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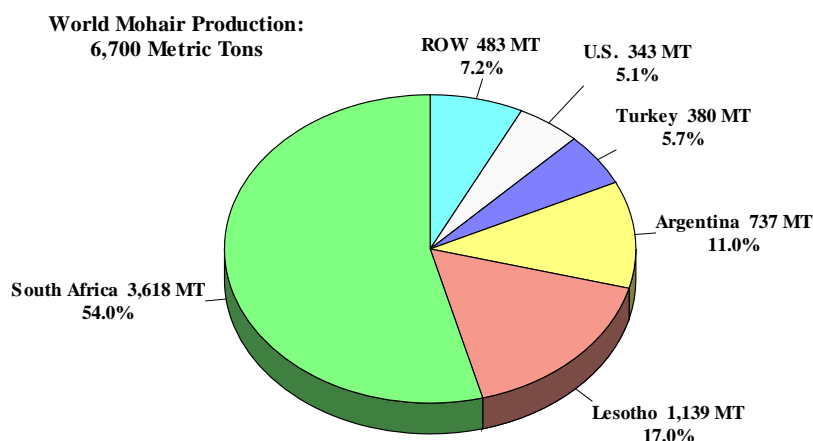
<http://cnas.tamu.edu/>

GLOBAL MARKETS FOR TEXAS MOHAIR¹

The global export market for mohair is part of a \$36 million market for unprocessed animal hair. While not all data for the mohair portion of this market are available, the information is known for two of the largest mohair exporters. During 2019, the South African mohair exports of 193.5 metric tons (MT) were valued at \$3.25 million while U.S. mohair exports of 166.8 MT were valued at \$1.6 million. It is believed that these two countries along with Australia and New Zealand account for the bulk of world mohair exports, however specific data are not available to confirm volume or value of exports from these two countries.

South Africa is the leading producer of mohair, 3,616 MT during 2018, followed by Lesotho (1,139 MT), Argentina (737 MT), Turkey (380 MT) and the United States (343 MT). Lesotho, Turkey, and Argentina all export animal hair to countries – Lesotho to South Africa, Turkey mostly to the United Kingdom, and Argentina to Taiwan, Italy, Germany and India. While much of these animal hair exports are likely mohair, the mohair portion of these exports is undetermined due to lack of available data. As a result, this report will focus on U.S. exports and competition from South Africa.

Estimated World Mohair Production, Major Producers, 2018

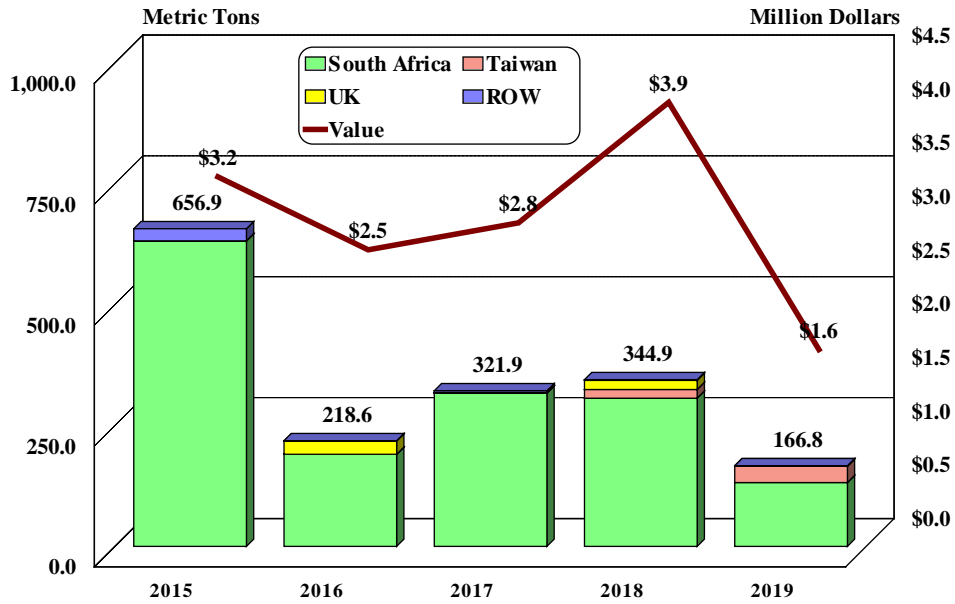


Source: Main Sources: Government of South Africa (Agribook); worldatlas.com; Agricultural Statistics, NASS/USDA; Government of Turkey Official Statistics; businesslive.co.za; and Mohair Council USA. Various supplemental sources.

¹ *Global Markets for Texas Mohair* is a report of the project *Export Market Analysis for Selected Texas Commodities*, funded by the Texas Department of Agriculture. For more information, please contact the Center for North American Studies, Department of Agricultural Economics, Texas A&M AgriLife Extension Service, College Station, TX, 77843-2124. 979-845-3070.

As illustrated below, South Africa is the main U.S. mohair export market, followed by Taiwan and the United Kingdom. Each of these markets will be discussed in greater detail, as will Italy, China and Japan, which are also important markets for South Africa. *Efforts will be made to more fully describe how South Africa can be both the main U.S. market and competitor for mohair exports.*

U.S. Mohair Exports, 2015-2019

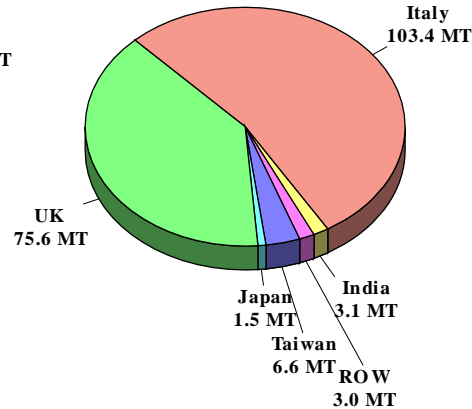
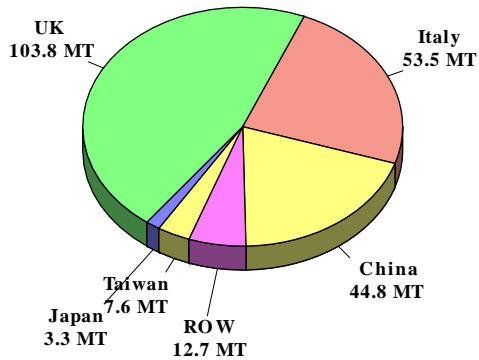


Source: GATS, FAS/USDA

South Africa Mohair Exports, 2018-2019

2018 Exports:
225.6 Metric Tons
\$4.12 Million

2019 Exports:
193.5 Metric Tons
\$3.25 Million



Source: South Africa Revenue Service (SARS), https://tools.sars.gov.za/tradestatsportal/data_download.aspx

Texas is the leading producer of U.S. mohair with 210.9 MT during 2018, or 62 percent of production. This is roughly the share of mohair production Texas typically garners. Other mohair producing states include Arizona, New Mexico, and California.

Since Texas is the leading U.S. mohair producer, it should come as no surprise that Houston is the leading port for U.S. mohair exports with 132 MT valued at \$906,000 during 2019. This is down significantly from 2017 and 2018 mohair exports through Houston as South Africa reduced purchases and England and Taiwan exports used Houston during 2018 only. Mohair exports through Los Angeles during 2019 were shipped to Taiwan, while during the previous two years exports through Charleston were shipped to South Africa. Still, Texas mohair may be able to take greater advantage of exporting through Houston in coming years.

U.S. Mohair Exports by Port

	2017	2018	2019
	Metric Tons		
Total All Ports	321.9	344.9	166.8
Houston, TX	228.1	238.3	132.0
Los Angeles, CA	---	---	33.7
Charleston, SC	89.1	100.7	---
Other Ports	4.7	5.9	1.1
	Thousand Dollars		
Total All Ports	\$2,752	\$3,874	\$1,573
Houston, TX	\$1,942	\$2,025	\$906
Los Angeles, CA	---	---	\$647
Charleston, SC	\$739	\$1,796	---
Other Ports	\$71	\$53	\$20

Source: GATS, USDA/FAS and WISERTrade.

U.S. mohair exports often require a veterinary certificate (VC) or a similar form and face low or zero tariffs. South Africa, the largest export market for U.S. mohair, requires only a VC and charges no tariffs on mohair regardless of its origin. The EU, including the United Kingdom and Italy, requires a Model Declaration document instead of a VC and imposes no tariff. Taiwan requires a VC and charges five percent tariff on U.S. mohair while New Zealand, which is growing their mohair industry, faces no tariff. Japan requires an export certificate with a sanitary declaration to be made in “Additional Declarations” and charges no tariff. China requires an export certificate and currently charges a 14 percent tariff on U.S. mohair following the levy of retaliatory tariffs.

More information on VCs can be obtained by contacting the USDA Animal and Plant Health Inspection Service (APHIS) reviewing country-specific International Regulations (IRegs) for Animal Product Exports:

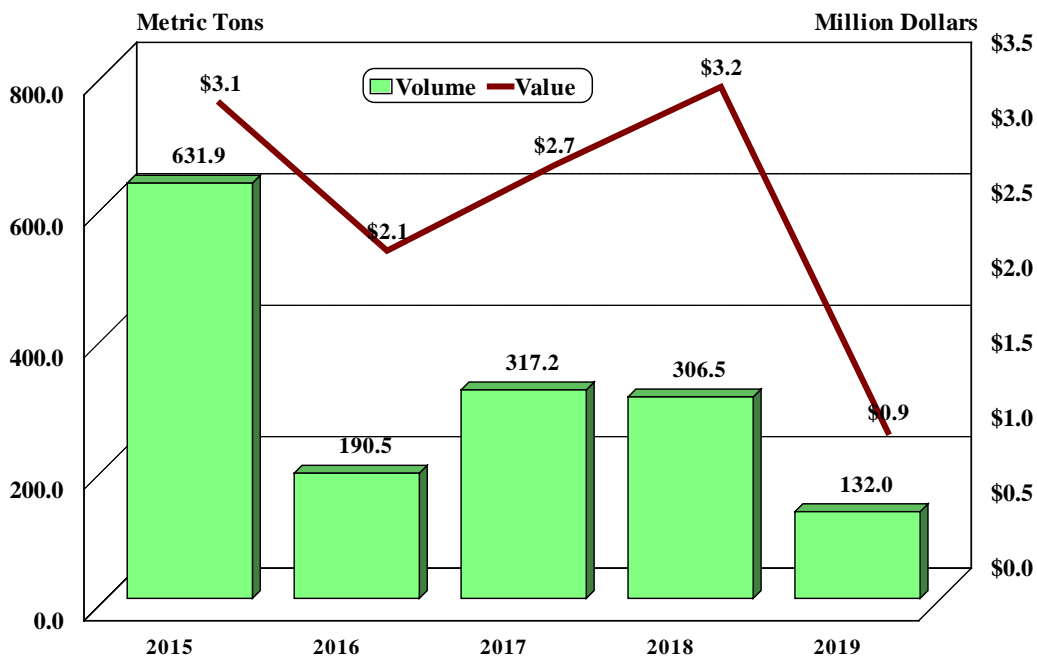
<https://www.aphis.usda.gov/aphis/ourfocus/animalhealth/export/iregs-for-animal-product-exports>

U.S. Mohair Exports to South Africa

As previously stated, South Africa is by far the largest market for U.S. mohair exports. Industry sources indicate that this is due to South Africa's official certification programs to ensure that their processes for producing mohair and mohair products are ethical, a certification required by many major mohair garment and accessory producers and retailers. As no other major mohair producer has this type of certified welfare (or ethics) program in place, including the United States, many in the international mohair market will only purchase mohair from South Africa and many companies have major production operations there. As there are few mohair processors in Texas or the rest of the United States, much mohair has to be sold to South African buyers for further processing. How South Africa segregates their ethical-certified South African mohair from noncertified mohair imported from other countries is unclear.

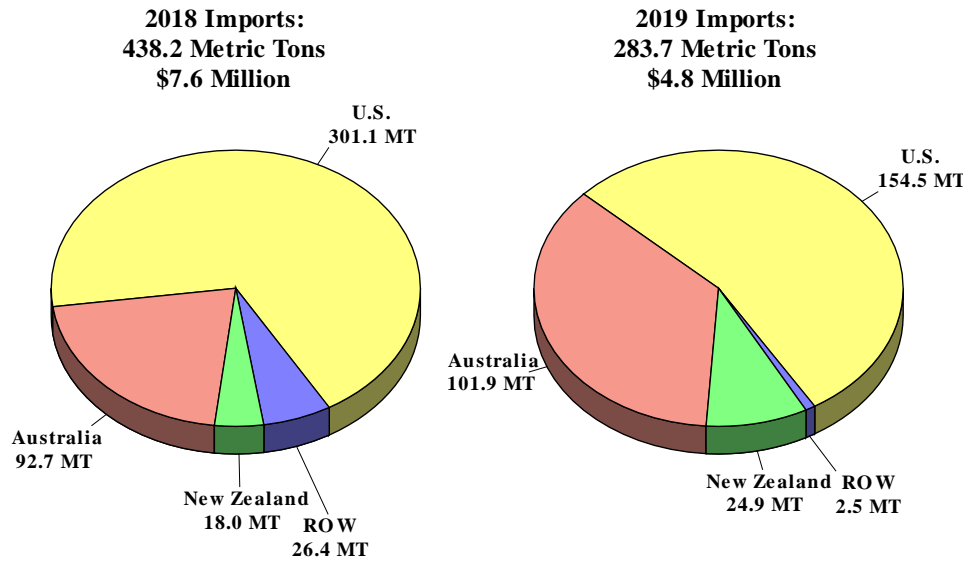
U.S. mohair exports to South Africa typically fluctuate and reached a recent low of 132.0 MT worth \$906,000 during 2019 following two years that were relatively strong. While the U.S. dominated the South African mohair market, capturing about two-thirds of the market during both 2017 and 2018, Australia and New Zealand are beginning to provide more competition as their production increased over the last decade investing in better genetics and fiber quality. As a result, U.S. mohair exports captured only 54.4 percent of the South African import market in 2019. At the same time, South African imports from both Australia and New Zealand grew. Please note that while the 2019 U.S. mohair exports to South Africa in the green bar chart is less than the 2019 South African imports from the United States, this is a common occurrence when resources of two different governments are consulted.

U.S. Mohair Exports to South Africa, 2015-2019



Source: GATS, FAS/USDA

South Africa Mohair Imports, 2018-2019

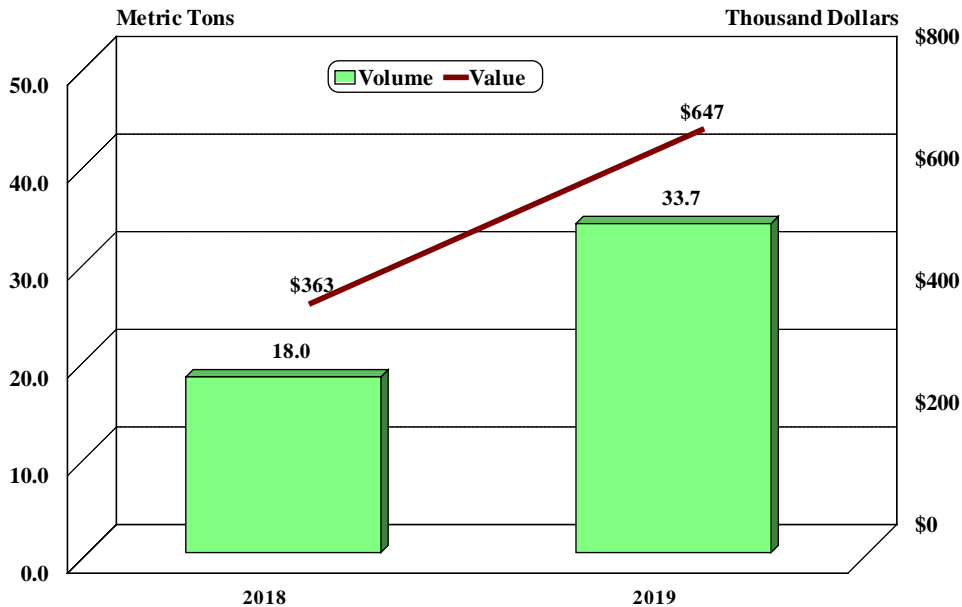


Source: South Africa Revenue Service (SARS), https://tools.sars.gov.za/tradestatsportal/data_download.aspx

U.S. Mohair Exports to Taiwan

U.S. mohair exports to Taiwan began again in 2018 following a period of 13 years; Taiwan previously imported from 2003-2005. During 2019, U.S. mohair exports of 33.7 to Taiwan were valued at \$647,000. South Africa also exports mohair to Taiwan, but the U.S. now dominates the market, shipping five times the amount of mohair to Taiwan as compared to South Africa.

U.S. Mohair Exports to Taiwan, 2018-2019

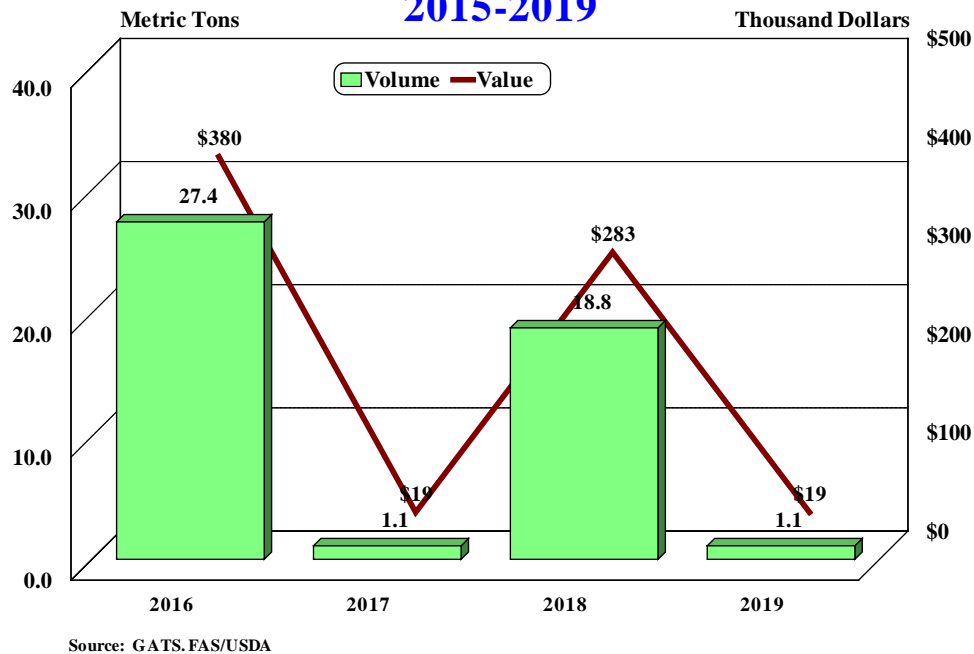


Source: GATS, FAS/USDA

U.S. Mohair Exports to United Kingdom

South Africa dominates the United Kingdom market for mohair with exports of 103.8 MT in 2018 and 75.6 MT in 2019. However, the United Kingdom does import U.S. mohair – 1.1 MT valued at \$19,000 in 2019 following 18.8 MT worth \$283,000 in 2018. This is the typical pattern as six of the last 10 years saw U.S. mohair exports to the United Kingdom being 1.7 MT or less, none in 3 of those years, while the other four years were more robust.

U.S. Mohair Exports to the United Kingdom 2015-2019



The Texas mohair industry may want to consider additional ways to access the Japanese, Indian, Italian and Chinese markets for mohair.

Other Potential Markets for U.S. Mohair Exports

As discussed, even though South Africa is the largest market for U.S. mohair and they import from Australia and New Zealand as well, South Africa also has several export markets for their mohair. Those markets are Italy, China, Japan, and India, markets where U.S. mohair could be exported. U.S. mohair has not been exported to any of these four countries since 2013, and previous quantities have been extremely low.

Italy is among the main markets for South African mohair exports, importing 103.4 MT worth \$1.7 million in 2019. China was a significant mohair importer from South Africa during 2017 and 2018 before falling off in 2019, but they consistently import mohair. Japan and India are smaller but steady importers of South African mohair. It may be prudent for the Texas mohair industry to consider ways to access those markets as well as Italy and China.

Ethical Considerations in the Global Mohair Industry

As the production of mohair relies on the cutting of hair from live goats, people and organizations within and outside of the industry have concerns regarding the treatment of the animals. According to the following excerpt from an article praising the look and functionality of men's mohair suits:

“Firstly, there’s the de-horning of the baby goats, and castration of the males, all without anaesthetics. Then there’s the fact that, since Angora goat workers tend to be piece-workers paid by volume, there have been many reports of them being none too careful come shearing time. A PETA Asia eye-witness investigation documented “rampant abuse”, with many goat kids being shorn heard “screaming in fear and pain”. It’s not only the process that causes distress, either. Angora goats tend to be particularly sensitive to the cold – that’s why they have that dense undercoat in the first place – and yet are often shorn (twice a year, in spring and autumn) in chilly conditions, meaning some then go on to die of exposure.”

Whether or not the stated concerns are factual or the eye-witness accounts are isolated incidents, many retailers will no longer carry items made from mohair while other retailers will carry only mohair products produced in an ethically responsible process. As a result, the **Responsible Mohair Standard (RMS)** was created whereby companies can be audited and certified as producing their mohair products in a responsible way. To date, only eleven companies have RMS certification – six in China, four in South Africa, and one in Italy. For the important group of retailers that require RMS certification, this gives these countries an important advantage in the production of mohair products. Texas mohair producers may need to develop a process whereby their mohair can more easily access the market for RMS-certified garments.

Conclusions

Numerous current U.S. mohair export markets and several potential markets have been discussed. All of these markets offer opportunities and challenges to exporters of Texas mohair. The opportunities center around gaining entry into the markets that South African mohair exports currently dominate. The challenges are competition from South Africa, a growing Australian industry, and the fact that U.S. and Texas mohair does not currently have a system in place that allows it to enter the RMS certification process. As these issues are addressed, Texas mohair may have more opportunities in foreign markets.

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