partner – a shareholder with a voting voice in its affairs.

Assures you a good annual dividend return on your share investment, 7% annually since 1999.

Join the 2% Club, receive a 2% shareholder discount on any purchase at our Stockman's Supply and Real Wool Shop Boutique stores.

Participate in the Shareholder Wool Shipper Loyalty Reward Program (**SWSLRP**) – minimum purchase requirement of 5 shares, maximum of 50 shares.

BECOME A PARTNER IN YOUR OWN CO-OPERATIVE

Buy shares or Increase Your Holdings to 50 Shares

APPLICATION FOR SHARES

Canadian Co-operative Wool Growe 142 Franktown Road, Box 130 Carleton Place, Ontario K7C 3P3	ers Limited	20
	en dollars per share. (Minimur for \$ in full payment of	
	Name:	
Occupation	Address:	
Signed		
Please print full name in which shares are to be registered.	Telephone:	Fax:
	Email Address:	
☐ PLEASE SEND NON TRANSFERABLE SHAREHOLDERS ONLY)	MEMBERSHIP CARD FOR 2% SHAREI OFFICE USE ONLY 2% CLUB MEMBERSHIP APPLICATION	HOLDER DISCOUNT CLUB (AVAILABLE TO CCWG
SHAREHOLDER NAME:		
ADDRESS:		
SHARE CERTIFICATE NUMBER:		

PLEASE FORWARD TO CANADIAN CO-OPERATIVE WOOL GROWERS, P.O. BOX 130, CARLETON PLACE, ONTARIO K7C 3P3 FOR YOUR COMPLIMENTARY CCWG 2% SHAREHOLDER DISCOUNT MEMBERSHIP CARD. DISCOUNT APPLIES TO PURCHASES MADE AT ALL CCWG RETAIL LOCATIONS.



CANADIAN CO-OPERATIVE WOOL GROWERS

LIMITED ~

Box 130

BRANCHES AND ASSOCIATIONS ACROSS CANADA

CARLETON PLACE, ONTARIOK7C 3P3

TEL: 613-257-2714 FAX: 613-257-8896 E-MAIL: <u>ccwghq@wool.ca</u> WEB: www.wool.ca

Wool Preparation Incentive / Rebate (WPIR)

- 1) Currently a bonus of up to 8¢ per pound is paid on the total net weight of the wool clip (all grades including offsorts)
- 2) Eligibility is based on bright high yielding wool clips that have been well prepared and skirted with offsorts separated from main fleeces by a newspaper divider or packaged in a separate bag.
- 3) Shipped in well packed sacks.

Explanation: The objective of the wool preparation incentive is to reward producers with a bonus for those that have taken the time and effort to present a clean, well prepared and packaged wool clip for grading and marketing. At the time of wool grading, our wool grader assesses if the producers clip qualifies for the bonus which will range from $2\phi - 8\phi$ per pound, depending on the quality and presentation of the wool clip. Offsorts are defined as the bellies, stained wool and tags.

Shareholder Wool Shipper Loyalty Reward Program (SWSLRP)



Canadian Co-operative Wool Growers Limited Box 130, 142 Franktown Rd, Carleton Place, ON K7C 3P3 613-257-2714 * 1-800-488-2714 Fax: 613-257-8896

www.wool.ca ccwghq@wool.ca The Board of Directors have approved a loyalty reward program proposed by management for CCWG shareholders that are also wool shippers. The purpose of this loyalty reward program is to recognize shareholder / wool shippers with a rebate on their wool clip.

Following each year-end and depending on the overall profit from all company business, the Board of Directors will allocate a percentage of the year's profit to a reserve account for (SWSLRP). The rebate will then be paid to shareholder / wool shippers in the form of a CCWG profit sharing coupon which can be redeemed for purchasing products at any CCWG branch location. The profit sharing coupon will have an expiry date of 3 years from date of issue, will not have a cash surrender value and will not be transferable. This will be an added bonus for shareholder / wool shippers in addition to the standard shareholder benefits such as the dividend, discount plan etc. The calculation for the rebate will be based on the net weight of the current fiscal years wool clip at a predetermined rate in cents per pound.

The original coupon must be presented at time of redemption.



TAKE

When you sell your wool clip Through the Canadian Co-operative Wool Growers Limited,

You...

SHARE the advantages of a producer-owned co-operative in operation since 1918.

YOUR wool is marketed on world markets in the most effective and cost-effective manner.

RETURNS all wool sales proceeds are returned to the growers less a minimum operating cost. The

company collects, grades and markets the wool for sheep producers all across Canada.

advantage of the convenient national network of wool collection and stockman supply

centres. Wool sacks are readily available from the centres or from licensed operators.

SUPPLIES a complete line of stockman supplies, animal health products and ID equipment at very

competitive prices are offered. Prompt servicing of shearing equipment is provided.

MAIL SERVICE dependable Canada-wide mail and courier service for stockman supplies is a

feature of the operation. Catalogues available upon request.

RECEIVE the Woolgrowers magazine free of charge. Published by the CCWG, the publication

provides up-to-date information on the sheep industry.

SUPPORT the company provides much support and encouragement to sheep and wool shows

across Canada.

DEVELOPMENT the company is researching and developing products made from Canadian wool.

Remember - the CCWG

Year in and year out, you as a grower are assured of full market value for your product. All the accrued service and discount benefits of a co-operative organization formed to serve your best interests. A supportive and informative centre that welcomes your membership and input.

WWW.WOOL.CA

Before Shearing -While the wool is on the sheep

Canadian fleece will be worth more when you...

- * Use proper health and nutritional practices. Consult your Ag. Rep. or sheep specialist for help and advice.
- * Use approved feeders that allow sufficient feeder space for your flock and which protect the fleece.
- * Handle all forage and bedding carefully to prevent it from entering the fleece. Immediately remove and dispose of baler and poly twines.
- * Use sufficient clean bedding. Increased care in feeding and bedding translates into a cleaner more saleable product.
- * Brand with a scourable marking substance. Paint makes your fleece worthless as a marketable commodity.
- * Practice proper weed control. Burrs and thistles will lower your wool grade and market value.
- * Crutch sheep before shearing, removing tags, burrs and chaff. More care in fleece preparation translates into better wool grades for you, more efficiency, a more valuable product and higher financial returns.

Shearing

If hiring a custom Shearer

Shearing will be more efficient when you...

- * Book well in advance.
- * Have sheep crutched before-hand.
- * Pen sheep close 12 hours prior to shearing with no feed or water.
- *Prepare a clean, well-lighted area with access to an electrical outlet.
- * Provide plenty of head room.
- * Have catching pen near the shearing area.
- * Have extra help for filling the catching pen and preparing the fleece for market.

If you are doing the shearing

Shearing will be more efficient when you...

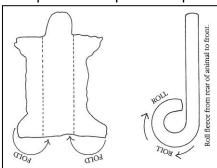
- * Get qualified instruction.
- * Shear only dry sheep on a clean, dry surface.
- * Shear belly wool first and pack separately.
- * Shear coloured sheep last and pack this wool separately.
- * Do not shear black face and leg fibres.
- * Avoid second cuts on the wool wherever possible.

Breed for increased fleece weight, finer fiber and no coloured fibers. Breeding for a finer and heavier fleece gives Canadian wool a more competitive position on both domestic and world markets.

CODE OF PRACTICE FOR WOOL PREPARATION AND STORAGE

To enable Canadian wool growers to achieve better wool preparation and higher financial returns the following are the recommended guidelines. Producers should also implement biosecurity measures to prevent and control the spread of disease. Please refer to The National Farm Animal Care Council Code of Practice for Sheep.

- 1) All sheep need to be emptied out before shearing. i.e. No feed or water to be administered to the sheep for a minimum of 12 hours prior to shearing. By carrying out this practice the sheep's stomach and bladder will be empty and therefore the wool does not become contaminated with dung and urine. The sheep will also sit better for shearing as they do not struggle the same which enables the shearing process to be easier for both the shearer and the sheep. Never shear wet wool or pack wet wool.
- 2) The belly wool needs to be kept completely separate from the fleece wool. The shearer should remove and throw the belly aside as the sheep is being shorn, belly wool to be packed separately.
- 3) All short, stained wool and tags need to be removed from the crutch area as the sheep is being shorn. This wool is kept completely separate from all other types of wool and packed separately.
- 4) All fleeces should be thrown onto a wool table to enable the skirting of the fleeces to be performed in a proficient manner. Chaffy or bury wool should be skirted from the fleece and packed separately.
- 5) The board should be swept and kept clean between sheep as well as during the shearing of the sheep.
- 6) All fleeces should be shaken to remove any second cuts before rolling and pressing the fleeces.
- 7) When pressing the wool all the different categories of wool are to be pressed separately. There should be no mixing of the different wool types during shearing but when pressing at the end of shearing the different types of wool can be put into one bag but they need to be separated by sheets of newspaper.
- 8) All bags are to be sewn with butchers twine. Please do not use baling twine, wire, electric fence wire, or polyprop twine to sew the wool bags.
 - 9) All bags need to be identified as to their contents.
- 10) Where possible during shearing the level of straw needs to be kept to a minimum and away from the shearing area to keep the contamination level to a minimum.
- 11) Coloured & Blackface sheep are to be separated and shorn last so as not to contaminate the white wool with coloured fibres.
- 12) Fleece preparation incentives of up to 8¢/lb is applicable for bright high yielding fleeces that have been properly skirted and packaged.
- 13) Maintaining a clean shearing board and floor is an important and continuous process. It must be done before, during and after shearing to insure a quality clip.
- 14) Wool should be packed in approved packaging and then stored in a dry environment in order to preserve optimum quality. Wet wool has no value and wool bags are not water proof.



Rolling the fleece (all wools)

- * Spread skirted fleece on skirting table or clean wool handling area, flesh side down
- * Fold fleece into thirds
- * Roll fleece from rear of animal to front
- * Roll fleece flesh side out