

Sustainable certification of Australian Merino, what will the customers be looking for?

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ABSTRACT

The increasing awareness of western consumers to environmental and animal welfare issues is influencing the criteria large apparel brands are imposing on the development of new apparel products. Most large US companies now have a social compliance executive responsible for scrutinising existing and new products ranges. This executive sets the strategy for future products and reviews new product development, the slightest hint of controversy is likely to see a product dropped.

The increasing publicity given to animal rights campaigners is making the task of marketing merino fibre and fabrics more difficult. Without objective data to back up responsible environmental wool production and animal welfare standards, the animal rights campaigners will continue to have the upper hand. **i-merino's** US customers are now looking for tangible proof that we are maintaining our environment and are considering the welfare of our animals, from farm gate through to retail.

INTRODUCTION

As an illustration of the demand for sustainable fibres, the total "Organic" market in the US was worth US\$10.8 billion in 2003. The sentiment of buying organic food is gradually transferring to other product categories including textiles. Certified Organic cotton was worth over US\$85million in sales during 2003 and was forecast to grow at 20% each year. US apparel companies including Nike, Timberland, Nordstrom and many others have committed themselves to sustainable fibres. Nike already includes 5% organic cotton in each t-shirt with the commitment of including up to 10% by 2010.

The PETA campaign against Australian wool has served the industry very well as it has made the major US companies more aware of Australian wool and they are now more than ever interested in getting closer to the "source" of merino wool production.

In February of 2005 a meeting was convened at CSIRO Textile and Fibre Technology in Geelong to discuss the path forward for developing criteria to certify Australian woolgrowers as sustainable. The outcome of the meeting was extremely positive with a review committee established and a joint application from Woolproducers, iZWool, CSIRO and AWI submitted to Department of Agriculture, Fisheries and Forestry for funding the development of such a certification.

REVIEW

i-merino has an ongoing commitment to promote merino wool as the most sustainable source of performance fibre in the world. Three fabrics in the **i-merino** range were awarded the **European Union (EU) Ecolabel** in December of 2003. The fabric range has opened the doors to discussing sensitive Corporate Social Responsibility (CSR) issues and the opportunities for incorporating certified sustainable merino wool fabrics into apparel ranges. CSR is generally understood to be the way a company achieves a balance or integration of economic, environmental, and social imperatives while at the same time addressing shareholder and stakeholder expectations.

Earlier this year **i-merino** identified 30 US companies who have an interest in using merino fabrics produced from a certified sustainable production chain. The majority of these companies have in place, or are developing, CSR policies. The size of the companies varied significantly, from multi billion dollar turnovers to multi million dollar turnovers. Several companies are now in the advanced sample stages for incorporating **i-merino** fabrics into their Fall 2006 collections.

The **EU Ecolabel** is becoming well recognised in Europe, it does not currently cover wool growing except that greasy wool must comply with chemical residue limits. The challenge for the Australian wool industry is to produce a wool product which carries integrity, performance, value and a certification which can be endorsed by organisations such as the **EU Ecolabel**.

The joint industry submission to DAFF proposes to develop a certification to include certifiable sustainable wool production practices that will compliment established wool processing standards such as the **EU Ecolabel**. As an example, sustainable certification may cover;

Proposed on farm requirements (courtesy of the work completed by Dep of Ag WA, Draft of discussion paper "Recognition of Sustainable Agriculture" 2004)

- Produce safe, quality food and fibre products.
- Maintain and improve soil and land capabilities.
- Maintain and improve on and off farm water quality.
- Use water resources with maximum efficiency to conserve supply.
- Reduce reliance on chemical inputs.
- Protect and enhance biodiversity.
- Control potential biosecurity hazards.
- Manage waste production.
- Achieve the highest standards of animal welfare.
- Maintain a safe work environment.
- Maintain and improve air quality.
- Optimise energy efficiency.

Established EU Ecolabel merino wool processing requirements

- Limitation of the use of substances harmful for the aquatic environment and health
- Processing additives, detergents shall be biodegradable.
- No chloro-phenols, cerium compounds, halogenated carriers.
- Limits on heavy metals and formaldehyde.
- No APEOs, SDBS, 'quats', EDTA in detergents, fabric softeners and complexing agents.
- Halogenated shrink resist substances shall only be applied to wool fibres in wool top slivers

Established EU Ecolabel dyeing and finishing requirements

- No use of chrome mordant dyes (2002).
- Limits on heavy metal impurities.
- Limits on discharges of metal complex dyes.
- No use of azo-dyes that cleave to toxic amines.
- Limits on sensitising dyes.
- No use of carcinogenic, mutagenic, toxic agents
- R50 - 53 (toxic to aquatic organisms)
- R40 - 49 (carcinogenic)
- R60 - 68 (mutagenic)

i-merino is investigating the most appropriate and credible global certifying organisations, including the **EU Ecolabel**, who can endorse a sustainable wool growing certification. Well recognised global certification organisations will not endorse criteria that is based on subjective assessment only. Traceable and objective assessment is fundamental to the transparency required for endorsement and consumer confidence in these organisations and their certifications.

CONCLUSION

So what are the leading brands in North America looking for?

A simple answer; a fabric that complies with their ideals, policy position, marketing strategy, customer expectations and most importantly, profit margins.

The solution to improving customer confidence in the Australian merino fibre is to take the initiative and implement sustainable certification standards including animal welfare criteria. Criteria which wool growers can profitably adopt, that compliment established wool processing standards and can be endorsed by leading global certification organisations who have credibility in the eyes of the consumer.

i-merino is already supplying **EU Ecolabel** certified merino fabrics to the US market at a 15% premium to a non-certified merino fabric. The price premium is being passed back throughout the production chain, including wool growers.

KEY WORDS

Certification, sustainable and customer

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