



Investors Dump Sluggish Stock For Livestock

Individual investors today find themselves spending more time managing their portfolios but enjoying it less. Rather than staying the course as hard earned assets evaporate and timetables for lifetime plans move further out, growing numbers have discovered an alternative investment in *livestock*. Why would anyone invest their hard earned money in a fuzzy animal rather than in standard portfolio investments like stocks & bonds, mutual funds, real estate or even gold? Over the past five years the number of active Alpaca farms in New England has tripled. A steadily growing number of New Englanders have discovered an investment that starts paying daily dividends right away - dividends that are measured

in many more ways than money alone, dividends that these investors often refer to as the *Alpaca lifestyle*.

The intangibility of such an attribute is typically enough to roll back the eyes of many a bottom line businessperson. While the Alpaca lifestyle certainly isn't for everyone, growing numbers of people from all business and professional walks of life are *choosing* to make dramatic career changes, and an unforeseen early transition into *farming as a retirement business*. In fact many Alpaca owners had no prior experience in any form of agriculture.

In order to understand this pattern of apparently bizarre behavior, it might be helpful to ask yourself what you are investing for in the first place. Consider the following analogy offered by one such Alpaca rancher: "Investing in your typical Wall St. portfolio vs. Alpacas is like traveling by power vs. sailboat. By powerboat you are just trying to get from here to there as soon as possible, under sail you realize that you are already there."

People are finding that investing in Alpacas can afford them the rewards of a lifestyle today that was previously reserved for their dreams of retirement. While the business of farming is undoubtedly a hands-on investment demanding business skills and physical work, there are a growing number of people who are finding it a welcome addition or alternative to the corporate lifestyles they have become accustomed to. In fact, the hard won business, scientific, engineering and technical skills they learned in their professional life can be directly applied to running an out of the home business. Fresh air and exercise offset the sedentary nature of typical office work, while the pleasant companionship of the Alpacas themselves provides a needed stress release. Raising Alpacas requires remarkably little in terms of acreage, effort and ongoing costs. Many investors find that they already have the unutilized land space and happily donate their time to convert it into something of satisfaction and value. Returning to their agricultural roots, many businesspeople are able to create a healthier balance between their business, personal and family lives.

The Alpaca Owners and Breeders Association's (AOBA) analysis projects an annual return on investment (ROI) of 27% during startup years with an increasing ROI later. A bred female Alpaca will compound during the first year as she will produce a single offspring each year. Alpaca owners also enjoy the ability to fully insure the value of their investment and benefit from the significant tax benefits associated with farming and the hands on business of raising Alpacas for profit.

Today, the business of raising Alpacas is growing worldwide. There are approximately 40,000 Alpacas in the United States, having been first imported in 1984. They are highly adaptable to most climates but are especially well suited to the moderate summers and cold winters of New England. Alpacas reproduce slowly with mothers having a single baby called a *cria* (pronounced kree-ah) per year. Interest in raising this livestock has been growing at a rate equal to or greater than the Alpacas' ability to reproduce, keeping demand for them high. Virtually all Alpacas in N America are DNA tested to confirm their lineage and to be eligible to be registered with the Alpaca Registry. The Alpaca Registry is now closed to further importation of Alpacas into the



The Alpaca

U.S., further limiting U.S. herd growth.

The Alpaca is a member of the South American Camelid Family, which includes the domesticated Llama and Alpaca, as well as the wild Guanaco and Vicuna from which the Llama and the Alpaca were derived. They were domesticated by natives of Peru, Chile and Bolivia over the course of the last 5000 years for their cashmere-like fiber, once reserved for Incan royalty.

Alpacas produce one of the world's finest and most luxurious natural fibers. This renewable resource is harvested annually by clipping it from the animal without causing injury. Alpaca fleece is as soft as cashmere and comes in 22 recognized colors; more natural colors than any other fiber-producing animal. Alpaca fiber is far softer, warmer, lighter and stronger than wool.

There is a widespread cottage industry of hand spinners who will purchase Alpaca fiber and automated mini-mills that will process Alpaca fiber. There are also organized cooperatives such as the New England Alpaca Fiber Pool and The Alpaca Fiber Cooperative of North America that accept fleece from their members and turn the precious textile into quality Alpaca garments and products. Members benefit from a ready outlet for their fiber, while the cooperative works to increase awareness of and demand for this luxurious fiber.

Today's alternative investors enjoy a passion for their Alpacas and the fiber they produce. It is no coincidence that Alpacas evolved with so many characteristics that naturally appeal to their human caretakers. The lives and culture of those native peoples who domesticated the Alpaca were entirely codependent. In fact both the people and their Alpacas narrowly escaped extinction in the 16th Century only by fleeing together to the highest altitudes of the Andes Mountains, where the Spanish Conquistadors could not tolerate the harsh environment and finally abandoned their pursuit. Alpacas are very intelligent, gentle creatures that are quiet, clean and easy to care for. They even create communal dung piles making it easy for their owners to keep the area clean. They are very social and inquisitive herd animals and communicate extensively with each other by quite humming, various other vocalizations, and body language.

Raising and selling Alpacas is a serious part or full time business for many individuals and families across America. Pet quality Alpacas, such as a gelded male, can cost a few thousand dollars. Breeding quality maiden females will more likely fetch between 10 and 25 thousand dollars. Females bred to proven herd sires are often sold in the \$20-25K range. Proven herd sire quality males can command significantly higher prices.

There are significant tax advantages of Alpaca ownership that are immediately beneficial including the employment of depreciation, capital gains treatment. Active hands-on owners can also offset their ordinary income by directly investing it into their farming business assets and expenses.

There are many regional and national Alpaca Shows that take place throughout the year where hundreds, or even thousands, of pedigreed Alpacas and their owners gather to compete for ribbons and prize money. Many owners look forward to participating in these events for their educational aspects, as well as the camaraderie they afford. While Alpaca owners come from virtually all backgrounds and walks of life, they all have one thing in common which they like to share, a love for these magnificent animals and the Alpaca lifestyle.

The business of raising Alpacas and processing their fleece into naturally soft, colorful, warm and durable clothing is still a young but established and growing industry. Its appeal is widespread and growing as more and more people are just becoming aware of it as an attractive alternative to traditional industrial revolution work and typical Wall St. investment strategies. In these times when the increasing demands of today's corporate lifestyle and the performance of Wall Street's ROI struggle to pass any reasonable cost/benefit analysis, growing numbers are investing outside the box to achieve their lifestyle and financial goals today.

More information on investing in the business of raising Alpacas can be found on the following web sites:
www.neaoba.org *New England Alpaca Owners And Breeders Association*
www.Alpacainfo.com *Alpaca Owners And Breeders Association*