



Australian Alpaca Association Limited

STUD AUCTION POLICY

Policy Position

The minimum/opening bid is to be set by the owner, the recommendation being this should be at least 50% of the usual service fee, but to be at the discretion of the owner. It was acknowledged that there is a range of Service fees in the market making it difficult to establish an arbitrary "opening bid"; also that where the successful bid is low/unreasonable/well below market it can be a disincentive for owners to nominate their animals as it is perceived as negative publicity for that stud.

Contact details of all bidders to be provided to owner at the conclusion of the auction. Obviously anyone placing a bid is interested in a service from the stud male, and the owner should be provided with these "warm leads" to follow up as they wish. It would also encourage outside matings and promote greater genetic depth/herd improvement across the industry.

Owners may consider making multiple services available to the successful bidder at the nominated price. Depending on the location of the sire, if considerable travel distance is involved potential bidders may be encouraged to be more "active" in their bidding if they are assured that more than one service is available. Only the price of the first service is the donation, the remaining fees are direct to the owner.

Conditions of service (drive-by, set times etc) are at the discretion of the owner and should be clearly provided in the terms and conditions. Some breeders have a MAP/bio security status to maintain, share or move studs to various locations etc.

It is widely acknowledged that Stud Service Auctions have not been as successful in recent years, with a range of factors contributing. The Board felt it was important to make it attractive to the owners of the males to participate by promoting it as a marketing opportunity that would be beneficial to them, rather than being out-of-pocket the cost of a service fee, potentially having their stud male under-valued, and inconvenienced. It was also acknowledged that over the years the same studs have been approached, and possibly they feel as though they have never really benefited from it and it was time others made a contribution/put their hand up to support the industry.

Policy Review

This policy will be reviewed as determined by the Board from time to time.