



PERUVIAN MARKET FOR TEXAS MOHAIR¹

U.S. Mohair Production

The United States produced 248 metric tons (MT) of mohair during 2021, worth a value of \$3.05 million; which was 33 MT less than 2020 and \$154,000 lower. Production in the United States was led by Texas which accounted for 60 and 61 percent of the nation's total in 2020 and 2021 respectively. During 2021, Texas produced 152 MT of mohair worth an estimated \$2.58 million, a decline of 16 MT and \$84,000 from 2020.

Mohair production in Arizona ranks second in the United States totaling 25 MT in 2020 after declining 13 MT from the year prior. New Mexico is the other major U.S. mohair producer totaling 11 TMT in 2020 and 2021 with the other states producing a cumulative 59 TMT of mohair.

U.S. Mohair Production, 2020-2021

	Goats Clipped, Head		Mohair per goat, KG		Production, MT		Value, 1000\$	
	2020	2021	2020	2021	2020	2021	2020	2021
Arizona	21,000	16,000	1.81	1.59	38	25	\$ 101	\$ 56
New Mexico	7,000	6,500	1.63	1.72	11	11	\$ 38	\$ 35
Texas	65,000	61,000	2.59	2.49	168	152	\$ 2,664	\$ 2,580
Other States	24,000	22,000	2.63	2.68	63	59	\$ 399	\$ 377
United States	117,000	105,500	2.40	2.36	281	248	\$ 3,202	\$ 3,048

Source: National Agricultural Statistics Service, USDA/NASS; ISSN: 1949-1611

During 2021, Texas produced 152 MT of mohair from 61,000 head of clipped goats. Texas has averaged 191.4 MT of mohair produced annually since 2017. Prior to 2020, there was over 210 MT of mohair production annually in Texas. This decline is most likely due to the impact of the Covid-19 pandemic with many countries still experiencing lockdown orders and working remotely has allowed for many people to leave behind some of the heavy winter apparel that some mohair is used in. In addition, all of Texas has felt the impact of a drought. Since 2021 over one-third of the state has progressed from moderate to extreme and exception drought levels according to the U.S. drought monitor which has resulted in rising feed cost for all livestock and has helped contribute to the declining number of goats clipped. Texas mohair production also has an estimated value of \$2.58 million in 2021, the same as value of production for 2020. With the

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decline in production, Texas has seen a decrease in overall value of mohair production in the state, but despite being 61 MT lower in production the value of Texas mohair increased \$224,000 compared to 2012.

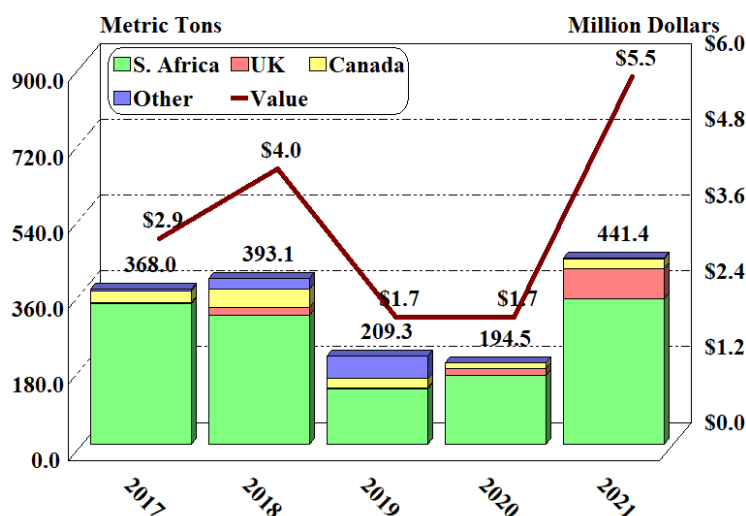
Texas Mohair Production, 2012 - 2021

	Goats Clipped	Avg. Yield, KG	Total Mohair	Value, \$1,000
2012	75,000	2.86	213	\$ 2,256
2013	80,000	2.77	222	\$ 2,695
2014	85,000	2.86	243	\$ 3,371
2015	78,000	2.81	218	\$ 3,408
2016	80,000	2.90	231	\$ 3,060
2017	77,000	2.77	213	\$ 3,102
2018	75,000	2.81	211	\$ 3,348
2019	75,000	2.86	213	\$ 4,089
2020	65,000	2.59	168	\$ 2,580
2021	61,000	2.49	152	\$ 2,580

Source: National Agricultural Statistics Service, USDA/NASS

The United States exported 441.4 MT of mohair worth \$5.47 million. The largest market for U.S. mohair has been South Africa which received 78 percent of total U.S. mohair exports in 2021, 346 MT. These exports to South Africa are cleaned and then re-exported to other textile producing markets like Italy and Peru if it is used in manufacturing there. After South Africa, the United States also exports a small volume of mohair to the United Kingdom and Canada which received 71.4 MT and 23.4 MT respectfully. Other exports have been destined for Mexico and Taiwan.

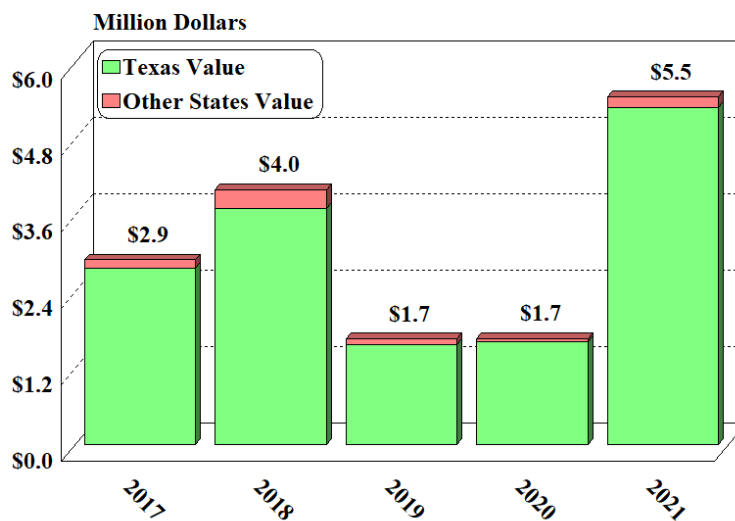
U.S. Mohair Exports, 2017 - 2021



Source: Global Agricultural Trade System (GATS), USDA/FAS

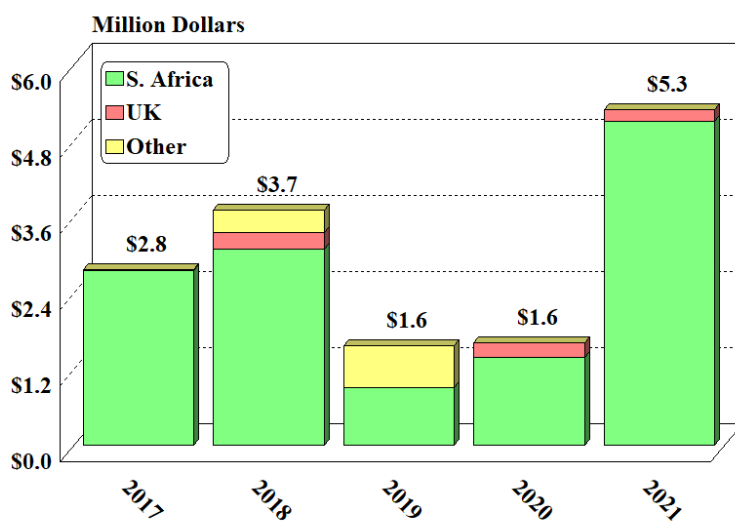
While leading the nation in total mohair production Texas also accounts for 92-97 percent of mohair exports from 2017 to 2021. Of the \$5.47 million of mohair exported from the United States, \$5.3 million was from Texas. Since the lion's share of mohair production in the United States comes from Texas, exports from Texas are primarily destined for South Africa to be cleaned and reexported. During 2021, South Africa received \$5.11 million of the total mohair exports from Texas. Less than \$200,000 worth of mohair was exported to the rest of the world from Texas.

Texas Mohair Exports, 2017 - 2021



Source: Global Agricultural Trade System (GATS), USDA/FAS

Texas Mohair Exports, 2017 - 2021



Source: Global Agricultural Trade System (GATS), USDA/FAS

Oftentimes mohair exports will require a veterinary certificate (VC) or similar forms. The current largest destination market for mohair from the United States is South Africa which currently charges no tariffs and requires only a VC. Meanwhile, mohair exported to the EU and United Kingdom require a Model Declaration document rather than a VC and are not subject to any tariffs. Peru has a free-trade agreement in place with the United States and has tariffs on U.S. mohair set at zero and requires a VC similar to the other markets that are already being exported to from the United States.

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>

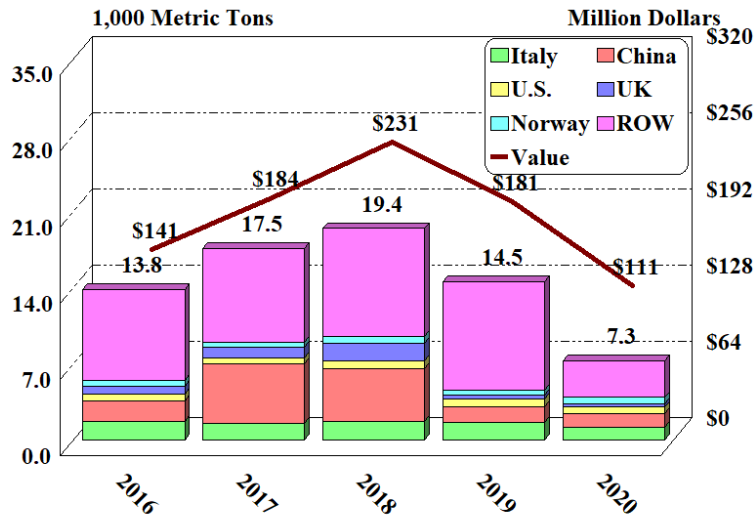
The Peruvian Market for Texas Mohair

Peru is a major producer of wool and animal fibers. The most recently reported export values from 2020 show Peru exported 7.3 thousand metric tons (TMT) of wool and animal fibers valued at approximately \$111 million. This includes wool, animal hair, and multiple woven fibers derived from those products.

Italy, China, and the United States were the largest markets for Peruvian animal fiber exports from 2016-2020 together accounting for 25-41 percent of total animal hair exports. Italy received 1.13 TMT during 2020, 400 MT lower than the average for the timespan. China received 1.26 TMT after an increase in Peruvian animal hair exports during 2017 and 2018 of 5.4 and 4.8 TMT. The United States ranks as the third largest importer of wool and animal hair from Peru, averaging 626 MT since 2016. During 2018, U.S. imports of animal fibers from Peru increased by 120 MT and has since seen that number decreasing. Following is Norway and the United Kingdom, both of which also saw an increase of imports during 2018. While Norway only saw a small increase that returned the following year, the United Kingdom jumped from 990 MT to 1.63 TMT and fell to only 389 MT in 2019. Included in the rest of the world (ROW) segment is Uruguay, which until 2020 was one of the largest importers of Peruvian animal hair products.

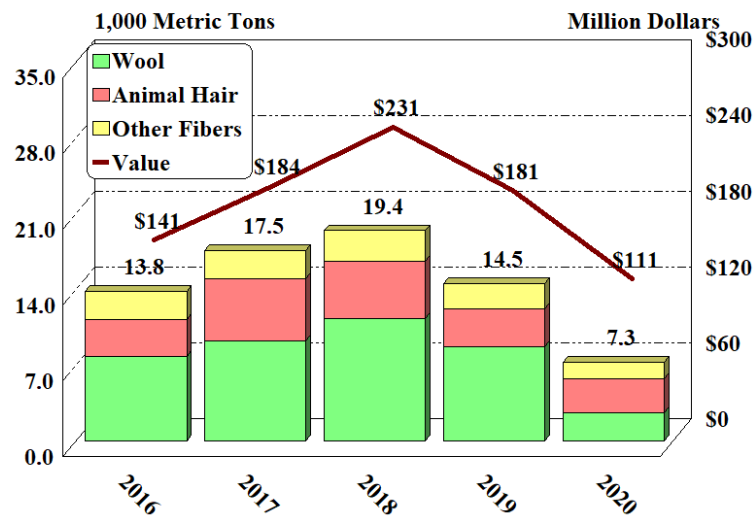
Of the total animal fibers exported from Peru, the largest category is wool which since 2016 has accounted for 35-61 percent of total animal fiber exports. The lowest year comes in 2020, where only 2.6 TMT of wool was exported from Peru of the 7.3 TMT of animal fiber exports. The second largest category in this total is animal hair which includes both course and fine animal hairs. Animal hair exports during 2020 were 3.11 TMT, 1.09 TMT lower than Peru's average of 4.2 TMT of animal hair exports. The other fiber category includes yarns and woven fabrics made from wool or animal hair. It has been the smallest of Peru's exports averaging only 2.37 TMT of exports and 14-22 percent of total export volume.

Peru Wool and Animal Hair Exports, 2016 - 2020



Source: UN ComTrade; United Nations/Department of Economic and Social Affairs

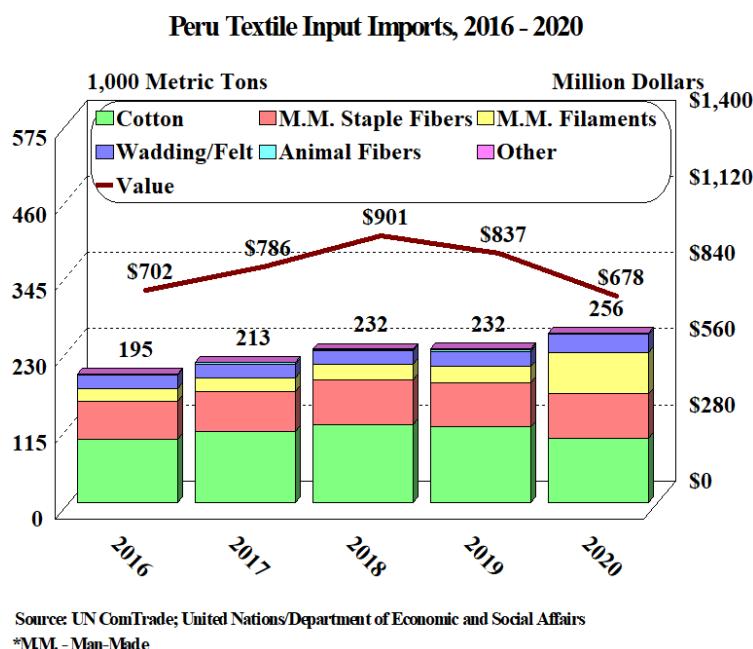
Peru Wool and Animal Hair Exports, 2016 - 2020



Source: UN ComTrade; United Nations/Department of Economic and Social Affairs

Peru has imported an average of 225 TMT of textile input products every year since 2016 and has seen an increase of imported textile inputs each year. During 2020, Peru imported 256 TMT of textile inputs worth \$678 million including cotton, man-made staple fibers, man-made filaments, wadding/felt, animal fibers, vegetable textile fibers, and silk. The largest of these was cotton which has totaled 49-51 percent of textile inputs from 2016-2019 and only 38 percent during 2020. Peruvian cotton imports have ranged from 96-118 TMT, during 2020 Peru imported 97.5 TMT of cotton. Following cotton is man-made staple fibers at 67 TMT, man-made filament with a large increase from the year prior at 62.7 TMT, wadding and felt with a volume of 27 TMT of imports, and then wool and animal hair with 1.79 TMT. Wool and animal hair is a

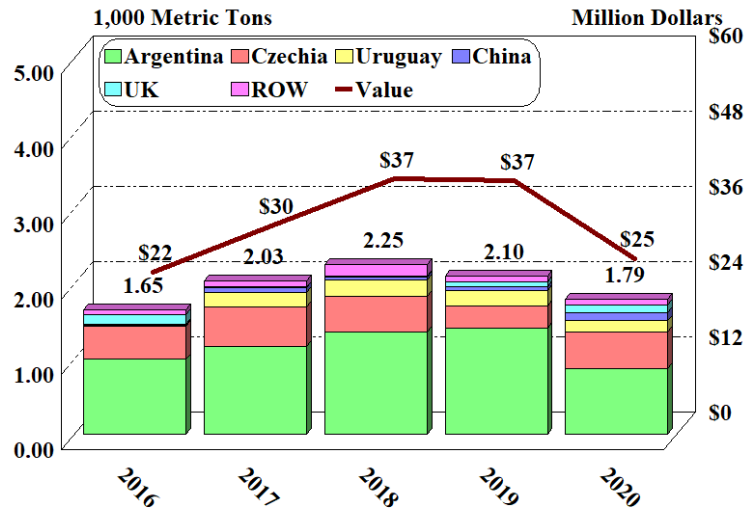
relatively minor portion of the total inputs for textiles that are imported to Peru, totaling less than 1 percent of the total volume of inputs used for textile production.



Since 2016, Peru has imported 1.96 TMT of animal fibers on average per year. During 2020, animal fiber products imported by Peru totaled 1.79 TMT, worth a value of \$25 million. Argentina has been the source of 48-67 percent of Peru's imported animal fibers. Animal fiber exports to Peru from Argentina increased every year from 2016 where 990 MT were imported by Peru up to 1.4 TMT of animal fibers 2019. This decreased drastically in 2020 falling to only 871 MT. Following is the Czech Republic the source of 13-27 percent of animal fiber exports to Peru, with 486 MT during 2020. Uruguay, China, and the UK together supplied the largest amount since 2016, with only Uruguay exporting below their peak, and still were 127 MT behind the Czech Republic.

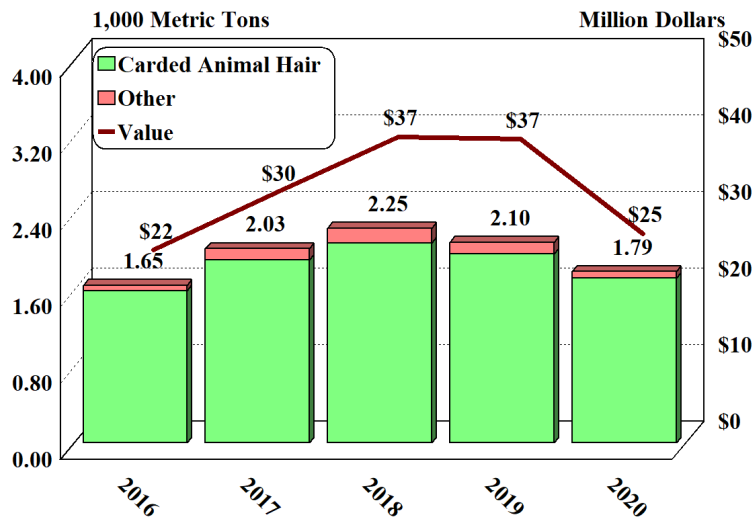
Of this 93-97 percent of the total wool and animal hair imports were carded or combed wool and animal hair. During 2020, 1.72 TMT of the total animal fibers imported were in the category of carded/combed wool and animal hair, the remaining 70 MT was uncarded wool or animal fibers and wool or animal fiber waste.

Peru Wool and Animal Hair Imports, 2016 - 2020



Source: UN ComTrade; United Nations/Department of Economic and Social Affairs

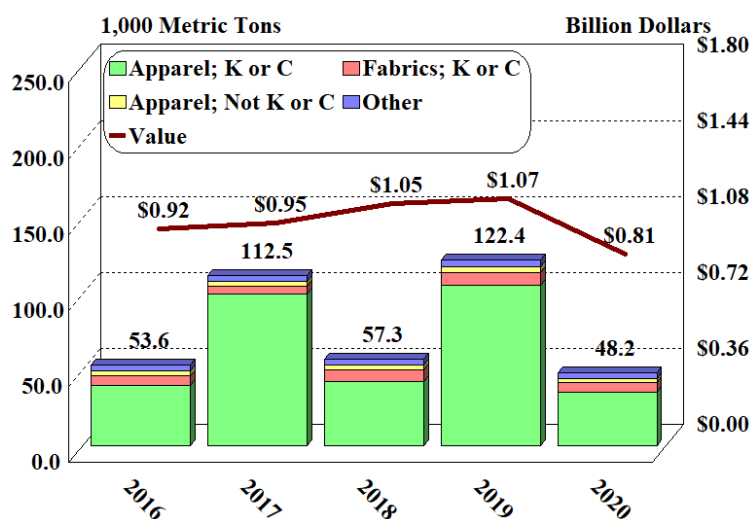
Peru Wool and Animal Hair Imports, 2016 - 2020



Source: UN ComTrade; United Nations/Department of Economic and Social Affairs

Along with the large volume of textile inputs that are imported by Peru, there is a large quantity of manufactured textile products exported from Peru. During 2020, Peru exported 48.2 TMT of textile products valued \$806 million. These high textile export levels every other year are a typical pattern for these products from Peru. The largest segment of exported textiles is knitted or crocheted apparel which accounts for 73-89 percent of Peru's textile exports since 2016 with a total of 35.5 TMT of exported volume during 2020. During the years of higher textile exports, 2017 and 2019, apparel that was knitted or crocheted made up 89 and 87 percent of the exported products. During 2016, 2018, and 2020 these products were 74, 75, and 74 percent of total manufactured textile exports respectively.

Peru Textile Exports, 2016 - 2020



Source: UN ComTrade; United Nations/Department of Economic and Social Affairs
 *K or C - Knitted or Crocheted

Interview Results from Peruvian Industry Personnel

Manufacturing groups in the country see mohair from the United States as a major opportunity as Peru is home to one of the largest textile manufacturing operation in the Americas. It was explained that Peru is a large producer of alpaca fibers that can be blended with mohair which, as it stands, mostly is imported from South Africa. These shipments from South Africa incur high transportation costs in addition to the added time for imported mohair to arrive. Exports from Texas to Peru could help to minimize both constraints especially as fuel costs have been continuously increasing due to the Russia-Ukraine conflict.

One other key issue that needs to be examined is the current political climate in Peru. With an ongoing impeachment of their current president. This throws into question the short-term economic stability that is present in the country. Another factor that comes with the impeachment of Peru's president is the how friendly the incoming candidate will look upon trade. These are both questions that can only be answered after seeing the outcome from this pending impeachment.

In talking with an agricultural assistant in the USDA office in Lima, this on-going political situation is something that has little effect on day-to-day life for most citizens. As for business, industry professionals in the country want to continue to return to pre-pandemic operation and hope to continue progressing forward.

Conclusion

Texas is the largest mohair producer in the United States with a volume of 152 MT during 2021 and 61 percent of the total for the nation. In addition, Texas leads the nation in exporting mohair

with most of it destined for South Africa, the primary mohair exporter to Peru. Exporting mohair to Peru presents multiple opportunities as it is a major exporter of animal fibers due to its large production of wool and alpaca hair in addition to being home to the largest textile manufacturing facility in the America's.

Peru exported 7.27 TMT of animal fibers during 2020, the lowest year of animal fiber exports since 2016 due to the pandemic limiting demand for heavier winter products. Peru also was a major importer of textile inputs to fill their textile production. While cotton and multiple man-made fibers made up the bulk of these imports, still 1.79 TMT of animal fibers were imported. These imported fibers mostly consisted of carded or combed products which came from Argentina and the Czech Republic. These inputs were then manufactured into different textile products that were sold to the world, the largest product being knitted or crocheted apparel.

There is a lot of opportunity present for Texas to export mohair to Peru. It will allow for manufacturers in the country to import mohair with lower transportation costs and should require less time in transit. Manufacturers in Peru have specified that they are looking for high quality mohair products.

The opportunities mentioned do not come with some things that need to be assessed. Peru, like many Latin American countries in the past couple decades, is facing some political turmoil with protests and the changing of presidents which can lead to some volatility for the country's economy and ease of business transaction. Something else that will also need to be addressed is expectations from both countries of the quality for the products that are exported. The United States and Texas is exporting primarily uncarded/uncombed mohair and most of the animal fibers that are being that Peru is importing are those that have already been cleaned, carded, and combed.

Despite these uncertainties, industry officials are ready to return to pre-pandemic era business and production. This presents opportunities for Texas mohair producers to have a partnership with a country where there is already a free trade agreement in place and where both sides could see a benefit.

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