

# Information

from Sunny Meade Alpacas Ltd.



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**Selling handmade alpaca products at the local farmer's market can be an extension of your farm marketing and revenues.**



**Retail sales of fine alpaca apparel can also be profitable.**

## Business Opportunities Raising Alpacas

Many factors come into play in the success of your alpaca business - level of financial investment, time, and quality of alpacas, to name a few. If you own acreage, think about making it work for you. Raising alpacas can offer diverse small business opportunities.

There are three basic levels of alpacas to consider when starting an alpaca related business: pet, fiber and breeding stock.

You could have a hobby farm, but that's what they is, a hobby. Even hobbies there are expenses. They can be worthwhile expenses if you really enjoy them, but how much is it worth to hug an alpaca every day? At Sunny Meade, we say priceless! Alpacas can make really wonderful pets. Pet quality animals are less likely to be part of a business. If they are, it is most likely in a agritourism type situation. When visiting a breeding farm, your pet quality alpacas are often animals that may have health issues or congenital birth defects that would not be desirable to be passed on in breeding stock. The level of investment for a pet is free or up to a couple hundred dollars.

Fiber quality animals are those alpacas that offer nice fiber, but maybe lack the conformation desired to be used as breeding stock. Fiber quality alpacas may start in the hundreds of dollars and go up to a few thousands of dollars, depending on age, fleece quality and color.

### Alpaca fact.

*Alpaca manure is brimming with nutrients. Due to their efficient digestive process, it contains less organic matter than other manures. Some farms sell or trade their manure. The breakdown is 1.7% Nitrogen • 0.69% Phosphorus • 0.66% Potassium*

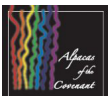
color, show winnings and bloodlines/pedigree. A breeding farm can add revenues by also providing farm related services such as boarding, transporting and alpaca training, to name a few.

You might have various tax advantages if you choose to create a business from your fiber or breeding stock animals. First, you are able to deduct your business expenses. And you can depreciate your alpacas, too. Your alpaca assets compound themselves from year to year, but you do not pay capital appreciation taxes until you sell an alpaca. Alpacas are even fully insurable against loss with alpaca insurance. You can't do that with your stocks and bonds! The IRS publication #225 entitled *The Farmer's Tax Guide* contains essential tax information for you and your accountant. Section 179 allows for direct write-off of certain expenses against your ordinary income at an accelerated pace for some situations. Consult your accountant on how these might affect your tax liability.

### Alpaca related business opportunities.

- Alpaca Breeding
- Fiber Arts
- Shearing
- Fiber Skirting and Grading
- Fiber Processing
- Retailing Alpaca Products
- Transportation Services
- Boarding
- Farm Sitting
- Sales Brokering
- Alpaca Training
- Show Services
- Farm Management Consulting
- Agritourism

If you'd like more information on how alpacas can become a business opportunity for you, give us a call to plan a farm visit.



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There are many fiber related businesses that one can start, from becoming an expert in the harvesting and processing of fleeces to being an artisan who creates wonderful yarn, garments and fiber related products. A fiber farm may also incorporate an alpaca product retail business.

The third level of alpaca business is the raising and selling of breeding stock. The cost of nice breeding stock can typically start around five thousand and go up from there depending on quality of combined fiber and conformation,



**Look for Sonny Alpaca, Sunny Meade Alpacas and Alpacas of the Covenant, Inc. on Facebook and become a friend and share them with others!**