A Business Plan for the Australian Mohair Industry

A report for the Rural Industries Research and Development Corporation

by Christopher Cull

June 2001

RIRDC Publication No 01/093
RIRDC Project No MMS-2A
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ISBN 0 642 58315 3
ISSN 1440-6845

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Published in June 2001
Printed on environmentally friendly paper by Canprint
Foreword

The purpose of the project was to develop a business plan for the Australian mohair industry. There are three key objectives:

1. To provide a strategy that will guide the industry for the next 5 to 10 years.

2. To identify opportunities for industry development in areas ‘beyond the farm gate’, i.e. to improve information networks and development of alliances with R&D and manufacturing organisations.

3. To bring an improved sense of unity and common purpose to the industry.

In recent years there has been a growing interest in restructuring the Australian mohair industry. This is evidenced by:-

- RIRDC has recently supported an investigation into marketing Australian mohair and assisted a group study tour to South Africa. These reports require synthesis.

- The CEO of Mohair Australia (MA) has developed significant commercial ties with processors and research facilities both locally and in South Africa.

- During 1999-2000 MA has conducted an extensive review of its position. A Restructuring Committee met over several months in late 1999. In 2000 a comprehensive survey of MA membership (together with some non-member producers) was conducted. MA is currently assessing this information seeking to clarify its existing role and identify opportunities for possible expansion into provisions of services of tangible commercial value.

- The current buoyant market has stimulated renewed interest in mohair production. Improved processing technology has also attracted interest in mohair fibre from processors and research organisations.

As a result there is now a real opportunity to draw these activities and information together to develop a thorough business plan that will help identify new commercial opportunities. This will give a much-needed direction and improved sense of unity of the Australian mohair industry.

This report, a new addition to RIRDC’s diverse range of over 700 research publications, forms part of our Rare Natural Animal Fibres R&D Program which aims to facilitate the development of new and established industries based on rare natural fibres.

Most of our publications are available for viewing, downloading or purchasing online through our website:

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- purchases at www.rirdc.gov.au/eshop

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About the Author

This research project has been undertaken by Maroombra Management Services, a management and marketing consultancy business located at Armidale, NSW. Principal of the firm, Chris Cull, has carried out the work on behalf of RIRDC and the mohair industry in Australia.

Chris has had considerable experience in the rural sector having operated his own grain and livestock producing enterprise in northern NSW and being actively involved in various rural bodies. In 1984 he relocated to Armidale where he ran two retail businesses and developed a commercial real estate investment. He now operates his own marketing and financial management consultancy business. Since 1997 he has been retained by Mohair Australia Limited on a part-time basis providing administrative and project management services.
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Executive Summary

Toward an Industry Vision

Without a single organisation representing the whole Australian mohair industry (and gaining its support) there is no mechanism in place to draft an all-embracing Vision Statement or compiling an industry endorsed business plan.

In October 2000 Mohair Australia Limited adopted a new vision statement of its own aimed at directing policy formulation and operational activities of the organisation ...

Mohair Australia’s overriding responsibility is to help create conditions that instil confidence in the stability and profitability of the Australian Angora/Mohair industry sufficient to ensure the continued participation of existing producers and to attract new participants.

The organisation stopped short of setting production objectives that might have been the first step in the formulation of a relevant industry vision statement. It is to be hoped that at some future time Mohair Australia will take the responsibility of drafting an industry plan and formulating industry-wide objectives with the intention of seeking wider industry support for the implied vision.

This project gives a guide to some of the issues that such a plan will need to address as it is based on a combination of interviews and the drawing together of recently published papers and documents, and as such is an attempt to obtain the views of a wide range of people from the mohair community.

Based on information so collected a vision for the Australian Mohair Industry would include the following elements:

- A production goal of one million kilos (a challenging but achievable objective)
- A plan to improve the industry's image so that it is more readily accepted as a legitimate, viable fibre production option for new and existing producers
- Commitment to continued genetic improvement driven by strong commercial demand for herd-improving animals
- Recognition of the need for strong industry leadership focussed on fostering the commercial production of mohair
- The development of strong alliances with other fibre-producing organisations such as Woolmark and Mohair South Africa.

These objectives might be classed as short to medium term, but being well within the industry's capacity to achieve given leadership, determination and real commitment.

Long-term considerations might include the more difficult tasks of being able to:

- Offer a 'new world' for the South African industry that may be looking to relocate as political instability increases in their country
- Influence price and price stability at the international level,
- Expand local processing and value-adding activity, and
- Increase consumer demand through eduction and the production of appealing mohair products

Such long-term objectives are rarely achieved in industries with far greater resources than this one and may be judged as 'day dreaming' for mohair. Nevertheless, the promotion of Australia for South African farmers wishing to relocate may be an objective worth considering. There may also be niche opportunities such as those pursued by Elite Fibres and Australian Fibre Spinners in the processing sector, but generally the desirable long-term outcomes will be difficult to influence.
While there is no current industry vision there are many people and organisations committed to pursuing worthwhile objectives within the mohair community. For example, studs are pursuing genetic improvement and should be publicly recognised and encouraged; the commercial production sector may again be expanding, and Mohair Australia is currently reviewing its role as the peak industry body with the objective of improving its industry-wide relevance.

It is the author's opinion that the industry should, as a priority, set objectives and adopt a vision that can be endorsed by all involved with mohair. Then it should be publicly promoted and pursued. Mohair Australia could, in addition to its own objectives, set objectives for the industry, and incorporate them into its operations. The development of a strong industry-wide position would improve the level of support for MA from commercial producers who are to a large extent not supportive of the organisation.

Having consideration for all the above a vision for the Australian mohair industry might be:

To have a strong organisation to lead, represent and promote, the whole Australian mohair industry and to achieve 1 million kilos of fibre production per annum by 200- of a quality judged to be equal to world's best.
Recommendations

In order to establish and achieve such a vision a number of significant things will need to happen. Based on the points made in each ‘Action Plan’ in this report the key recommendations are:

1. Given its present position as the peak body Mohair Australia should consider trying to establish itself as an organisation more able to represent the whole industry (as defined in this report) and obtain a mandate to develop and pursue policy in accordance with the stated Vision.

2. To understand the implications of this recommendation the needs of the various sectors should be considered and differentiated. For example current MA members and their sectors require a degree of regulation and provision of services. The processing sector, on the other hand, would benefit from a data collecting, networking exercise by MA so that opportunities may be grasped and assistance given when the need arises. To develop an operational model best able to carry out this role, Mohair Australia should evaluate its current ‘sphere of influence’ and define its role in representing each industry sector.

3. Policies should be developed that will address the industry’s persisting hobby-farm/breed society image. There must be recognition of the need to portray an industry with a strong commercial focus that is attracted to new participants.

4. To do this, investment in a professional marketing program should be considered. Such a program requires preparation of a well targeted campaign on several fronts including media (press and television), field days and training, direct mailing, referrals etc. When developed the program should be tested in a specific area, as a trail, before moving to a national launch to ensure best return for the money expended.

5. The cost would be significant but there may be ways of obtaining support funding from sponsors, and most media coverage would be free.

6. The commercial sector has stated forcefully that they want a determined effort made to expand and reach production levels of 1 million kilos which would have several beneficial flow-on consequences:
   a) It would help build a stronger profile within the agricultural sector of mohair as a legitimate commercial industry
   b) It would enable Australia to be an international force in the world mohair community
   c) It would give studs the stimulus to pursue further genetic improvement and provide a ready market for quality stud animals
   d) It would create a pool of Angoras sufficient to allow the acquisition of seed breeding stock by people wishing to enter the industry

Conclusion

In conclusion it can be seen that while there is good evidence of a number of people actively investing in and working to improve their individual enterprises (from producers to processors) the Australian mohair industry lacks unity and a sense of common purpose.

This fragmentation leads to a loss of opportunity that would flow from having an effective industry network managed by a strong industry organisation. There is little doubt that benefits would flow from such a pool of information and resources effectively communicated to the various industry sectors.

The Australian mohair industry should find a mechanism for setting clear, challenging goals and building networks and relationships willing to work toward this common objective. Mohair Australia is the organisation best positioned to carry out this task but its willingness to accept the challenge and its capacity to pursue such a task is yet to be confirmed.
1. Introduction

In recent years the Rural Industries Research & Development Corporation (RIRDC) and Mohair Australia Limited (MA) have independently sponsored and produced a number of documents as a guide the Australian Mohair Industry. Collectively these documents provide valuable information on its structure and policy base. This project aims to draw these documents together and, with additional input from leading people from the Australian mohair community, formulate a concise Position Statement and Business Plan for the local industry.

Because the report will encompass activities and objectives for an industry rather than a business the concept of a formal business plan has had to be modified. Nevertheless the document does provide industry background, sector breakdown (position statements and SWOT analysis), and lays out a course of action for each industry sector.

As is the case with the Author’s general approach to strategic planning the identified objectives may not always be ‘earth shattering’ but rather are sensible goals that, if thoughtfully undertaken with determined commitment, should be within the reach of those involved, i.e. they do not require unrealistic allocation of financial, physical or human resources.

It should be noted that the Australian mohair industry does not currently have a single unified and dedicated leadership to oversee its long-term growth and development. Mohair Australia strives to represent the whole industry but in reality retains a focus that falls short of driving the commercial production of mohair in this country.

This project has been supported by RIRDC and by Mohair Australia. Both have made financial contributions to planning in the 2000-2001 year and MA has provided additional ‘in kind’ contributions.

The Consultant and Author, Chris Cull, has previously carried out two projects for RIRDC, a Marketing Plan for Australian Mohair (1998) and took part in a study tour of the South African mohair industry providing an additional documented report in 1999. He has recently written a business plan for Mohair Australia that is currently being considered and re-drafted by the MA Board.

1.1 References and Sources

In gathering material for this project the author personally interviewed a number of producers, the two brokers and a buyer and several people involved in training, R&D and processing. Other sources of information drawn on include:

- The RIRDC report prepared by the author in 1999 – Improved Marketing of Mohair Fibre which can be found on the RIRDC website.
- The RIRDC reports covering a study tour of South Africa in November 1999 (a number of the recommendations made in these reports have been incorporated into the sector Action Plans in this report). (See Appendix 1)
- A draft business plan prepared for Mohair Australia, aspects of which were adopted by the Board of MA at its October 2000 meeting. (See Appendix 2 for a precise and excerpts)
- An industry survey conducted by Mohair Australia in 2000 (See Appendix 3)

For people wishing to gain an insight into the Australian mohair industry it is recommended that they read all these reports and the attached issues of 'Mohair News' (Appendix 4) a series of information sheets prepared by Doug Stapleton. Mohair Australia also has several case studies and a series of husbandry guides (Fibre First) all of which help build a picture of the industry, its policies and the opportunities that it offers.

Most of these papers can be found on either the RIRDC website (www.rirdc.gov.au) or the MA site www.mohair.org.au
1.2 Some terms used in this report

To ensure clarity of understanding some terms used by the author throughout this report can be defined as follows:

The Industry – is used to describe the whole industry, including all sectors from production to early stage processing and craft based or niche retailing. It excludes large scale manufacturing or retailing sectors which are and will remain beyond the capacity of the local industry to influence.

The Commercial Industry – refers to those producers whose primary interest is in the growing and production of mohair fibre or those supplying stud breeding stock to the production industry.

A sector of declining importance is the small farm (in some cases hobby based) group that have historically relied on shows and similar events for the opportunity to display their animals on a competitive basis. This group has in the past drawn heavily on the services provided by Mohair Australia and made up the bulk of membership.

This report attempts to cover all segments of the Australian mohair industry but there is an acknowledged bias toward issues relating to the commercial sector based upon the observation that without a strong animal and fibre producing industry the viability of all other segments will be restricted and some may not survive.
2. The Current World Market

2.1 Prices

Mohair is currently being sold on world markets at record prices especially for the finer end of the clip. In Australia prices have been above $50 for best quality fine kid for most of the 2000-2001 selling season.

It may be that the price cycle has peaked as recent sales show a lessening of demand for fine types that have been going to the European fashion market.

The attached graph shows just how prices have climbed since 1996 for fine micron types. Coarse hair has not drawn the same buyer interest and, as the graph shows, remains a difficult product for the industry to absorb. Nevertheless clearances have been good in recent years.

2.2 The Australian Clip

After reaching a peak production volume in 1988 the trend in Australia has been downward and seems to have bottomed out in 1998 at 330,000 kgs. In response to increased prices there has been moderate growth again with Mohair Australia estimating total production in 2000 at about 360,000 kgs. As noted later in this report anecdotal evidence is that the increase in production is now coming from the commercial sector with small farm operators and related studs still diminishing in number despite strong fibre prices.
Similarly, almost all fibre now sold is ‘recently’ shorn. During 1999 and into 2000 the high prices brought a quantity of ‘old’ or stored fibre onto the market. So current sale quantities should now show a good correlation with physical production.

2.3 Angora Numbers

Accurate statistics for the Australian industry are not available. Estimates from brokers and Mohair Australia, calculated from fibre production and average fleece weights would indicate that Angora numbers are approximately 70,000.

There are no accurate figures for State production and all that can be claimed is that goats are most popular in the tableland areas and on the south west plains of NSW; throughout Victoria and through central and southern Queensland; by comparison the other states do not run large numbers.

2.4 The International Market

Total world production has stabilized at something less than 8 million kilograms in recent years (down from 20 million kgs in the early part of the decade). South Africa still produces about 70% of the world’s mohair, usually around 5.5 million kgs. (Due to adverse seasonal conditions this was a low 4.3 million kgs in 2000). Other countries selling on to the international market include, USA (mostly Texas), Australia, New Zealand. Users of mohair claim that they could absorb twice the volume currently being produced, thus the high market price currently being experienced.

Processing has historically been centred in the UK but in recent years there has been a steady relocation by processors from England to South Africa, especially the ‘early stage’ topmakers and spinners. There are still a number of spinners using mohair in Europe, mostly in France and Italy.

Articles written by Doug Stapleton, Craig Clancy, David Williams and Chris Cull reporting on the RIRDC sponsored trip to South Africa in 1999 provide a reasonable background to the structure of the South African and world market and mohair processing industry. Copies are attached as Appendix 1.

As noted above, prices being paid for mohair in Australia reflect international shortages and demand from the European fashion industry. As indicated most trading takes place in South Africa and as can be seen from the following graph their reports reflect similar price trends to those seen in Australia.

Source: The Australian Goat Report
2.5 The Future

There is a certain amount of optimism throughout the industry in regard to long term prices. While accepting that any fashion driven demand cycle will come to an end other influences may prevent the total collapse that some producers fear is inevitable. These influences include:

- An underlying world shortage of mohair (production is down from 20 million kilos in the late 80's to less than 8 million kilos now)
- Improvements in processing machinery enable easier handling and blending of mohair, making it more acceptable to spinners
- Increased interest in blending mohair with other fibres with positive results
- Recent experience has ‘educated’ garment manufacturers to the superior qualities of modern mohair
- Improvements in fleece quality have increased the fibre’s appeal (e.g. finer and less prickle)
- Research that has shown how mohair blends in the worsted system can enhance a variety of fabrics broadening its use beyond that of ‘fluffy’ jumpers.

It is to be hoped that because of these factors the underlying acceptance of mohair will have improved in the eyes of processors and garment manufacturers who will continue to purchase the fibre in coming seasons.

Despite improved 'up-line acceptance' of mohair, a prolonged shortage of supply will itself become a problem if processors are unable to obtain sufficient quantities to provide continuity for spinners and manufacturers. The uncertain political situation in South Africa may become a destabilising factor and the inability of other countries such as Australia to maintain steady growth may see the shortages continue. The industry may already be below critical mass and if so will need to manage production levels carefully so that steady growth becomes a reality.
3. Sector Analysis

3.1 Production

Position Statement

The number of people involved in the Australian Mohair industry expanded rapidly in the 1980's, peaking in 1988 when Mohair Australia had some 3600 members. Growth was stimulated by high demand and high prices for breeding stock pushed along by those hobby farmers who saw Angoras as offering a viable return on small acreages. Prices for breeding animals were kept high as people sought to incorporate the new South African and Texan genetics into the Australian herd. Overall Angora numbers were being pushed up in response to high fibre prices and fibre production peaked at almost 1 million kilos.

With the fall in prices in the early 1990's and the levelling out of demand as quality breeding stock became more readily available, the animal trading side of the industry went into decline. Hobby farmers progressively left the industry, and the number of studs was dramatically reduced and production bottomed out in 1997-98 at approximately 330,000 kilos.

Producers remaining in the industry have again experienced a price turnaround in recent years. However, increased prosperity has not attracted many new growers. With the average age of mohair producers being well in excess of 50 and the lack of attraction to hobbyists, people entering the industry are doing little more than maintaining recent production levels. Current growth tends to be coming from within the industry, as existing producers build up numbers. With a couple of exceptions there is little evidence of many newcomers investing in Angoras.

Industry Image

The image of the Australian Mohair industry suffers from misunderstandings and prejudices associated with the running of 'goats'. A history linked to hobby farming and a misapprehension of husbandry issues, a poor understanding of the nature of the Angora goat, and the industry's relatively short existence in Australia have combined to create an image that is not attractive to other mainstream fibre producers such as are found in the wool industry. This contrasts with the long history and status associated with Mohair production in South Africa, where the industry receives recognition similar to that of the Australian wool industry.

Even in times of low prices, gross margins received for Mohair production exceed those for most of the wool clip, but despite this, and as is even more obvious at the present time, recruiting committed commercial producers to the industry remains a problem.

The image of a hobby-based industry is detrimentally perpetuated by the failure of Mohair Australia to enthusiastically embrace the objectives of the commercial sector to whom the ongoing preoccupation with 'breed society' matters is seen as irrelevant and a source of irritation. There is a desire among these large producers of fibre to have the organisation actively working in areas they see as being relevant such as a program to increase the number of mohair producers, continued genetic improvement and R&D projects with solid commercial objectives.

Animals

The Australian Angora industry is continuing to evolve from its animal trading focus to one working to provide superior animals for commercial mohair production. This has brought about a dramatic reduction in the number of studs, particularly those classed as 'hobbyist' who were strong supporters of the show and sale circuit.
Mohair Australia membership demonstrates just how great this change has been. Membership in 1988 was 3600 (mostly 'Full' or Stud members), contrasted with 2000 when the number of Full Members was 245 and the total membership (including those described as Commercial and Ordinary) about 600.

As noted above, production of fibre during this time has fallen from almost 1m kilos in 1988 to a low of 330,000 kilos in 1997/8. Strong prices during 1999 and into 2001 have seen a bottoming out, with brokers expecting production to move back toward 400,000 kilos in the next few years. The trend has been for producers who are less in number to run more goats for commercial fibre production and the number of studs supplying this side of the industry has consolidated.

The modern Australian Angora has undergone significant change in the past decade. The original Australian type (largely based on feral stock) has all but disappeared. Most producers now run animals with more than 75% imported genetics, either South African or Texan, and frequently a mixture of both. The best Australian animals are equal to those found anywhere in the world.

While the best (say) 20% of our animals compare favourably with those from South Africa we do not have the depth of breeding or numbers to maintain this level of quality across the whole herd. The level of imported genetic material has continued to rise but there are still numbers of inferior animals on farms. Some may argue that this creates an opportunity for the industry to further improve but this will only occur if there is either a commercial stimulus by way of firm prices and / or strong leadership with encouragement for producers to continue to invest in quality stock. It is also noted that while the introduction of superior genetics brought significant improvement relatively easily over a short period of time to continue to improve top quality animals will require commitment and perseverance as future gains will not be so easily achieved. Several studs have continued to import semen and embryos from South Africa (Top Bok and Cawood are two such studs) to produce lines of elite animals for dispersal to commercial breeders. These studs should be encouraged and their contribution acknowledged.

Fibre Production

The type of fibre being produced has changed dramatically in the past decade. The mohair of the eighties with its lack of style and character and high levels of kemp has been replaced by a high quality kemp free, lustrous fleece exhibiting good style and character and keenly sort after by buyers. The low volume being produced locally is a disadvantage, especially in times of poor demand when there is no incentive for processors to source small inefficient quantities of fibre. This has several major consequences:

1. There are no volume-based efficiencies in the broking/selling system, and
2. Nearly all Australian fibre is exported and blended with that from other countries for processing.
3. While the top 20% of Australian fibre equals that produced in other countries, quality is not sustained across the whole clip and it remains difficult for the buyers to build even saleable lots.

Despite the need to add our fibre to lines from other countries the local product is no longer penalised by topmakers. Quality and consistency is now such that out fibre is 'trusted' and confidently blended with South African lots for processing.
### 3.2 S.W.O.T Analysis

#### 3.2.1 INDUSTRY SECTOR: Production (fibre and animals)

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<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
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<tr>
<td><strong>Strengths include:</strong></td>
<td><strong>Weaknesses include:</strong></td>
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<tr>
<td>• A core of good animals in the national herd</td>
<td>• Low volume of fibre production</td>
</tr>
<tr>
<td>• Genetic improvement continues throughout much of the national flock</td>
<td>• The shortage of good commercial lines of Angoras to support expansion</td>
</tr>
<tr>
<td>• Leading studs are still actively improving genetics (but see also 'weaknesses')</td>
<td>• Variable quality across the national herd</td>
</tr>
<tr>
<td>• There are enough good studs to give producers a degree of choice</td>
<td>• Many farms in inappropriate areas</td>
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<tr>
<td>• Gross margins consistently exceed those for wool and boer goats</td>
<td>• Variable husbandry practices</td>
</tr>
<tr>
<td>• The emergence of an 'Australian type' which is of good genetic composition</td>
<td>• A shortage of elite, herd-improving animals</td>
</tr>
<tr>
<td>• Ability to access genetics from South Africa and USA</td>
<td>• The industry is fragmented and lacking strong leadership</td>
</tr>
<tr>
<td>• A number of geographic areas suited to mohair production</td>
<td>• Lack of support and guidance for new producers (especially commercial ones)</td>
</tr>
<tr>
<td>• Freedom from exotic diseases</td>
<td>• The industry’s dual focus a) the hobby farm / side focus and b) the commercial production side. This is not successfully managed by Mohair Australia</td>
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<table>
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<tr>
<th>Opportunities include:</th>
<th>Threats include:</th>
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<tr>
<td>• The international market can absorb a doubling of production in Australia</td>
<td>• Outbreaks of exotic diseases (e.g. Foot and Mouth)</td>
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<tr>
<td>• To improve the industry’s image so that it achieves legitimacy as a mainstream option for farmers</td>
<td>• The industry shrinks below current levels</td>
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<tr>
<td>• To ‘educate’ people about mohair production</td>
<td>• Studs lose interest in pursuing genetic improvement</td>
</tr>
<tr>
<td>• To aggressively follow-up inquiries from prospective producers</td>
<td>• Lack of leadership – leading to lack of industry promotion and further deterioration of image</td>
</tr>
<tr>
<td>• To expand the commercial sector of the industry thereby securing the future of the main studs and encouraging further genetic improvement</td>
<td>• Petty political issues being pursued at the expense of sound commercial planning</td>
</tr>
<tr>
<td>• Examine chemical shearing options</td>
<td>• Continuing high losses due to animal theft</td>
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<tr>
<td></td>
<td>• Lack of trained and willing shearers</td>
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Comment

When setting objectives for the Australian Mohair industry, it will be important to acknowledge past events and the effect these still have on the industry. Any attempt to expand needs to overcome prejudices and the image that it has of being a small hobby farmer based influenced enterprise. A well thought out program should be implemented aimed at educating people to the financial rewards and the 'acceptability' of being involved in mohair production as an alternative form of fibre production.

Assisting in this process should be a key objective for Mohair Australia. Other issues include the further breeding of elite animals for "top end" herd improvement, and ensure all ‘prospects’ are assisted and encouraged to enter the industry.

There is a consensus of opinion that any expansion should take place in areas that are most suitable for mohair production with the obvious advantage that many husbandry issues will be simplified in such regions. Critical husbandry criteria include such things as incidence of footrot, parasites and vegetable matter contaminating the fibre. Some examples of preferred regions are around Longreach QLD, the fine wool areas of NSW, the dryer parts of Gippsland and north west VIC. In its initial stages Angoras were substantially reared along the east coast close to urban centres. In these wetter areas a number of husbandry problems persist but there is a marked improvement when goats are reared in drier areas with rainfall (say) less than 500m (20 inches).

Action Plan

1. Work to improve the industry's image:
   - Remove the image of a hobby farm based industry with its attendant political shortcomings

2. Pursue industry growth:
   - Creating a strong leadership organisation that will set a production goal and be passionate about pursuing industry growth.
   - Ensure that all inquiries are aggressively followed up and interested prospects are put in touch with reputable and appropriate mentors
   - Focus on areas where Angoras are most suited and especially in the eastern states
   - Continue to improve goat genetics, especially striving to keep fibre diameter low through the life of the animal
   - Continue to develop education programs among agricultural schools
   - Initiate education programs among tertiary institutions aimed at bringing in new producers in the long term
   - Targeting agricultural advisory bodies to show the superior profitability of running Angoras commercially and to portray a realistic image about husbandry especially in favourable areas
   - Promote Australia as a relocation option for the South African industry; we have similar areas (the people are used to 'tough' conditions) and the genetics are already here
4. Selling Systems

4.1 Position Statement

Along with other changes in the 'eighties' the selling system evolved into today's model of two broking houses with several active mohair buyers acting on behalf of overseas clients.

National Mohair Pool at Cudal, and the Australian Mohair Marketing Organisation at Narrandera (both in NSW) are the two remaining brokers servicing mohair producers. They accept fibre from growers in all states which, when taken into store, is prepared for sale, often by being reclassed and pooled into saleable lots.

NMP sells by auction and AMMO by private treaty with both conducting up to four sales per year.

There have been three mainstream active buyers of mohair operating in Australia in recent years. These are Ian Laycock Pty Limited, Australasian Mohair Trading and Dewavrin Australia, all of whom buy at the formal sales with the first two companies also acquiring small quantities directly from growers.

The system has stabilised with each participant in this sector operating viable businesses and providing adequate services to their respective clients. There has been some suggestion that the system could be improved (e.g. developing an internet based trading floor) but the small size of the industry with the requirement for both buyers and brokers to pool and build exportable lots of fibre makes any move away from the personalised, 'hands-on' marketing of the clip unlikely.

For further information about the selling system see "Improved Marketing of Mohair Fibre" by the same author and published by RIRDC in January 2000.
4.2 S.W.O.T Analysis

4.2.1 INDUSTRY SECTOR: Selling Systems

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
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</thead>
<tbody>
<tr>
<td><strong>Strengths include:</strong></td>
<td><strong>Weaknesses include:</strong></td>
</tr>
<tr>
<td>• Growers have a degree of choice as to how they market their clips</td>
<td>• Distances for many producers from the broking houses</td>
</tr>
<tr>
<td>• Acceptable levels of competition among buyers</td>
<td>• Distances from international markets</td>
</tr>
<tr>
<td>• An acceptable level of expertise among brokers and buyers</td>
<td>• Poor clip husbandry by many producers at shearing leading to extra brokerage costs</td>
</tr>
<tr>
<td>• Reasonable access to international markets</td>
<td>• Variation in preparation standards leading to the need for major clients (e.g. South African topmakers) to reclassify our fibre</td>
</tr>
</tbody>
</table>

- **Opportunities include:**
  - Training producers to the benefits of improving clip preparation.
  - Identifying ways to reduce freight costs
  - Adopting preparation and classing standards that are compatible with those used by Topmakers in S Africa.
  - Introduce training aimed at ensuring producers understand the requirements of processors (especially topmakers)
  - Developing communication systems that inform buyers about seasonal and production conditions in Australia.

- **Threats include:**
  - The withdrawal of any significant player from the market
  - Political disruption in S Africa sufficient to destabilise their processing industry
  - Rising freight costs

**Comment**

With the industry enjoying a period of prosperity and short term price stability, there has been little recent discussion on ways to alter or improve the existing collection and selling system. The two broking houses (AMMO and NMP) both report improved trading conditions as a result of not just improved prices, but also better seasons in the main producing area. They confirm that any increase in production is coming from existing producers who are holding onto existing stock and consistently joining their breeding does. They report little growth from new entrants into the industry.

In the Australian selling system, two mohair buyers have historically purchased quantities direct from producers as well as from the brokers at their public sales. There is anecdotal evidence that the direct
buying option may be suffering to some extent, as the brokerage system appears to be achieving higher returns to growers.

Recognising that inevitably most Australian fibre will end up in South Africa (or be judged by their standards) it remains a sensible strategy to prepare the clip so that it will move into that system and market with least difficulty.

**Action Plan**

Given the relatively stable position of this industry sector and the businesses involved there are few obvious recommendations for change to the broking or selling system that can be confidently recommended. There are however, a number of issues that would favourably impact on the preparation and sale of fibre, including:

- Raising the standard of clip preparation and handling in shearing sheds is an area that requires attention. Part of the problem is the large number of small producers for whom maximising returns for their fibre is not a priority; they choose to bundle it all up and give it to the broker to class. This attitude will be difficult to change but there remains a need for many larger producers to improve fleece husbandry.
- Ensuring that the industry continues to adopt and use classing standards that are in line with those used in South Africa
- Encouraging the brokers and buyers to provide up-to-date information about fleece specifications required by topmakers (e.g. requirements for even fibre length, uniform micron etc.), and to introduce this information into formal training programs.
5. Processing & Product Development

5.1 Position Statement

Processing of mohair in Australia is a ‘token’ industry in terms of mohair consumption. Small quantities of fibre find their way into the cottage industry market, where enthusiastic people produce a variety of products for craft-based retail outlets. The only commercial processing currently operating is at Elite Fibre Australia Pty Ltd in Geelong, Victoria.

It is difficult to obtain accurate information on volumes being processed locally. We know almost all the clip is exported but there are several commission clients who use Elite to comb and sometimes spin yarn. Scouring of mohair has been difficult to arrange with CSIRO cleaning small amounts of fibre for Elite. However, from recent information it seems that Elite Fibre may soon be making the required changes to its scour and dryer so that they will be able to clean and comb mohair.

Elite Fibre currently processes mohair for one client (to a roving stage) and may soon increase its throughput as a second market opens up. While small this is a significant activity as in both cases the mohair used is in the 34/36 micron range and Elite now account for much of the local clip in this category.

A new company (Australian Fibre Spinners) has recently purchased equipment from the defunct Exotic Fibres Ltd. at Seymour. It will be incorporated into a woollen manufacturing plant located at Hamilton, Victoria with the objective of spinning a range of mohair and mohair rich yarns for export.

The company has established markets in USA, UK, France, Mexico, and is moving into Russia and Japan supplying a range of knitting and worsted yarns for use in the multi-million dollar craft industry. This huge market is enthusiastically buying yarns for needlepoint, cross-stitch and knitting and to date the company has been importing finished materials for repackaging and export. The plant at Hamilton will enable the company to manufacture their own range of products using Australian wool and mohair for export to their already established market.

Other processing takes place at a number of small plants catering to specialist markets, usually for wholesaling to the craft industry. There is limited information about these operations and the volumes of fibre consumed can only be guessed at.

The range of products include:

- Dolls’ hair and teddy bear yarns
- Yarns for embroidery (some exported – as above)
- Knitting yarns for jumpers
- Yarns for rugs and blankets

There is a well established weaver in Melbourne (St Albans Textiles) that manufactures rugs, blankets and scarves. The business uses imported yarns and offers an outlet for the local industry.
5.2 Value-adding Research

In recent years RIRDC has supported several trials aimed at stimulating the processing and manufacturing of mohair locally. A major trial was conducted at NSW University School of Textiles blending wool and mohair to produce a worsted suiting (1998-99) and another at Jiemba (1999-2000) where adult hair (34 micron) was used to manufacture an upholstery fabric. At this stage no commercial market has been found for these products.

(See the section on R&D for further comment)

5.3 S.W.O.T Analysis

5.3.1 INDUSTRY SECTOR: Processing and Value Adding

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengths include:</td>
<td>Weaknesses include:</td>
</tr>
<tr>
<td>• International interest in natural fibres maintains interest in the fibre by spinners</td>
<td>• Mohair fibre is not well understood by processors</td>
</tr>
<tr>
<td>• The inherent characteristics of mohair fibre</td>
<td>• Existing local processor capacity is currently limited to one commercial enterprise and several craft type businesses.</td>
</tr>
<tr>
<td>(strength, dying ability, lustre, lightness etc)</td>
<td>• There seems to be limited entrepreneurial activity seeking export opportunities and capitalising on the low $AU.</td>
</tr>
<tr>
<td>• Growing interest in mohair by CSIRO and Woolmark (but this requires nurturing)</td>
<td>• Lack of resources to undertake value-adding / product development</td>
</tr>
<tr>
<td>Opportunities include:</td>
<td>• Limited commercial stimulus to invest in local mohair processing</td>
</tr>
<tr>
<td>• Forming alliances with other natural fibre processors (e.g. Woolmark)</td>
<td>• Lack of scouring facilities for processing small quantities economically</td>
</tr>
<tr>
<td>• Forming alliances with other mohair organisations (e.g. MSA) who have the capacity to influence R&amp;D and processing</td>
<td>• MA’s poor communication with and understanding of the ‘cottage industry’</td>
</tr>
<tr>
<td>• Working with R&amp;D bodies to develop niche products, especially those using emerging innovative technologies (e.g. Optim, non-woven etc.)</td>
<td>Threats include:</td>
</tr>
<tr>
<td>• Investigating export opportunities based in high quality products in the craft markets</td>
<td>• Loss of support from RIRDC for R&amp;D projects</td>
</tr>
<tr>
<td>• To continue to breed for lower micron to enhance the fibres appeal to innovative processors</td>
<td>• Reduction in levy funds going to Mohair Australia</td>
</tr>
<tr>
<td>• Educating R&amp;D and processing organisations about the qualities of mohair</td>
<td>• Mohair Australia failing to support value-adding projects or not having the resources to facilitate these activities</td>
</tr>
<tr>
<td>• Uniting the local cottage industry and assisting its development and quality control</td>
<td>• Loss of interest in natural fibres at the international level (unlikely)</td>
</tr>
</tbody>
</table>
Comment
Due to the small size of the Australian industry it is unlikely that processing of mohair locally will expand to a significant size. Similarly, there are limited opportunities to develop viable manufacturing enterprises based on local product development.

As noted by D Stapleton in his report on the South African study tour; new marketing and manufacturing initiatives "should be developed within or in conjunction with the existing textile industry" and by looking out for "niche markets and out-source everything" i.e. adopt risk-reduction strategies at every stage.

Action Plan
Notwithstanding this there are several opportunities that might profitably be pursued, including:

- Developing an alliance with Woolmark to determine the potential for mohair in the Optim process. Mohair Australia is currently exploring this opportunity either to carry out a trial at CSIRO to determine whether mohair can be processed this way or to enter a joint venture project with Woolmark
- Strengthening ties with the South African industry to develop processing focussed relationships (e.g. the exchange of technical knowledge)
- Mohair Australia has allocated some funds for the compilation of a database to record details of all local processors, including those working in the cottage or craft industry. This will provide information about the number of businesses involved and may lead to opportunities for nurturing this sector.
- Encourage and work with Elite Fibres to have them seek new mohair processing opportunities
- For the industry to promote mohair fibre to other natural fibre processing and marketing organisations such as Woolmark and CSIRO to improve their knowledge of the fibre.
- Recognising the demand for low micron fibres from spinners and continued innovation by these people producers should continue to pursue genetic improvement aimed at lowering micron.

Specific Projects that may be considered in the area of product development:
1. Feasibility study into the adaptation of the Optim process to mohair (currently MA is talking to Woolmark about this)
2. Examine the feasibility of importing tops or yarns from S Africa for manufacturing into mohair rich products, e.g. socks (see D Williams' SA Study report).
3. Experimenting with non-woven technology and mohair.
6. Research & Development

6.1 Position Statement

Research and Development projects cover two broad categories:

1. Formal research, usually supported by the Rural Industries Development Corporation (RIRDC), with input on occasion by Mohair Australia, and
2. Informal research, usually initiated by grower groups and members of Mohair Australia through field days and such things as weather trials. The various State advisory bodies are often involved in such events.

Some further research may be initiated by the Goat Industry Council of Australia (GICA) but usually in areas of meat production.

RIRDC collects a compulsory levy (currently 1.5 %) from the sale of mohair and, with additional Federal Government support initiates a range of R&D programs. Publications detailing with past and current programs can be found in RIRDC publications and on their website. A five-year R&D plan has been prepared and is documented in the RIRDC booklet "Rare Natural Animal Fibres Program, 1998-2003".

Mohair Australia collects a voluntary levy from producers (currently set at 2%) which is used for promotion and industry development. Occasionally, funding and in-kind support is allocated for the identification and carrying out of R&D. However, such support is sporadic and usually less than $5,000 per project.

Total Funds available for R&D from RIRDC are approximately $200,000 per annum with a similar amount being made available from the research agencies. Mohair Australia has some $40,000 available for promotion and project work at the start of 2001.
### 6.2 S.W.O.T Analysis

#### 6.2.1 INDUSTRY SECTOR: Research & Development

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengths include:</strong></td>
<td><strong>Weaknesses include:</strong></td>
</tr>
<tr>
<td>- The statutory levy system that is in place</td>
<td>- The size of the industry is not sufficient to attract commercial interest in R&amp;D</td>
</tr>
<tr>
<td>- Support from RIRDC which is stable at about $200,000 p.a.</td>
<td>- Limited resources for R&amp;D (RIRDC the only body supporting such work)</td>
</tr>
<tr>
<td>- The RIRDC 'Five Year R&amp;D Plan' which gives direction to R&amp;D</td>
<td>- Lack of funds and interest by Mohair Australia in R&amp;D</td>
</tr>
<tr>
<td>- Liaison between RIRDC and the industry via its Industry Advisory Committee</td>
<td>- Lack of institutional support for research graduates willing to work in the fibre industries</td>
</tr>
</tbody>
</table>

#### OPPORTUNITIES

Opportunities include:

- To increase awareness of the characteristics of mohair sufficient to stimulate interest in researching product development opportunities
- Converting wool technologies to mohair and 'selling' the knowledge to overseas processors
- Finding niche projects that are not seen as high risk and that will attract support from either industry or R&D organisations
- R&D in mohair has been 'mainstream' to date – there should be a wide range of innovative options for new technology R&D uptake
- Focus on projects that will encourage production and improve the industry's image (rather than esoteric value-adding)

#### THREATS

Threats include:

- Loss of RIRDC funds for R&D
- The failure of Mohair Australia to initiate or support R&D projects
- Overall industry reduction
- Dominance by stronger mohair producing countries such as South Africa or USA – restricting innovation in Australia
Comment

In the short term it is unlikely that there will be any major changes to either policy or funding for R&D supported by Government through its instrumentality RIRDC. Funding levels are expected to stay around $200,000 p.a. and continue to be allocated within the framework outlined in the "Rare Natural Animal Fibres Program, 1998-2003". Projects submitted to the RIRDC under these guidelines will continue to be assessed by the Program Advisory Committee and be allocated by RIRDC according to merit.

The stated objective of the Five Year Plan is "To facilitate the development of new and established industries based on rare natural fibres" The Program will continue to embrace all aspects of the industry including production related R&D, processing, value-adding and marketing mohair fibre. (details of past and current projects can be found in RIRDC publications or on their website, [www.rirdc.gov.au](http://www.rirdc.gov.au)).

The industry should develop a long-term strategy for R&D that recognises that programs aimed at product development may take up to ten years to come to fruition. While it is recognised that the chance of finding commercially viable manufacturing opportunities in Australia are slim there may be possibilities for some innovative thinking along the lines of developing alliances and drawing on the resources and expertise of international companies or organisations. (Note: one company, St Albans Textiles, has used this strategy to build its weaving business in Melbourne).

When selecting projects for investigation priority should be given to those that use mohair in innovative ways, not those aimed at duplicating technologies already practiced commercially. (As an example the project to manufacture fine worsted cloth at NSW University was, to some extent, duplicating skills already in existence in other countries; pursuing adoption of Woolmark’s Optim technology is not presently available anywhere else, it is truly innovative).

Action Plan

Suggestions for improving R&D include:

- Seeking to enlarge the pool of people involved in carrying out R&D. While the level of expertise is acceptable there are fewer people capable of or interested in conducting research into fibre/textile related R&D. The closure of the School of Textile Science at NSW University and curtailing of work at the International Fibre Centre at Geelong has reduced the number of graduates working in the specialty fibre industry and potentially conducting R&D projects.

- Research conducted on-farm with the assistance of co-operators is seen as a cost effective way of obtaining useful information. Outcomes from this type of research are effectively communicated to the industry and have an immediate credibility given the involvement of producers in these projects.

- With appropriate use of on-farm co-operators this type of R&D could be beneficially increased.

- Research into non-farm subjects such as value-adding and textile processing tends to be expensive and high risk (in terms of having commercial outcomes) and so these projects absorb relatively larger amounts of funding. It is important, therefore, to a) identify projects with industry relevance and based on sound commercial assessment, and, b) to obtain in-kind or funding support from the commercial sector.

- Keeping a focus on innovative technology that will be valued by other processors and manufacturers.

- Mohair Australia may become more involved in initiating R&D in future. A combination of increased funds available and a change in policy regarding project management may see MA allocate more funds to R&D initiation.
7. Training

7.1 Position Statement

Training in the mohair industry also falls into two broad categories:

1. Formal training delivered by accredited training bodies (e.g. Loneranong College and CIT), and
2. Informal training through mohair sponsored events such as field days where courses may be provided by leading producers of people with specific qualifications. Topics may include a range of husbandry issues and often the classing and preparation of mohair fibre for sale.

With the introduction of Federal training initiatives and the move to industry supported, competency-based training programs there has been an increase from a number of institutions in developing training packages for the Goat industry and for mohair in particular.

Many courses are generic, covering the three main goat types (mohair, boer and cashmere), however, approaches have recently been made to Mohair Australia by the Canberra Institute of Technology and Longerenong College (Victoria) seeking industry support for mohair specific courses they wish to have accredited.

There are two types of courses being put forward:

1. Comprehensive packages covering all aspects of mohair production, for delivery through the TAFE system or similar and;
2. Short 'hands-on' packages that deal with specific topics.

The former has limited value in its complete form for existing producers but when broken up into specific subjects can provide useful, relevant information.

A recent addition in the specific category has been a two-day course run in Victoria called Goat Fibre Production which aims to help producers gain skills in preparing goats for shearing, preparing facilities for shearing and classing mohair. It is likely that this course will be part of an evolving comprehensive training package.

Given the comments from brokers about poor clip preparation (see the section on 'Selling Systems'), training in the area of shearing husbandry and clip preparation would be judged as very applicable.

There are also a number of practical farm-based training days being conducted throughout southern Queensland that have been well received by producers.

The general attitude by industry leaders seems to be that the comprehensive courses serve a role in education people (particularly students) to the opportunities that exist in mohair production. They have little practical use to existing producers. The short courses are more useful especially when targeted to include current issues.

In 2000, Mohair Australia initiated the documentation of a set of national classing standards, and through a process of consultation, was able to achieve industry endorsement. The new 'national classing guidelines for mohair' have been distributed throughout the industry.
### 7.2 S.W.O.T Analysis

#### 7.2.1 INDUSTRY SECTOR: Training

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
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</thead>
<tbody>
<tr>
<td><strong>Strengths include:</strong></td>
<td><strong>Weaknesses include:</strong></td>
</tr>
<tr>
<td>• The burgeoning interest in training as a result of government policy</td>
<td>• Difficulties reaching the whole industry</td>
</tr>
<tr>
<td>• A number of potentially experienced and competent trainers</td>
<td>• Apathy from some producers leading to poor attendance at training days</td>
</tr>
<tr>
<td></td>
<td>• Lack of industry coordination to give guidance to potential course designers and trainers (the initiative is coming from the training people)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opportunities include:</strong></td>
<td><strong>Threats include:</strong></td>
</tr>
<tr>
<td>• To develop specific, practical courses that contain current and accurate information for producers</td>
<td>• Loss of government funding support</td>
</tr>
<tr>
<td>• To capitalise on the enthusiasm of the training industry to develop a comprehensive <em>Mohair Production</em> course to be used in TAFE Colleges and similar institutions</td>
<td>• Lack of direction from the industry to ensure material is appropriate and accurate</td>
</tr>
<tr>
<td>• To introduce information aimed at improving producer's understanding of the requirements of processors, especially topmakers</td>
<td></td>
</tr>
</tbody>
</table>

**Comment**

Given the low numbers of people participating in the mohair industry, it is unlikely that widespread delivery of comprehensive programs will prove cost effective. Methods should be devised to enable specific needs to be addressed and delivered in a way that will seem relevant to producers.

**Action Plan**

Future training should have two key objectives.

1. To enable those wanting recognised qualifications to gain them through a system as outlined above, and
2. To ensure that uniform standards and guidelines are maintained nationally.
3. Alternative distribution and teaching methods (e.g. on-line, distance) should be investigated
8. Industry Bodies

8.1 Position Statement

The Australian Mohair Industry is represented by several industry bodies including Mohair Australia Limited (MA), the Goat Industry Council of Australia (GICA), and the International Mohair Association (IMA).

8.2 Mohair Australia Limited

MA is a company limited by guarantee formed to provide a range of services to its members and to support, nurture and promote the Australian mohair industry. It has a history of being primarily an organisation responsible for managing breed recording, promotion and supporting a range of member activities such as shows, field days and sales. In recent years it has taken on the responsibility of managing promotion funds that come by way of a voluntary industry levy currently set at 2% of the value of mohair sold.

MA has a three-tiered structure that includes a Board of 9, State Divisions and, at the grass roots 22 local branches or Regions. The organisation is over governed given the size of its current membership and is presently considering a number of options to reduce the complexity of its structure and improve the effectiveness of its operations.

Despite attempts to become a true industry body active in all sectors and representing the wider mohair community Mohair Australia remains an organisation focussed on member issues. While it has contacts throughout the industry it is not actively involved in the non-farm sectors and is not effectively influencing policy or growth in production, processing or retailing of mohair products.

The organisation operates under severe financial restraints exacerbated by its tenuous support from those producers who see themselves as running commercial enterprises and the absence of membership support from other industry sectors. As noted above the organisation is presently reviewing its operational structure with a view to overcoming some of these problems and constraints.

8.3 The Goat Industry Council of Australia

GICA is an Associate Council of the National Farmer's Federation drawing its membership from affiliated State bodies. Mohair Australia (along with the other goat breeds) is in turn an associate member of GICA and has a delegate at meetings but does not have full voting rights.

As an organisation GICA has a close association with Meat & Livestock Australia, meeting in their Sydney offices and having regular MLA offices address meetings to report on goat meat projects. As a result there is a clear bias toward the goat meat industry which while relevant for most other breeds holds little interest for mohair.

Some projects that have relevance to the fibre industry include off-label chemicals use, monitoring the development of Johne's disease policy, representation on the Animal Health Council and preparedness for managing exotic diseases. In the past GICA did assist the mohair industry in preventing the implementation of separate shearer's awards for goats.
8.4 The International Mohair Association

The IMA is the international body responsible for promoting mohair fibre. Its membership used to include industry ‘product groups’ but is now arranged along country lines which has led to a reduction in number and, importantly, the loss of South Africa’s support.

Low prices experienced in the mid-nineties and subsequent falling world production (from 20m kilos to the current 8.5m kilos) reduced financial strength and saw a curtailing of promotional activity. Today the IMA primarily manages the use of the Mohair Trademark. Support for the organisation from member organisations continues to decline as its future relevance continues to be questioned.

8.5 S.W.O.T Analysis

8.5.1 INDUSTRY SECTOR: Industry Bodies (Mohair Australia, GICA, IMA)

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengths include:</td>
<td>Weaknesses include:</td>
</tr>
<tr>
<td>• The existence of various industry bodies (albeit with limited effect)</td>
<td>• Lack of industry focus by MA (too much on 'breed society' and internal politics)</td>
</tr>
<tr>
<td>• The long history of MA (there is a pool of experience)</td>
<td>• Lack of strong leadership by MA</td>
</tr>
<tr>
<td>• MA's commitment to the industry</td>
<td>• The lack of universal support for MA, especially by commercial producers</td>
</tr>
<tr>
<td>• The developed alliance between MA and RIRDC (as the R&amp;D body)</td>
<td>• GICA's has a 'non-fibre' emphasis</td>
</tr>
<tr>
<td></td>
<td>• IMA – no longer working for the industry (and losing support)</td>
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</table>

<table>
<thead>
<tr>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities include:</td>
<td>Threats include:</td>
</tr>
<tr>
<td>• For MA to change its focus and be more responsive to the wishes of the commercial sector</td>
<td>• Reduced government or industry support for organisations involved in the mohair industry (e.g. GICA, RIRDC etc)</td>
</tr>
<tr>
<td>• MA to draw on the experience of the South African industry management models</td>
<td>• The collapse of MA due to internal political disruption or lack of financial strength</td>
</tr>
<tr>
<td>• MA to strengthen ties with South Africa to exchange information on genetics, R&amp;D and product development etc.</td>
<td>• Loss of industry support for MA</td>
</tr>
<tr>
<td>• MA to develop alliances and networks in the 'non production' sector</td>
<td>• Loss of levy support</td>
</tr>
<tr>
<td>• MA should re-consider its management of the Industry Levy</td>
<td></td>
</tr>
</tbody>
</table>
Comment

Mohair Australia Limited will in the short-term continue to struggle with the duality of operating as a breed society and industry body. Lack of financial strength is now limiting its ability to fulfil an industry-wide role. Current planning is aimed at reorganising so as to;

- attain greater financial stability
- more effectively represent the wider mohair industry
- develop a strategic long-term project management plan (including R&D)

GICA

While not yet discussed with the various industries the author suggests that there may be some rationale for forming either a Goat Fibre Council (cashmere and mohair) or a Rare Natural Fibre Council, which would bring in the alpaca industry and possibly others.

IMA

The future of the IMA is under a cloud with support from member countries and organisations continuing to fall. The notion of having a mohair trade mark as a valuable marketing tool is being questioned, leaving the organisation with no clear role to play.

Action Plan

The main recommendations for action in this sector focus on Mohair Australia. A fundamental question needs to be answered here as a prelude to other considerations … MA should define its 'sphere of influence' carefully and decide whether its claim to represent the whole mohair industry in this country is in fact realistic. It should examine the various sectors and define the depth of involvement it wishes to have in each. Its traditional role has been to guide and regulate the breed society but this depth of involvement in say, the processing sector would not be appropriate nor necessary. There is a role though for a national body to oversee and lead the whole industry.

Recommendations for this sector include:

- MA to define its sphere of influence with the objective of providing a minimum of a networking role across all sectors
- That MA build strong alliances with similar bodies in South Africa and to a lesser extent in USA
- That MA move to have the voluntary industry levy made compulsory so that funds can be raised for promotion and research on a more equitable basis than currently exists
- That GICA be encouraged to take a more active role in the fibre production side of goat policy
9. Publicity & Information Distribution

9.1 Position Statement

These activities have been grouped into a single sector for the purpose of the business plan recognising that any normal business will have a strategy for its promotion i.e. a publicity program and systems for disseminating information.

In the case of the Australian mohair industry promotion currently occurs in five ways:

1. MA distributes a range of generic information and some promotional items to people inquiring about mohair production (usually those considering running goats or educational institutions). Usually it is handed out at shows and field days and is posted to people from the National office.
2. MA produces a quarterly magazine for its members which is a combination of industry and MA news and husbandry or technical articles.
3. MA sporadically attempts to distribute press releases to the media (usually radio and press) and editorial pieces to rural periodicals on an ad hoc basis
4. Of its own initiation rural media may approach individual producers or brokers for market information or editorials

Mohair Australia is in the process of rebuilding its website which, when launched, will have the capacity to disseminate a range of promotional and instructional material as well as market reports and news items.

The fortnightly publication of the “The Australian Goat Report” provides a valuable source of information about the goat industry and usually includes up-to-date market reports and other newsworthy items concerning the mohair sector.
## 9.2 S.W.O.T Analysis

### 9.2.1 INDUSTRY SECTOR: Publicity & Information Distribution

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
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<tbody>
<tr>
<td>Strengths include:</td>
<td>Weaknesses include:</td>
</tr>
<tr>
<td>• The enthusiasm of those MA members who arrange displays at shows and field days</td>
<td>• Lack of a well-organised, long term, publicity program, especially for press releases</td>
</tr>
<tr>
<td>• Fortnightly publication of “The Australian Goat Report” is a good industry newsletter</td>
<td>• Incomplete information packages and variable quality of information in them</td>
</tr>
<tr>
<td>• The quarterly publication of Mohair News</td>
<td>• Variable standards of displays and presentations at MA sponsored events (due to lack of funds, not necessarily enthusiasm)</td>
</tr>
<tr>
<td>• Data held by MA for distribution in information packs</td>
<td>• MA’s lack of ability to provide a newsletter that is seen as objectively covering industry-wide issues</td>
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<td>• MA's commitment to developing its website</td>
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### OPPORTUNITIES

Opportunities include:

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<thead>
<tr>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
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<tr>
<td>Opportunities include:</td>
<td>Threats include:</td>
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<tr>
<td>• Using MA website to disseminate industry information and press reports</td>
<td>• The diminished ability of MA to collect, publish and distribute information</td>
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<tr>
<td>• The coordination of a professional mohair promotion program aimed at lifting the industry's profile and recruiting new producers</td>
<td>• Falling prices taking away obvious promotional opportunities</td>
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<tr>
<td>• To better publicise the relative profitability and security mohair production offers</td>
<td>• Lack of support from rural media</td>
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<tr>
<td>• To better distribute and publicise the results of R&amp;D sponsored by RIRDC</td>
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### Comment

As noted the ‘weaknesses’ Mohair Australia lacks a complete package and well developed policies for promoting the industry. In this area, it lags behind other fibre producers (in particular Alpaca) in effectively promoting the industry. There is an opportunity for the development of a professionally constructed, multi-faceted promotional program aimed at industry promotion.

### Action Plan

- The commissioning of an effective website that can provide up-to-date industry information and market reports and disseminate training and goat husbandry material.
- MA to review its information resources so that an up-to-date pack is made available on the web
- The development of a comprehensive industry promotion program to be tested in a defined area then rolled out nationally
- Setting up networks for the regular dissemination of market reports and other key information
- To work with RIRDC to ensure the various papers and project reports it sponsors are better distributed and absorbed throughout the industry

*This completes the Sectional Analysis. Conclusions and a summary of a Vision for the industry can be found in the Executive Summary.*
10. Appendices

10.1 Appendix: 1 RIRDC Travel Grant Reports

This Technical Issues presents some of the detail of the four travel reports of the RIRDC sponsored delegates to the International Mohair Expo in South Africa in November 1999. RIRDC kindly funded part of the delegates travel costs and, in turn, received a report on aspects of the trip. Each person was asked to look at different aspects of the South African industry. This "Issues" has been prepared by Doug Stapleton from the four reports in an attempt to give a concise report of the events.

Chris Cull had the task of examining South African Industry and Association Structures, Attitudes on Value and Image of Australian Mohair and Promotional Methods. David Williams was to look at Improved Promotion of 'New' mohair fibre, Processing Developments and Value Adding Options for broad mohair fibre. Craig Clancy was given the task of looking at Classing Standards, Warehouse Resources and Fibre Testing and its Relationship to the Selling System. Doug Stapleton was asked to look at Research and Extension, Marketing Options and Publication Methods (as well as taking a watching brief over the reporting of the whole trip for RIRDC).

Itinerary

8th Nov. Sydney - Johannesburg Capetown.
9th Nov. Cape Mohair Holdings (Denys Hobson) - (Value adding, new products and price stabilisation)
10th-12th Nov. Beaufort West Symposium - Mohair Beyond 2000, National Angora Goat Championships, Flock and Fleece Competitions. (Exhibition and discussions with processors including Stuckens and Alpha Tops)
13th Nov. Championships Presentations, Prince Albert to Oudshoorn. Discussions with Filature Francaise de Mohair (Peronne).
14th Nov. Snyberg Stud (G T and Werner Ferreira), Cawoodholme & Veld Ram Project (Peter Cawood), Loch Dale Angora Stud (Blake Hobson) and Wheatlands (Arthur Short)
15th Nov. Jansenville Experimental Farm, Research Seminar, Mohair Association HQ. Schoongezicht Stud (Reinhold Du Randt)
16th Nov. Port Elizabeth. Cape Mohair and Wool. Classing and presentation of mohair for sale and mohair auction sale. Gubb and Ings P/L Scouring and Topmaking Plant.
17th Nov. Graaff-Reinet Ram Sale, Port Elizabeth
18th Nov. SAMIL Topmakers and Spinners. Port Elizabeth
10.1.1 From the Report of Chris Cull, CEO of Mohair Australia

Report Summary (quoted in full)

"While the S A mohair industry will continue to lead the world in terms of volume both as producer and processor they have no monopoly on overall technology. This creates opportunities for Australia to pursue innovative change either in conjunction with SA or alone. Australian producers should develop worthwhile dialogue with their SA counterparts to advance technical skills.

"In the area of marketing it is the author's opinion that the local industry should attempt to produce and prepare sale lots that are readily acceptable to the topmakers in SA. This may (be) the best way to move our fibre into the world market.

"Mohair Australia as the peak producer organisation in Australia should examine the SA organisation models as part of its current restructuring program. There are some aspects of the SA structure worth consideration, such as the MSA's specialised role in marketing and the strong linkages with the manufacturing sector that enhance their integrated image.

"In general the study tour made contact with significant leaders in the world and SA mohair industry. Influential people are known on a 'first name basis'. This opening of dialogue should be seen as a valuable resource to be nurtured."

Opening comments

Chris comments that South Africa, with some 5mkg of the 8.2mkg of world mohair production in 1998-99, and the rapid shift of manufacturing capacity to Port Elizabeth, now has dominance of both production of raw mohair and processing of raw fibre. With the notable exception of the French company Filature Francaise de Mohair, South African growers have developed alliances with major manufacturing groups of SAMIL, Cape Wool and Mohair, Stuckens and Alpha Tops.

Labour Costs

The point is made that the effect of relatively "cheap" labour in South Africa is obvious, even to the tourist. Mechanisation is extremely limited. At the farm level this is reflected in the fact that much of the shearing, even on large farms, is done by blade shearers. Most of the mustering is done on foot. In the shearing shed and broker's stores there is a large labour input in the preparation of lines of mohair. Such levels of preparation present Australian growers and Brokers with a considerable challenge to match these efforts.

Associations in the South African Industry

1. Mohair South Africa is the body concerned with Marketing and Promotion of South African Mohair. It took over from the SA Mohair Board in 1998 but plays no part in producer activity or industry policy making. It has primary functions in 4 areas: 1. Building commercial relationships with processors and end users. 2. Facilitating local processing. 3. Fostering research and development including product development. 4. Managing the floor price scheme (Mohair Pools Ltd.). Apparently MSA does not attempt to increase mohair production, believing that current levels are well balanced and create a good return for growers. Manufacturers debate this, arguing that insufficient fibre results in increased prices which are unsustainable.
MSA is one of two main beneficiaries of the **Mohair Trust** which manages a large capital fund of approx. 103m Rand "which is used for promotion, joint ventures in research and product development, and the operation of the market support program." The Trust has 5 producers and, 1 labour, 1 broker and 1 government representative on its board. Grower members are elected at an annual Congress.

The MSA has a 10 member board of 4 producers, 1 broker, 1 labour rep, 2 buyers, 1 processor and 1 stud operator. Again, grower and stud reps are elected at the annual congress which brings together the two grower organisations.

Alliance development and Promotional activity is well developed but support for development is restricted to "top up" funding of existing organisations or projects.

2. **The Angora Goat Stud Breeders' Society of South Africa** represents stud breeders and its main function is the preservation and improvement of the Angora breed. "To do this it sets and maintains breed standards (all animals offered for sale are inspected), provides information to studs, encourages research programs, monitors imports and exports of genetic material and conducts shows and sales."

The national organisation elects 9 members to an executive at an AGM and 2 attend the annual congress. Members must own more than 50 registered does and pay an annual fee of 3 Rand per registered doe.

Policies include reviewing of the inspection requirement for new stud breeders, relaxation of registration requirements for entry to stud system, inclusion of performance recording (including fertility) in stud recording and debate on the effect of shows and stud sales on stamina and commercial potential of stud stock.

3. **South African Mohair Grower's Association** has a district structure and represents some 1500 mohair producers and elects grower representatives to the MSA and Mohair Trust. Currently there are no levies required to support activities since the considerable funds collected in the past have allowed continued funding of commercially sustaining activities. General leadership is of interest. Long standing involved family names are prominent and strong manufacturing sector provides support for the organisation. This is aided by a geographic concentration of the SA industry.

**International Assessment of Australian Fibre**

Discussions were held with Robert Weatherall (Alphs Tops), Rowan Swinnerton (SAMIL), Robert Clark (Cape Mohair Spinners) and Michel Hanquer and Dominique Carpentier (FFM). "Generally speaking they all had the same opinion of our fibre … that the quality has improved significantly in recent years; our top lines are close to the best in the world but we lack uniformity due to low volume. There is now a feeling that our mohair can be seen as 'reliable', it is 'trusted' by the processors, however, upon receival it is still usually checked … to ensure that lines are uniform enough to be blended with similar types from other sources."

Australian mohair will be blended to build volume so it must be prepared in such a way to facilitate this process. This will require considerable effort to match the sorting inputs applied in South African shearing sheds. Sale lots will have to match the general specifications of various manufacturers. Passing Australian mohair to a marketing system (in South Africa) for sale may risk down grading and loss of identity too early in the process.

**Promotion Methods used by Mohair South Africa.**

"MSA can embrace a wide range of promotional activities because of the industry's advanced value-adding capacity, the involvement of significant commercial interests (often partners) and overall financial strength with funds from a variety of sources readily available for substantial advertising programs."
Conventional Promotion activities were in evidence at Beaufort West. These included; information/promotion packs, often prepared in collaboration with commercial interests, hosting major fashion parades (including design competitions), and substantial trade exhibits. Liaison with end-users is a second avenue for promotion. MSA initiated 2 overseas trips by representatives for this purpose. Client needs and feed-back is seen as important in maintaining mohair content in textiles. Liaison with local processors follows a similar objective. Support for non-fashion uses is also a feature of recent activity.

Packaging and in-store promotional material emphasising the unique nature of mohair - light weight, insulation, absorption (or "wickability") and durability - are also supported.

**Lessons for the Australian Industry**

1. **Blending.** With only 5% of the world's mohair production, Australian fibre has to be blended for processing. Manufacturers buying our mohair are critical customers. We have to strive to package our fibre so that it can be readily included with mohair from elsewhere in standard processing lines.

2. **Building alliances with South Africa.** "They do not see us as a threat, nor should we be afraid of them." Australia represents room for expansion of mohair production. Australia has a different environment and our breeding should be somewhat different. Alliances will be useful and should be developed.

3. **In the long term.** One SA manufacturer claimed it takes 10 year to formulate and implement successful policies. The Australian growers should start now to place policies for production, organisation, promotion and marketing strategies which are realistic for long term success.

4. **Communication.** The South Africans recognise the benefits of mixing in all circles and ensuring mohair is always in the conscious mind of the market. Australian growers should take a more 'holistic view' of their industry.

5. **The market drives the industry.** The South African industry demonstrates a complex interweaving of interests and investments aimed at marketing mohair products. Australian growers should follow the SA lead and think of forming alliances with processors and markets both locally and overseas.
10.1.2 From the Report of David Williams, Australasian Mohair Trading P/L

Report Summary (quoted in full)
"Most importantly we are on the right track with our preparation and we know how to improve. (The improvements are all included in the review for Mohair Australia of the Australian Classing Standards). All processors in SA are aware of the standard of our Mohair and providing we improve our classing standards we will certainly reap the benefits. This goes hand in hand with further processing and the development of yarns and garments. It is my opinion we must get the basics right before we proceed further. We must be cautious proceeding into yarns and manufacturing fields. This is a costly exercise and we do not have the money (or expertise) to develop in this area. We may be best advised to ride on the back of the South Africans to get past the most expensive and time consuming R and D."

Promotion of "New" Australian Mohair and processing of Australian Mohair in South Africa
"It was useful to have the fleeces from the fleece competition to show clients. The general comments were 'Good fleeces but still very mixed for micron. Some fleeces were too long. The weights were generally good compared to other entries'. The bonus was showing the South African buyers our mohair fleeces and comparing (them) to their best show fleeces."

Buyer's intention. Some Australian fibre has been processed in SA and "whilst they say that Australian mohair will never compete with SA mohair, privately (they) agree that our mohair is OK and we just have to improve our preparation." Two more SA buyers will buy from Australia. Others are not in a position to do so though there is a possibility that Australian fibre could be sorted and sold in SA. It is suggested that this would not be a good idea because of loss of identity and it would remove the flexibility to sell the clip elsewhere.

Sorting and quality. Three topmakers sorting Australian fibre suggested that more care is needed, particularly in inferior types. Straight fibre is considered a problem in spinning. While the "old Australian types" are relatively fine it contains much straight fibre. Outsorts vary too much requiring considerable sorting to reduce the variation and improve the acceptability for processing. The result of the resorting of a recent parcel of Kid fibre averaging 25.4 microns was quoted. Some 63% averaged 25.5, 34% averaged 28 to 29 and 3% averaged 30-32 microns. This was considered a disappointing and poor result. While kemp is still a problem it is not as significant as was expected. Variation in average length of fibre (as opposed to length of lock) is of concern, particularly in the inferior types. Experience with buyers valuing sale lots suggest that they use greasy micron only as a guide because the real test is the micron of the resultant top. Variation in length and character and style seem to be characteristics used to value lots.

Developments in processing techniques
In two plants, there have been developments in processing techniques. These centre around the way top is presented to the spinning machines. This emphasises the need for low variation in fibre length. Blending with cotton and synthetics is being used to produce higher yarn counts and reduce the amount of machine adjustments needed to spin pure mohair or fibre of higher length variation. Some success is being achieved at spinning broader mohair up to 37 microns. Finish of the yarn and fabric is also being looked at with some success. (Suiting material manufacture was not examined as this would best be done in Europe.)

Value adding in Australia
Two suggestions are made. Research and Development might best be achieved by importing expert workers and using facilities such as the International Fibre Centre (Geelong) to develop yarns and products. Product development might best be achieved by importing yarns and working on our own garments. Sock yarns are available as a starting point. Topmaking in Australia is not considered viable because of our low production but SAMIL would be prepared to make tops of Australian mohair (with some blending with SA fibre to make appropriate processing weights) for further processing in Australia.
10.1.3 From the Report of Craig Clancy, Australian Mohair Marketing Organisation

Report Summary (quoted in full)
"The World Mohair Expo and associated industry tour has proved to be both extremely educational and rewarding for me personally as well as being very beneficial from our Organisation's point of view. The Expo, which featured the South African Angora Championships (a four yearly event), extensive trade displays and fashion parade (Gala Dinner) was indeed a huge undertaking which was particularly well organised.

"The opportunity to meet and speak with processors as well as attending the mohair auction and seeing first hand the broking operation, classing, typing, handling facilities etc, was educational and will be a benefit to our company. The knowledge gained has pointed to improvements that we can introduce to our own system to bring us more into line with World's Best Practice.

"I would like to thank the company and RIRDC for the financial support and encouragement in making this trip possible. The knowledge gained will be invaluable in our Quality Assurance Program and in many other aspects of the industry on the world stage and a more global outlook in marketing of our product."

Summary of Recommendations (quoted in full)
1. That uniform "highly recognised" (ie Internationally) National Standards for the typing and classing of mohair be implemented and that these standards be regularly reviewed to ensure relevance to processors and end users' requirements.
2. That grower/producer preparation meets basic industry standards, which will directly benefit the individual producer as well as improving standards that will impact on the industry as a whole. Therefore grower education in relation to standards must be a major priority.
3. Contamination by both man-made and natural impurities such as dark fibre contamination (ie stains left in fleece lines) must be stamped out.
4. That improvement of general quality must continue via selective breeding, implementing objective testing/performance recording and the obvious, but difficult problem to overcome is the need to increase production.

Major Findings
SA preparation standards are recognised as the world bench-mark for mohair and attention to detail is staggering. The sorting philosophy is not unlike that previously used in Australia to Class and sort Australian Fine Wool. In essence there are 342 potential types in the SA classing system. "While this in the main, produces excellent results, it also creates many small lines."

"The Classer or Classers 'on farm' sort to industry standards which require each fleece to be broken down into its various individual components, ie necks, bellies, britches, fleece lines, head pieces (top knots and legs) and stains (light and heavy)." Such lines are as uniform as possible and can be described in terms of micron, length, style/character, kemp etc. In the broker's store regional factors also separate types. Soil colour, vegetable fault type and other factors are involved.

The current SA clip is about 5mkg and the average annual clip per producer is approximately 1200 to 1500 kg. The average consignment supplied to the Broker is 2-3 bales plus 30 bags. These small bags result from on farm classing and are resorted and bulk classed. The classing system is based on age related groups, ie Kid, Young Goat and Adults, and ensures that similar types are lotted together. "Their knowledge of how various types perform in relation to these age groups is a significant advantage when classing fibre."

"With this in mind, they class fibre from the various age groups into the appropriate line for fibre of similar micron range. Eg fibre from the fourth shearing, which would normally be FH (Fine Adult
which would have a micron range between 34 and 36 microns), which tests as 33 microns, is not taken into a Young Goat line having similar micron range. Rather, it is classified as FFH (Fine, fine hair) because, through experience, they know that Young Goat fibre (whatever the micron) handles quite differently, in processing, from adult fibre."

Warehouse Resources

Cape Mohair and Wool (South African Mohair Brokers Ltd) is a large mohair and wool handling complex situated in Port Elizabeth. The site boasts six hectares of floor space covering several levels. Eighty per cent of SA mohair (60% of world mohair) is handled through Cape Mohair and Wool. The classing staff also sorts fibre from Texas and Australia.

Virtually all SA mohair is produced within a 300km range of Port Elizabeth and 90% is delivered by road (10% by rail). Consignments are weighed on receipt and data is immediately entered on computer with bags identified by bar code. These are directed to bulk class, sample lots or Traditional lot areas. Kid and YG bales are shown for sale traditionally and adult types are shown by sample. All bales are core tested and sample lots are grab sampled using two core lines kept exclusively for mohair. Once cored and sampled, sample lots are dumped and stored for delivery after the sale. Some 70% of fibre is semi-processed (into top) before export.

Fibre Testing

Testing has only recently been introduced. Traditional and sample lots are displayed with test results on the show floor and the results also appear in the catalogue. The OFDA method is used. At this stage the only objective measurements taken are for micron and standard deviation.

Processors spoken to suggest that the micron is only a guide and buyers are required to judge processing qualities such as handle, kemp, length and style. Tops are said to test 1-2 microns stronger than the tests on raw fibre.

Benefits of travel

"The information gained from processors as well as the knowledge and experience gained from observing World's Best Practice can directly benefit our industry by improving standards and Quality Control. We (AMMO) will endeavour to introduce secondary style lines to improve the uniformity of style of main lines. … To improve uniformity of micron, growers will be advised that neck fibre must be removed and that stronger britch fibre, where applicable, may need to be removed to improve the evenness of micron."

Recommendations to RIRDC and the Industry

"Quality Standards/Assurance are absolutely crucial to enable our industry to become more internationally visible and compete favourably in a global marketplace. A united national approach must be the means by which Australian standards are applied. All major Brokers exportersprocessors must liaise to ensure the standards are mutually acceptable and consensus reached."

"Standards of preparation must be both uniform and of a high quality. Preparation on farm has to improve in general. Contamination by man-made fibres and other material, although not a huge problem, must be eliminated. In this respect, a united approach must be taken by all brokers/dealers to outlaw the use of poly woven feed/fertiliser bags as a means of packaging and consigning small quantities of fibre, as this is the major cause of plastic fibre contamination."
From the Report of Doug Stapleton, RIRDC Committee and National Mohair Pool P/L

Report Summary (quoted in full)

This travel report presents a somewhat more detailed coverage of the 11 day period than was initially requested. The author had something of a watching brief on behalf of the RIRDC committee and a considerable effort was made to cover all the events and issues required of the group. Photographic material is available in electronic form for those who might request it.

The major events covered by the travel included:- a visit to the Cape Mohair Holdings sock factory in Capetown, the Mohair Beyond 2000 symposium, National Championships and International Expo at Beaufort West, the Jansenville Experimental Station, the 6th Cape Mohair and Wool Winter Mohair Sale in Port Elizabeth and the Graaff-Reinet Ram sale. A number of stud farms and several processing plants were also visited. Discussions on marketing, industry structure, research and extension, mohair classing, breeding trends and value adding were undertaken with a wide variety of South African and international visitors to the events.

Two striking conclusions can be made from the trip:- 1. South Africa is becoming the world centre for early and mid stage mohair processing as mills relocate from the UK and Europe because of lower labour costs and the proximity of raw material. 2. There is a major financial involvement by the South African growers in the processing companies and infra structure.

The South African mohair industry demonstrates a high level of integration with grower involvement at all levels and what seems to be an extremely positive and pragmatic approach both to mohair production in an extremely difficult environment, and to processing and marketing. The interrelated structure, while effective at present, may be difficult to change in future. It is possible that conflicts between the long term requirements of producers for stability of price, and the short term volatility created by fashion and periods of extreme demand (and periods of low demand) cannot be resolved under the present entrenched marketing structure. While innovative efforts by people such as Denys Hobson to increase non-fashion usage of mohair will assist, it is difficult to see any reduction in volatility without closer links between the production and consumption of mohair. Nevertheless it should be noted that there is a very strong and committed group of South Africans working closely together to support their industry.

While there is some call for a change from the traditional auction system of marketing, change in the basic technique is unlikely to occur. Innovation is, however, likely to flow from the dramatic increase in use of fibre measurement technology. Fibre diameter measurement is being adopted at a fast rate and the consequences for both breeding and marketing are difficult to predict. A greater reliance on measured diameter (and the use of other measures) may allow bigger sale lots. Pressure for a lower "adult" fibre diameter and the widespread use of measurement of stud bucks will undoubtedly change the South African mohair clip. The impact of this trend should not be underestimated.

The concentration of production and processing in the Karoo and Port Elizabeth makes the need for an electronic trading floor less important and support is unlikely to come from the existing players at present. While it may be feasible to move Australian mohair to Port Elizabeth for sale, there is some doubt as to the advantages which might flow to Australian producers, given the extra handling and the time lag between shipping and payment. Topmakers in Port Elizabeth already buy Australian and Texan fibre for processing but competition also comes from France which buys in Port Elizabeth as well as Australia. Taking fibre to South Africa for possible purchase by the French implies a second shipping component which might not result in significant increased returns.

Australian marketing, with its strong reliance on lot building and measurement technology, is well placed to compete for markets both in Europe and South Africa. Greater efforts should be made to
produce a uniform classing standard. A regular report on seasonal conditions and production predictions should be produced to assist potential buyers.

Extension and Farmer support, like most of the South African industry, revolves around commercial operations. The farmers are resourceful, well educated and capable of getting results under difficult circumstances. Cape Mohair and Wool (Broking Company) has a strong network of Field-men who assist in all aspects of husbandry, breeding and clip preparation. A small group of practical researchers provide scientific support, particularly in performance recording and genetic advice, while processing mills have the capacity to carry out product development and textile research (supported by TEXTEK).

The industry in South Africa has a long term publication, the "Angora Goat and Mohair Journal", which is published every six months and provides a supply of information and an avenue for advertising. Several web sites and miscellaneous publications are also produced.

Recommendations

1. Dialogue should be maintained between Mohair Australia and the various organisations supporting the South African industry. These include Cape Mohair and Wool, the South African Stud Angora Goat Society, the South African Mohair Producers Association, Denys Hobson and Cape Mohair Holdings, Stuckens and SAMIL.

2. Some thought should be given into the role and function of the International Mohair Association to determine if that organisation has relevance to the mohair industry.

3. Mohair breeders in Australia should examine performance recording systems and the issues of fineness, survivability and fertility being addressed by South African breeders. Given that Australian climatic conditions are generally superior, more emphasis could be placed on fleece weight and productivity but the impact of widespread use of fibre diameter measurement both at animal and mohair sale level should not be underestimated. This technology is going to have a major impact on mohair in the next 5 years.

4. Thought should be given as to the strategy of value adding. While innovation and new marketing initiatives can be important, perhaps they should be developed within, or in conjunction with, the existing textile industry. In a global industry, using existing processors and distribution networks throughout the world might be more rewarding than trying to establish new mills and new structure. As one small UK representative put it; "Look for the niche markets and out-source everything. The system should assist the few players, not lock them out."

5. Australia should develop a reporting service to inform South African and European processors of climatic conditions, volumes of production and quality issues relating to the supply of Australian mohair. A unified approach from brokers in Australia would be of assistance in gaining acceptance of Australia's ability to produce and supply mohair.
10.1.5 Aspects not covered by other Reports

**Cape Mohair Holdings.** Capetown. Mr Denys Hobson and Ms Judy Westergaard. Cape Mohair Holdings is a company set up to market mohair garments to the general public. The objective is to keep mohair before the buying public in products of everyday use. The development of a sock manufacturing plant producing some 100,000 pairs of socks per month appears to be the flagship of this operation though the production of blankets and rugs is also involved. Quality is seen as a critical issue but diverse labelling and the use of blends to buffer price fluctuation are major strategies. The concept of "wickability" or the ability of mohair to draw moisture away from the skin, its non flammability, odour resistance and harshness are all seen as positive aspects (in varying degrees) when designing work socks (for mining) and socks for athletic and outdoor activity. Scale is important and Industry funds were eventually made available to buy small cottage manufacturers and establish the complex structure of processing, marketing and distribution companies required. The group expects to use some 100 tonnes of mohair in 2000. This might not be a lot but it is a huge number of socks and provides a non-fashion use for mohair at the general consumer level. Denys emphasises promotion of the "Cape Mohair" brand. *Comment: Very impressive and dedicated; leading the industry into new consumer oriented market. The group is also challenging the "old school" but working with them to achieve new goals.*

**Mohair Beyond 2000 Symposium.** (See report in Mohair Newsletter Vol 9 # 1.)

**The Studs** [See reports in Mohair Newsletter Vol 8 # 4.]

**National Championships and Fashion Parade**

The animal section comprised Fine and Medium sections of buck classes (determined by mid side test 3 weeks before show), junior doe classes and a number of teams events. All animals were shorn 6 months prior to show and inspected at the time, resulting in a uniform fleece length. Judging was done by senior "Fieldmen" of Cape Mohair and Wool and a feature of the show was the invitation to the public to examine the place getters in the ring after judging was complete. Animals were of very fine appearance, uniform in lock structure and generally open faced. Density appeared low and the emphasis was on fine lock appearance. Judges did not have access to fleece tests. Exhibitors initially selected large teams of 100-200 which were inspected and prepared for the show with perhaps 20-30 animals being exhibited using teams of 6-8 workers.

The Fleece section demonstrated fine stylish objectives with little emphasis on fleece weight. The Kid class was first shearing and showed characteristic fluffiness in the tip. Buck fleeces were remarkably fine in lock structure. Fleeces did not appear to have been tested.

The Shearing competition comprised both machine and blade shearing (noting that blades are still used to shear over half the clip) with contestants (mainly workers from each stud) shearing 2 animals and being judged on time, double cutting and cleanliness of shearing work. Machine shearing was not fast and used the same style as blade shearing - opening from jaw and shearing out both sides with little use of long blows. Observation - Mohair is a man's game but it was pleasant to see the large group of young men involved in their industry.

The Exhibition was a big event with 20 odd stands plus the big Cape Mohair display. Trade stands included many mohair processors, fabric makers and retailers.

The Fashion parade/dinner for over 500 people with deputy Minister for Agriculture giving a "civilising effect of world trade: mohair (and other noble, rather than luxury, goods) adding dignity to man" speech. Eighteen collections were shown with the emphasis on brushed and textured effects in ladies wear and light suiting with "drape" for men. Capes were stylish and evening dresses featured metallic threads or sequin motifs. Knitwear and some brushed cloth products were perhaps unimpressive and a throw back to the fashions of the late 70's. A notable absence was that of women's business suiting.
**Miscellaneous Discussions**

**Jessie Lockhart (Texas).** There is still some 13m. lbs of mohair in store in US. Virtually all is adult type with Kids and YG all sold. Most of the fibre has been purchased and is being held by speculators who can receive low interest government loans for fibre while it is valued at under $2/lb (US). This stockpile will be fed onto the market as price rises above $2 and may buffer the short supply. Jessie believes that we have to do more joint venture work between grower and manufacturer and get away from auction which created price fluctuation.

**Robert Weatherall (Alpha Tops).** Fashion is always an issue in mohair and Italy is the big driver of fashion and user of product. Micron and length are the big quality factors followed by Character and Style. Australian mohair is going to South Africa and needs some sorting before processing and export as top or yarn to Europe and Japan. The fibre is blended with SA fibre, not resold on the raw market. Robert would not like to see mohair listed on an offer board, preferring to have buyers purchase at auction.

**Andrew Kawalec** (Mohair Spinners South Africa, Stucken Group). This group are not visible in the Australian market but do have some interest in buying Australian mohair. They are also interested in increasing yarn sales to Australia.

**Michel Hanquer and Dominique Carpentier** (Filature Francaise de Mohair, Peronne France) major buyers and processor of mohair. One of the few big mills in Europe processing raw mohair through to yarn. They are active buyers in South Africa (ADF) and Australia (Dewavrin Australia) and would prefer to buy from one seller but by auction. They accept the two brokers in Australia but would like to see more uniform classing and description and would like seasonal information and supply predictions.

**Blake (A B) Hobson and Arthur Short** (AGSBS). The breed organisation (indeed the whole industry) has changed rapidly over the last 10 years with a clear aim to provide more appropriate breeding stock and allow for the development of new philosophies in the industry. The dropping of compulsory inspections and the reduction in the number of appendices required for animals entering the stud system are two examples of changes in the breed rules. There are some 12 to 15 inspectors who support the Society's manager. Fifty does must pass inspection to enter the Appendix section when establishing a stud and all stud animals are levied at R3/year to remain in the stud system. The Society is actively involved in the industry and encourages performance recording and the Veld Ram Project. Five or six stud auctions are held each year.

**Jansenville Experimental Station. Dr Gretha Snyman and Dr JJ Olivier** (based at Animal Improvement Institute, Middleburg). The station on norseveld (cactus) country runs two major experiments. The first is the fine selection trial aimed to breed finer animals while holding fleece weight, body weight and fertility. One index calculated using the equation: \[-1 = 13*\text{Body weight} + 4*\text{Fleece weight} - 23*\text{fibre diameter},\] appears to increase body weight and reduce fibre diameter. It is also increasing the proportion of fibre classed into finer lines. The second experimental flock is looking at 75 and 87% Angora x Boer animals selected for vigour and low kemp levels with the objective of breeding mohair producing animals for native farmers in various locations. The animals did appear to be noticeably bigger and in better condition than the fine mohair lines. An additional project was examining the use of total weaning weight of kids born as a means for countering the suggested antagonistic correlation between fineness and fertility. The research group comprising some 6 scientists has responsibility for all small ruminant research in South Africa and has developed computer based performance recording systems for both sheep and goat production.

**The Mohair Sale.** While some lots are a big as 600kg most sale lots average between 80 and 200kg. Fibre is auctioned from a catalogue giving lot number, grower name, number of bales, marks or description, total weight and micron (rounded to whole micron). Binned mohair is sold by selling all even lot numbers first, followed by grower lots, then all odd numbered bin lots. This is designed to
reduce the effect of price changes during the sale. Four buyers were active in the sale. Comment. CMW are rapidly adopting measurement techniques to both mohair and wool. Some 5 core and grab sample lines have been commissioned over the last year and, no doubt, greater application of the technology will occur quickly. CMW does not appear to use independent operators or certification techniques standard to Australian fibre marketing. Comment. Craig Clancy and I typed a good number of bale and box lots and were surprised at the amount of cotted or cross-fibred fleece present. While there were many very stylish lots there was also a good deal of poorer styled fibre. Clearly winter/spring cotting effect is as strong in South Africa as it is in Australia. The African fibre tends to look finer than it tests and the introduction of testing is likely to produce a reappraisal of classing techniques.

**Graaff-Reinet Ram Sale.** First of the season. All animals were inspected at shearing 6 months earlier and all animals were mid side sampled in line with Championship sampling. Micron value was written on the horn of all animals. Some 130 rams were offered and catalogued in groups of 6. Animals were displayed in mechanical handlers before the sale. Two animals from each breeder were offered in each round of the catalogue and workers led animals to the ring as required. Prices were buoyant and ranged from R1300 ($350) to R14,000 ($3,500). Very few rams were passed in though animals with stronger tests were a little difficult to sell. The 14 month-old animals from particular studs generally showed similar micron values with team averages ranging from 30um to 36um.

**Processors. Gubb & Ings.** Commission Scour and Topmakers. Process about 17mkg /year. Six lines including a separate mohair line, black wool and a carbonising line. **South African Mohair Industries Ltd or SAMIL** (Rowan Swinnerton) claims to be the largest topmaker and spinner of mohair. They only process mohair. Rowan's job is buying and evaluating mohair. Mohair is fashion-driven and they live with the problem. They use the "price on the day" and don't stockpile at any stage. In his opinion no stockpile should be allowed to develop in the system. He claimed that high prices always get higher and the lows never get as low as previously experienced. Fineness is important but not on its own. Need length and evenness of length. He tried to demonstrate difference between a 33 micron YG and a 33 micron FH top, claiming the YG had a better hauteur and would perform better. Comment. No doubt but what is the definition of YG and FH? He made the valid comment that it can take just 2 days to buy and process South African fibre into yarn while Australian fibre takes a long time to ship and process. Comment. The traditional industry is having just as much trouble with applying measurement to evaluation of raw fibre and its prediction of processing performance as classers are having with typing fibre. **Russell Clark (Cape Mohair Spinners at SAMIL).** He is aware of the fashion cycle and the problem of insufficient supply of kid fibre leading to use of broad fibre in knits and "hairy" cloths and the problem with scratchiness. The cycle will be followed because fashion demands more yarn than raw product available. So things keep changing. Non fashion uses allow use of variety of fibres to make different yarns for different uses and at different prices, but he prefers just to use mohair.
10.2 Appendix 2: The Mohair Australia Business Plan

This article was printed in the December edition of Mohair Newsletter and is a summary of the main point of the Business Plan. Following this article is a diagram of a proposed new organizational structure for Mohair Australia now being circulated among members for their consideration. The proposal paves the way for greater involvement by MA in the 'commercial' industry as is recommended in this document and incorporates most of the items mentioned in the following article.

The Mohair Australia Business Plan

A ‘Vision’ confirmed

During 2000 the Board of Mohair Australia has been developing a new business plan that has become a mixture of confirmation, consolidation and innovation. The organisation has sought to confirm its position and role as industry leader and co-coordinator while preserving its service-based relationship with the members. The need to remain efficient and reduce costs has also required the Board to examine a range of structural options that might improve its operational function.

As part of the new business plan the Board has sought to clarify MA’s objectives and Vision Statement. At the October board meeting the following was agreed as best representing MA’s core ideology…

Mohair Australia’s overriding responsibility is to help create conditions that instil confidence in the stability and profitability of the Australian Angora. Mohair industry sufficient to ensure the continued participation of existing producers and to attract new participants.

The vision confirms the Board’s commitment to ensuring that MA works to make the industry viable and rewarding for all participants from producers to end-users. While the day-to-day emphasis will inevitably focus on the animal and fibre production sector there is also important work to be carried on in areas of the industry found beyond the farm gate.

Liaison with brokers, buyers, researchers, processors and retailers will remain a strategic focus.

Mission

The business plan clarifies Mohair Australia’s three primary functions:

1. To unify, nurture and lead the Australian mohair industry thereby developing a profitable, vibrant and sustainable enterprise for producers.
2. To provide services to its members (currently nearly all either mohair producers or breeders of Angora goats. Membership may include other groups in the future)
3. Manage the Industry Levy using the funds for industry promotion and the initiation of a range of projects that will benefit the mohair industry

MA will carry out the following tasks for each of the above roles:

1. Structural Roles.

Provide leadership and governance that will give the industry an orderly, unified structure, and within this framework, provide specific services to the MA membership.

Develop beneficial networks and alliances at all levels of the industry, locally nationally and internationally.
2. **Production**

Ensure the integrity of the breed is preserved and that quality attains and remains at world-class standards for both animals and fibre

Work with producers to improve management techniques to increase productivity and profitability

Seek ways to increase production of animals and fibre by bringing new producers into the industry and encouraging existing producers to increase their involvement.

Facilitate the process of collection, sale and marketing of Australian mohair and Angora goats.

3. **Wider Industry**

- Collect and manage the use of funds from the Industry Levy for the benefit of the industry
- Identify and facilitate value-adding opportunities wherever possible
- Facilitate research and development (for both production and product development)
- Facilitate education and training throughout the industry
- Source, produce and distribute information to all people involved or interested in the industry
- Act as industry liaison body and lobbyist.

**Adopted Changes**

Other aspects of the business plan have been worked on since October by a Planning Committee, with a series of recommendations being adopted by the full Board at its January meeting. These include:

1. **That the Board be reduced to 5 members who individually represent members in NSW, Queensland, Western Australia, South Australia and Victoria/Tasmania**

**Comment**

The Board will primarily have a ‘policy formulation and management role’ with immediate responsibility for administering the levy, project management and financial matters. Streamlining the Board structure will mean the Trader Division will be serviced more appropriately by a Trader Advisory Council or similar, the balance between breeder and commercial interests will be ensured with the formal adoption of the standing committees (see below); the more focused role of the Board will diminish the need for a totally independent chair.

The subsequent alteration to the M&A’s will require a membership poll to achieve these changes.

2. **That 4 Standing Committees be formed including Breeder, Grower, Trader, and Communication (website, training and related issues)**

**Comment**

These committees will manage the day-to-day items that relate to their sphere of responsibility. Each will be chaired by a Board member with other members co-opted from the general membership and other qualified people as and when required. They will also maintain the ‘balance’ of views between the various interest groups that make up Mohair Australia membership.

The **Trader Committee** will draw its members from existing buyer/broker networks but be expanded to include other non-farm businesses and people. Emphasis to be placed on this group to be an ‘advisory council’ representing non-farm industry interests.

Meetings will be conducted by teleconference whenever possible with reports and recommendations being passed to the Board for adoption or further consideration.
3. **That Mohair Australia Divisions review their Regional representation on executives, specifically in relation to Region functionality, with a view to moving to a general voting system to elect the Divisional executives.**

**Comment**
Further thought needs to be given to nominations for Board positions, numbers on Division executives, quorums etc. The future of small Regions also needs to be reconsidered.

It was thought that most of the above changes may be achievable without major changes to the M&A’s but this needs to be confirmed.

4. **That the Vision Statement as agreed to at the Albury meeting to be formally adopted together with the accompanying Mission Statement. Both to be publicised throughout the industry and among member.**

**Comment**
The Committee agreed that much of the content of the Business Plan as it has been submitted to the Board was acceptable as a guiding document with the exception of the recommendation that the Board be drawn from the total membership. Proposals relating to the levy management, marketing, and financial planning and other matters should form the basis of ongoing policy.

**Objectives for 2001**
A number of items were noted by the Planning Committee and considered as likely objectives for the coming year. It was agreed that the organisation should choose a couple of important projects to pursue rather than a wide-ranging list. It was also agreed that a balance between ‘membership issues’ and ‘industry issues’ be obtained.

In summary the list collapsed down to the following focal points:

- **Structure** – to formalise and have implemented policies related to Board, State and regional structure, and the removal of the Ordinary member category.
- **To identify and pursue a couple of significant projects, using levy funds, and to develop sound levy management policies.**
- **To continue development of the worldmohiar.com website, and ensuring its ultimate success**

In identifying these as policy focal points the Committee also noted their concern than financial stability needs to remain a priority for the Board’s policy making as does retaining membership support and involvement.
MOHAIR AUSTRALIA – PROPOSED NEW STRUCTURE

Version 3

General Membership organised into 12 branches reflecting current regional activity

<table>
<thead>
<tr>
<th>WA1 – WA2 – SA</th>
<th>Vic1 – Vic2 – Tas</th>
<th>NSW 1-3</th>
<th>NSW 4-Qld 1-Qld 2</th>
</tr>
</thead>
</table>

Each group of 3 elects a Board of 4 with replacement for the President.

MA COMBINED BOARD OF 5
(4 plus President)
Meets several times per year
Determines overall policy manages finance, approves levy use

Industry Unit
Chair plus 1 from the Board
Co-opts 3 other members

- Funded by the levy which will become compulsory
- Has own budget from the levy ($40k+) but is overseen by Board
- Develops industry policies
- Initiates industry promotion
- Initiates training & education
- Has input to MA web services
- Initiates & manages Projects (through a Project Officer) using external expertise
- Liases with Traders (they may have a committee of their own)
- Uses Project Officer plus outsourced expertise for project work
- Forms alliances with other organisations

Breed Unit
Chair plus 1 from the Board
Co-opts 3 other members

Relies on voluntary support and ad-hoc committees

- Voluntary roles with limited support from secretariat
- Forms ad hoc committees to do work
- Oversees Registrations system
- Facilitates shows, sales and field days
- Manages website, training and communication
- Sets breed standards and develops guidelines for judging etc.
- Initiates publicity and media relations

Levy Funds

National Office
- Small secretariat service
- Web manager / publicity / communications
- Newsletter editor
- Financial manager / Company Secretary

Fees fund Secretariat
Notes and alternatives for the above diagram

Membership:
1. There will be either a single membership based on a one-off set fee with additional charges applying for use of the Registration system or, a two fee structure as currently exists (Commercial and Full Member). The Ordinary members category will disappear.
2. If the single fee is the chosen option it should be noted that this will probably be set in the region of $100 to $120.
3. Currently there are only 11 or 12 branches (Regions and/or Divisions) that are active. Recognising this it is suggested that membership be organised into 12 branches based on these centres of activity. In some cases the remaining body will be a Region but in others it may be a Division (e.g. Tasmania) There is no need to drastically reorganise at the grass roots level.
4. The existing Region/Division structure will be removed, as will state boundaries with their attendant political implications.
5. The 12 branches will be grouped as shown in the diagram, better reflecting membership distribution and streamlining communication lines. Each group of three may elect a board representative who will be directly responsible to the electing branches.

It is envisaged that people wishing to stand for election may self-nominate (there is the option that they seek branch endorsement) and are elected by the grass roots membership, thereby removing the opportunity for 'political' appointments. Each person standing will have to present their credentials and electoral platform. Once elected board members will obviously be accountable to their branches and will provide direct communication links to the Board – not via an intermediary as is the case in the present system.

Board and Unit responsibilities
A major objective for the model is to streamline the board management process to ensure it is a true policy making body with overriding responsibility for planning and financial management. It role will be to review and approve all expenditure and to help develop policy based upon recommendations coming from the two management units.

The work of the organisation will primarily be conducted in the two management 'Units', the Breed Unit and the Industry Unit. The roles for each are summarised in the diagram.

This two-unit approach is in response to calls from the commercial sector for greater recognition by MA as a group. These are the people who pay most of the Industry Levy and who are looking for industry growth and development strategies as priorities within MA's operational policies.

The Breed Unit will carry on the familiar breed society tasks and much of the other work currently carried out by MA. To reduce cost there will be a simplification of service delivery from ABRI and more reliance on voluntary work in managing branch communication and finances.

Committees
In addition to the above two-unit management teams there may be further committees formed either on an ad-hoc basis or with more permanent appointment. For example the brokers, buyers and processors may form a new Trader Group, as may other special interest groups such as those involved in website development, training, judging guidelines etc. The Trader Group is facilitated by the Industry Committee and will be reformed when its charter becomes clear. (there is a feeling that if confined to buyers it will not function as a committee but if expanded may become more viable)

Other notes
- Web management to be funded equally by membership fees and levy
- Communication and training may be partially funded by the levy
- Projects to be overseen by the committee with a Project Officer. Tasks outsourced and additional funding sought wherever possible.
During the first half of 2000, Mohair Australia Ltd undertook an ambitious and time consuming survey. The questions were designed to assist the Board better understand the needs of those people engaged in Angora breeding and mohair growing enterprises. Twenty five participants representing significant breeder and grower interests, both within and outside the membership, were chosen for a site visit/ personal interview. While the selecting of significant breeders/growers may cause the results to be biased, they were chosen deliberately to make certain that the needs of the larger growers and breeders were better understood. A further 100 members were chosen at random for a phone interview. This latter sample represented 25% of the total Mohair Australia Ltd. membership.

A team of interviewers completed the tasks over a given period of time. As in all surveys, the response rate was less than desired, but was close to 40% which is better than most polls would expect. The response to the specially selected group was close to 100%. The phone interviews were more difficult to conclude. A total of 45 interviews were completed.

SCOPE OF THE SURVEY

The questions covered obvious areas such as property size and herd size as well as production decisions for animals/mohair; marketing of animals/fibre; classing; management of health issues; flock and grazing management; and financial management. An opportunity to address Research & Development needs in each of these areas was given and an indication of the need for improved levels of communication required within the industry was asked for.

SURVEY RESULTS

A number of questions were posed with a clear intention to understand the farming enterprise being undertaken by producers.

Farm Enterprises

Tables 1 to 4 summarise the property size and flock characteristics of the surveyed respondents.

<table>
<thead>
<tr>
<th>Table 1: Property Size</th>
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<tr>
<td>&lt;50 ha</td>
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<tr>
<td>44.5%</td>
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<table>
<thead>
<tr>
<th>Table 2: No of Breeding Does</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-50</td>
</tr>
<tr>
<td>33.5%</td>
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<table>
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<tr>
<th>Table 3: Significance of the Angora Enterprise</th>
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<tbody>
<tr>
<td>Inconsequential</td>
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<tr>
<td>24.4%</td>
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<table>
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<tr>
<th>Table 4: Wether production</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-50</td>
</tr>
<tr>
<td>73%</td>
</tr>
</tbody>
</table>

A significant finding which bears out the general impression of the nature of our enterprises was that almost 45% of the properties were less than 50 ha. and 33.5% of properties ran less than 50 breeding Angoras. Generally 70% of properties were less than 200 ha. And again — 51% of all enterprises ran...
less than 100 breeding Angoras. At least 53% of those surveyed did not rely financially to any extent on their Angora enterprise.

It appears that the number of wethers run is related to the size of the holding and to the financial significance of the Angora enterprise. Those running 200-400 wethers reported that they were reliant, very reliant or had Angoras as their sole income.

The nature of farm enterprises was also of interest. Almost 50% of the properties only ran Angora goats; this correlated highly with properties of less than 50 ha. The other 50% were mixed enterprises and had in the main in excess of 200ha. Mixed livestock accounted for almost half of those enterprises. There were only two “mixed goat” enterprises in the sample.

Production Decisions - Animals
Production decisions were not as easy to categorise with as many varied decisions as there were respondents. Some patterns did emerge. Very few does were culled for meat and were mainly sold on as breeders with 58% of the respondents keeping between 80-100% for their own breeding herd replacement. Only 20% culled more than half of their doe herd. These were sold on, almost exclusively as breeders.

Wethers on the other hand when sold were sold mainly for meat. In 13% of cases all wether progeny were sold for fibre production at less than one year of age. In another 25% of cases wethers were sold for meat after the first shearing with only one respondent selling wethers at 6 weeks for meat. Where breeders kept wethers for fibre production, disposal varied from 1-3 years.

In responding to criteria for culling breeding animals, half the respondents culled on age; the other half on mohair quality. The majority culled at 6 years of age plus.

Perceptions of animal quality strongly favoured health and conformation (60%) followed by fleece characteristics with 17% nominating fleece quality as the main criteria.

Bucks are obtained by breeding on farm (25%), purchase (49%) and a mixture of buying and breeding (22%). Only 5% used leasing as an option. Buying in breeding does is not the preferred method of increasing/diversifying breeding stock. At least 46% of breeders considered buying in less than 10% of their breeding stock. Where a preference was stated the percentage infusion in breeding stock was evenly distributed between Texan and South African. Many breeders did not state any preference.

Production Decisions: Fibre
The following table reflects the nature of our industry with a large number of small to medium size clips (nearly 62.5%) contributing to production.

<table>
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<tr>
<th>Table 5: Fibre Production</th>
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<tbody>
<tr>
<td>&lt; 100 kg</td>
</tr>
<tr>
<td>25.6%</td>
</tr>
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</table>

Over 85% was sold through brokers, 7% through buyers, 5% through processors and one enterprise sold to all three. Only one quarter of respondents had any comment at all on problems of marketing fibre. Constraints to marketing fibre centred on distance to markets where certain areas were obviously disadvantaged and several commented that broker classes were a constraint on marketing but did not elaborate. Non-payment for mohair forwarded for sale was a specific problem for two respondents.

At least 75% of growers interviewed classed their own mohair into pressed bales or mixed bales. The remainder either presented bags for classing and/or placed fleeces in mixed bales. In every case these were growers with less than 50 Angoras.
Definition of Mohair Quality
Often mentioned measure of fibre quality was fineness (for age) followed by lack of kemp, length, lustre and balance of style and character. Other measures of quality included soft handle, solid staple structure, evenness of staple, high yield, low CV, crimp, bundling and weight.

Over 40% of flocks were now breeding from a high % (75%+) imported genetic background and over 20% were breeding from only Purebred stock. The remainder had mixed percentages and only one flock was still using pure Australian genetics. About 15% still had Australian genetics making up over half their flock.

Marketing Animals
In over two thirds of cases selling breeding/fibre stock did not present a problem. A further 20% said it was not applicable. Only 10% of respondents had difficulty marketing their breeding/fibre producing stock. Disposing of culls was less problematic with only 3% indicating any difficulty. Accessing markets for meat was a problem for 12% of respondents. These latter producers were reliant or very reliant on income from their Angora enterprise.

Business Operations
To understand the scope for expansion within the industry respondents were asked about their intentions to carry more stock. Around 60% said they had no intention with around 40% indicating an intention to expand. As may be expected those with greater reliance on the Angora enterprise income were more keen than those whose enterprise was inconsequential or not important, but only one of the three largest producers was considering expansion.

Animal Husbandry
Significant problems most frequently mentioned were lack of shearers, worm control and frequency of drenching, the need for feeding in winter months (lack of fibre and body growth), foot care, louse control and water belly.

Topics listed most frequently in the R&D area were mineral deficiencies, worms and management for worms, registration of drenches and the economics of feeding (fibre growth). Information on chemical use, training for shearers and the opportunities to share new technical and product information were the main training topics listed.

Flock management
The problem most frequently mentioned was winter fibre and body growth, particularly the difficulty of obtaining commercial fleece length. Winter pasture management was also a difficulty as was summer management for grass seed contamination of fibre. "Prograze" programmes were mentioned more than once as a positive aid in understanding pasture. Understanding the basics of nutrition and feeding were frequently mentioned.

Classing training is still an important topic for producers. Other problems mentioned more than once were the need to breed commercially viable animals (possible use of Sale similar to the Veld Ram Sale in South Africa), the need for adequate fencing, the need for better basic farm skills and the need for larger scale management skills when handling larger numbers.

Breed recording /registration was mentioned most frequently. Just over one third of those responding supported the existing system or a simplification of the system. Just under a third had no interest in recording registration at all. Just under another third preferred a performance recording option.

Management changes contemplated by some producers included: less intensive kidding; moving to drier area; buying or leasing winter block; and cell grazing.

Financial Management.
Clearly all respondents were self-sufficient in this area. One respondent requested information on sources of funding for producer initiated projects.
Industry Promotion and Development
The understanding of promotion and development is as varied as the number of respondents so it is difficult to summarise. There was a strong emphasis on the need for wider rural media promotion of mohair production and the ‘take up’ of mohair production by the farm sector. The need to push product development, particularly away from fashion, was also important.

Communication
Overall the response to the communication section was positive. Most respondents said they were well catered for by Mohair Newsletter and the AGR. Some stressed the need for up to date information on fibre and meat sales. A very positive response was received to the future use of the internet. Most said they would use it if they had access. Only one or two would not use it at all. The potential of the animal trading floor was seen as important. The means to share information to solve common problems was a repeated request.

Johne's Disease
Johne's Disease, particularly OJD, affected 25% of respondents, mainly in NSW, by restricting access to genetics and making the presenting of animals for show and sale difficult. Some respondents required more information on Johne's and others requested more R&D on the disease.

Conclusion
The results of the survey reinforced the already known diversity in the industry of both farm types and size, and the dichotomy in the industry of the small scale producer at one end and the larger producer at the other. Confirmation of common production difficulties and R&D needs can now be addressed with a greater degree of confidence. The survey will used by the Mohair Australia National Executive when designing projects and allocating levy funding to meet breeders/producers needs.
Most Australian mohair is therefore variable in characteristics such as soil colour. Considerable effort has been made by the industry to develop the classing skills to place mohair from different properties in appropriate lines of uniform quality.

With the current demand for fine fibre and the need to ensure that classing produces consistent results, brokers have moved to utilise core testing and certification by the Australian Wool Testing Authority Ltd (AWTA), the independent testing house servicing the wool and mohair industries.

Brokers now class three FINE KID, KID and STRONG KID mohair lines which test at <25um, 25-27um and 27-30um in mean fibre diameter. Young Goat, Fine Fine Hair, Fine Hair and Hair types measure 30-32um, 32-34um, 34-36um and >36um. Additional measurements are also supplied and include Scoured and Schlumberger Yields, VM content Scoured Colour and Diameter CV. Classing separate length in A (13-16cm), B (11-13cm) and C length (7-11cm).

A New News Sheet.
Australian mohair has made enormous gains in recent years. The introduction of Texan and then, South African Angoras has resulted in a new mix of available genetic material.

Mohair Australia Ltd with buyers and brokers has consolidated the industry structure and is now in a position to advance the production, classing and marketing of Australian mohair.

This news sheet is the first attempt to take the Australian industry to the world. We intend to provide a quarterly report covering classing, marketing and the supply of mohair from Australia. The news sheet will summarise production trends and provide short summaries of relevant information.
Big Winter Offering by National and AMMO.  
National Mohair Pool and Australian Mohair Marketing Organisation both report unprecedented deliveries of mohair for sale. As a result it is expected that as much as 120,000 kg will be offered for sale in June 1999.

The increased volume can be attributed to several reasons. It would appear that many Queensland and Western Australian growers have shifted their allegiances to NMP and AMMO. Higher prices for mohair have no doubt also stimulated growers to deliver stored fibre for sale. A number of growers have increased their production by increasing their flock size and continuing the upgrading process to utilise the higher production characteristics of the imported strains of Angora goats.

The change in outlook stimulated by the improved prices has engendered a spirit of optimism to an industry that has been struggling for survival since the big price slide that started in 1988. Mohair growers and Angora breeders now see some results for their dogged determination to stay with mohair.

If Kid and YG prices remain at their current levels and Adults show some strengthening in demand, it is expected that a significant increase in production will be seen within 18 months.

The effect of imported genetic material of Texan and African origin will continue to be seen with kemp levels being further reduced and fibre quality improved. Huge gains have already been observed with the virtual replacement of the original breed with crosses to the imports. This process continues.

Web Site Established.  
Mohair Australia has established an extensive web site at www.mohair.org.au. Much is expected from the site as Mohair Australia expands its communications network. The site contains information about the Australian industry, mohair sales, husbandry details and links. Copies of the Australian Mohair News can be downloaded from the site.

The power of the internet is being utilised with plans to bring the herd register, performance recording and even mohair marketing on line to the world.

Order Out of Chaos.  
One of the problems of a small and widely dispersed industry is the effective marketing of our mohair. Collection, classing and sale of fibre requires a dedicated workforce and organisation. Brokers receive fibre from several hundred growers and work to build sale lots using standard descriptions and uniform packaging for export to processors in Europe and Asia. Sale lots of 5 to 20 bales are core tested for Mean Diameter, VM and Yield.

The mohair pictured above is part of the estimated 350 bales (70,000 kg) being prepared for National Mohair Breeders’ Auction sale on 30th June 1999.
Describing the Product.

Australian mohair is classed to a generally accepted set of quality characteristics covering grease content, style, length, fineness, kemp and fault. While codes may vary slightly between brokers the fundamental descriptions are easy to interpret.

Nearly all Australian mohair is bulk classed since individual flocks are relatively small and the quantity of any grower line is too small to sell on its own. Pooled (or bulk classed) lines are achieved by broker classifiers who match individual grower’s types and class fibre from bagged fleeces.

Once classed, lines are subjected to core testing by Australian Wool Testing Authority (AWTA) technicians who also independently weigh each lot to ensure catalogue weights are accurate.

Tests.

AWTA testing procedures comply with IWTO standard procedures. Replicate sub samples are tested for Fibre Diameter, Secured Yield and Vegetable Matter content. Additional sub samples are tested if the originals fail to provide uniform results.

Fibre diameter is determined by “air flow” measurement using standard mohair tops for calibration. Schlumberger dry top and wool yield and IWTO clean scoured yield at 17% regain are normally presented in the sale catalogue. Percentage of Vegetable Matter and the weights of Burr, Seed and Hard Heads are given to indicate the type of fault present. Additional measurement of CV of Diameter (from Laserscan) and Clean Colour (yellowness) may also be made.

Display Samples.

When mohair is auctioned by the “sale-by-separation” technique, a sample of raw fibre taken from the line is commonly displayed. This sample is usually taken from each bale during pressing. Samples are sub sampled to produce a 3kg display sample. Buyers may examine these samples to determine length, kemp and other visually assessed characteristics. Automated sampling through side cuts in the bales is not considered practical at present.

Reliance on Description.

While backed by measurements, considerable reliance on broker description is a characteristic of the Australian mohair market. Consultation with buyers and the reputation of the broker provide mechanisms to maintain classing standards.

Pictures in this issue were taken during the core sampling of National Mohair Pool’s 99-1 pool. Some 330 bales were cored for 36 lots totalling 65,000kg.
Strong Demand for Australian Mohair.

June saw National Mohair Pool and Australian Mohair Marketing Organisation sell just over 100,000kg of mohair. A record price of $27.55/kg gresy was set at the NMP auction sale on the 4th of June for 4 bales of AFRID mohair. Several weeks later AMMO announced the sale of 3 bales of SAFKID at a price of $28.30/kg.

These peak prices represent a complete change in demand for Australian Kid mohair, which until now had not approached that paid for Kid mohair in Africa. Clearly the widespread use of imported Texan and African stock over the last seven years has led to the production of fibre in Australia that approaches world quality.

Demand was also strong for Kid, Strong Kid and Young Goat fibre which reached prices of $25, $19 and $14 respectively. Adult fibre remained unchanged in price with most lines clearing at prices of $4-5/kg.

Brokers are still seeing amounts of stored fibre being delivered. Much of this mohair dates back to the early 1990s and exhibits inferior characteristics with high kemp levels. Some of this fibre has been found to be infested with Moth and Carpet Beetle and has been dumped.

Spring Sales of Australian Mohair.

National Mohair Pool will conduct a special sale of mohair on the 8th October in Sydney. It is expected that some 35,000kg will be auctioned. The normal December sale is expected to offer another 40,000kg.

AMMO has scheduled pools closing in August and December for private treaty sales in September and December. These offerings will likely contain 40,000kg each.

In the longer term, selection and breeding of finer stock is important. The use of fibre testing at the second and third shearing is suggested as the technique most likely to achieve greater volumes of finer mohair.
The Australian Mohair Industry.
Australia produces about 300,000 kg of mohair each year. The industry is made up of about 300 stud breeders and commercial mohair growers. Flocks are small, ranging from 50 to 1000 head and are widely distributed throughout the country. Mohair is usually bulk classed before being offered for sale to buyers who predominately represent clients from Europe, Asia and South Africa. Sales are conducted by auction or private treaty.

Angora hogsdes grazing pastures in Eucalyptus woodland in summer.

History.
While Angora goats have been run in Australia since the 1870's the modern industry started about one hundred years later in 1970. Expansion of the original flock was achieved by outcrossing to milk and feral goats but this resulted in Kempy mohair. While the mohair was fine, production per head was only about 1.5 kg per shearing.

In 1992 an importation of Texan Angoras was released from quarantine and this was followed in 1993 with Angoras from Zimbabwe. Two further importations of African Angoras followed.

The release of importations coincided with the dramatic downturn in world mohair demand (1988-94) but breeders generally still accepted the new genetic material enthusiastically. Nearly all Angoras were mated to Texan sires and production per head doubled to about 3 kg per shearing and Kemp levels were significantly lowered. South African sires have been used widely to reduce the grease content and improve both lock structure and animal conformation. The Australian Angora herd now reflects several generations of crossing to the improved African and Texan genetics. While fibre quality and fleece weights have improved dramatically, Australian mohair has retained its underlying fineness.

Classing Australian Mohair.
Small flock size has resulted in most clips being bulk classed. This is an advantage since quality is controlled by a small number of skilled people. Mohair is classed on:

- **Style**: S, no code, Cot, HCT for Super, Good, Cotted and Hard Core, respectively.
- **Length**: OG, A, B, C, Locks where lines average over 17, 13-17, 11-13, 7-11 and less than 7m, respectively.
- **Finesseness**: FK, K, NK, YG, FH, H, where lines usually measure at 24, 26, 29, 31, 34 and 38 microns respectively.

Kemp no code, K, KK and KKK (or X0) for FN, slight Kemp, Kempy and Crossbreed, respectively.
Outsorts include Stains and Veg. Faulty fibre.

Classing on condition is generally no longer practised but most lines are tested for Diameter, Yield, and Vegetable Fault. Colour and Diameter CV can also be tested. Lines may still use the M (Medium condition) code for mohair yielding at about 85%.

A sample of Kid Mohair.
Producers generally deliver their fibre to broking houses where it is classed, pooled and prepared for sale. Sales are conducted at least quarterly. Some mohair is also acquired directly by exporters.

Contacts.
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Core Sampling at National Mohair Pool.
See our web site for previous issues of Australian Mohair News and other industry information.
www.mohair.org.au