Marketing options for wool

Wool marketing can be broadly classified into two methods: commodity and direct (or niche).

Commodity

Wool pools
Most sheep producers don't have enough of their own wool to market it directly to a warehouse or woolen mill. Many county, regions, or states operate wool pools. A wool pool is a group of producers who combine their wool for marketing. There's enough wool at a pool so that it can be separated (classed) and sold according to type and quality.

In recent years as market conditions have changed and the wool industry has continued to contract, many wool pools have been consolidated to create more sizable lots.

Private or cooperative wool warehouse
Wool warehouses act as "brokers" for wool. The largest wool warehouse in the United States is Roswell Wool (in New Mexico). Their wool is offered for sealed bids to consignments via regularly schedule sales. Mid-States Wool Growers Cooperative Association (in Ohio) operates the oldest wool warehouse in the United States. Mid-States offers various marketing options to producers: cash, grade and yield, consignment, consignment premiums, and clean price core test grade and yield.

Fiber co-ops
Fiber co-ops are sometimes formed to try to add value to producers' wool. Some cooperatives are large and have formed alliances with international partners. Others are small. Producers' Marketing Cooperative, Inc. (PMCI) is a grower-owned cooperative headquartered in Mertzon, Texas. They market approximately 1.5 million pounds of product annually.

Direct marketing of wool

Direct marketing is when the product is marketed directly to the end consumer. The most common method of direct marketing wool is marketing whole fleeces directly to handspinners, weavers, and other wool craftsmen.

Different types of wool have different characteristics and uses. Handspinners have different preferences the type and color of wool that they spin. Long wools are popular among handspinners, as they are the easiest to spin. Some handspinners will combine different types of wool or animal fibers.

Regardless of the type of wool preferred, all handspinners desire clean wool that is free from vegetable matter and other contaminants. Fleeces marketed to handspinners should be skirted. Many times, the sheep are covered to keep their fleeces clean and minimize the effects of weathering. The cost of covering is more than offset by the higher prices received for the fleeces.
There are various ways to add value to wool. Wool roving is a piece of wool that has been washed and combed into a clump and twisted to hold the fibers together. Flattened roving is known as batting. Rovings are used for spinning, felting, stuffing, padding, and various craft projects. Wool can be processed one step further and made into yarn.

Various finished products, made from wool, can be marketed directly to consumers or other outlets: garments, outerwear, rugs, bedding, etc. For producers with lower quality wool (e.g. meat-type), making wool into blankets provides an excellent means to add value and direct market product.

http://www.sheep101.info/201/woolmarketing.html