NAMC

Promoting market access for South African agriculture

THE SMALLHOLDER MARKET ACCESS TRACKER

(SMAT)

BASELINE REPORT

A CASE OF SMALLHOLDER MOHAIR PRODUCERS IN SOUTH AFRICA

2024/25

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SMAT

Smallholder Market Access Tracker

Smallholder Market Access Tracker (SMAT) is a tool that has been developed by the NAMC, with the help of a reference group, to measure the progress in the achievement of the market access goal for smallholder farmers in South Africa.

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LIST OF **ACRONYMS**

ABBREVIATION	DESCRIPTION
AAMP	Agriculture and Agro-processing Master Plan
BATAT	Broadening Access to Agriculture Thrust
CASP	Comprehensive Agricultural Support Programme
CEC	Crop Estimates Committee
DALRRD	Department of Agriculture, Land Reform and Rural Development
EU	European Union
FAO	Food and Agriculture Organization
MAP ACT	Marketing of Agricultural Products Act
MET	Mohair Empowerment Trust
MSA	Mohair South Africa
NAMC	National Agricultural Marketing Council
NDA	National Department of Agriculture
PETA	People for the Ethical Treatment of Animals
PTO	Permission to Occupy
RDP	Reconstruction and Development Programme
RMS	Responsible Mohair Standard
SA	South Africa
SAMIL	South African Mohair Industries Limited
SMAT	Smallholder Market Access Tracker
UK	United Kingdom
UN	United Nations
USAID	United States Agency for International Development
VCRT	Value Chain Round Table

EXECUTIVE **SUMMARY**

The National Agricultural Marketing Council (NAMC) developed the Smallholder Market Access Tracker (SMAT) to measure progress towards achieving market access for all participants in the agricultural sector, particularly for smallholder farmers in South Africa. Research suggests that strengthening smallholder farmers' access to markets can contribute to increased productivity, income growth, and overall economic development. However, smallholder farmers in South Africa often face significant challenges in accessing markets due to limited access to resources, inadequate infrastructure, high compliance and transaction costs, lack of access to finance, and limited market information, among other factors. Comprehensive and coordinated farmer development support can help smallholders overcome these barriers and participate in the mainstream agriculture and agro-processing value chains. It is, therefore, important to track and document progress, challenges, and opportunities available for smallholder farmers using such tools as the SMAT. The SMAT tool comprises indicators sourced primarily through a survey specifically designed to collect primary data on smallholder market access. The indicators were identified using key market access variables gathered from empirical research.

The 2025 mohair baseline focused on smallholder farmers who actively produce and market mohair in South Africa. The data was gathered from eighteen mohair farmers (82% of smallholder mohair producers in South Africa) in four local municipalities in the Eastern Cape province: Dr Beyers Naudé, Blue Crane Route, Walter Sisulu, and Inxuba Yethemba local municipalities. Mohair production in South Africa is dominated by male farmers compared to their counterparts. Most of these farmers have a secondary education, which plays a critical role in the production and marketing of mohair. Furthermore, the youngest mohair farmer was 19 years while the oldest was 69. In addition, the results revealed that mohair farmers are living at an average income of R17 000 per month, and they mainly get their income from farming. As such, varying income is also mirrored in land ownership disparities, where the land data showed farmers working on 2788.5 hectares on average but with a high standard deviation of 1 964.96.

Mohair production varies from 118kg to 5 000 kg, underpining the farm income disparities and is further exacerbated by a high stock turnover as farmers face substantial losses, with an average of 66 goats stolen per farm and 45.6 lost to sickness or predation, compared to about 46 kids produced. The average farm income was R578 117, with a large standard deviation of R724 188.

Limited access to credit perpertuates a cycle of a possibly constrained investment in long-term improvements that could ultimately reduce farmers' costs. Market access is not an issue for smallholder mohair farmers who largely rely on brokers to sell their mohair. Further, the farmers indicated that the brokers offer a better price, although they take between two weeks to three months to pay, with some farmers waiting over three months for their payments. This has serious sustainability and re-investment implications in the face of limited access to credit.

Farmers incur transport costs whether they use their own transport or other alternative arrangements to deliver their mohair to the markets. This cost can be as little as R500 or as high as R8000, depending on the distance of a farmer to the market, which ranges from 120 km to 1000 km. Noteworthy, smallholder mohair farmers were satisfied with the brokers about fairness, accessibility, safety, flexibility, and convenience, providing a 'good' rating for all the indicators in general. However, it should not be ignored that there were a few farmers who had a different view, providing a 'poor' rating. Farmers have access to various facilities and services that have the potential to improve market access and the quality of the marketable produce.

It is recommended that farmers use cooperatives for their benefit by buying inputs in bulk while also establishing their collection points based on the distance between farms and quantities produced to transport the produce in bulk. Where possible, farmers are encouraged to invest in technology such as alarms, CCTV cameras, and GPS collars, while supporting the implementation and enforcement of traceability systems is also key to curb stock theft. It is further recommended that the government and industry upscale their support to the farmers through creating a shared vision, while including other value chain role players as envisaged in the Agriculture and Agro-processing Master Plan (AAMP). Where possible, the role of government must be clearly defined, and its participation as a partner must be fostered in the Mohair Empowerment Trust (MET).

The Agriculture and Agro-processing Master Plan is a product of negotiations between government, business, labour and civil society organisations in the agriculture and agro-processing sectors.

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SECTION 1:
INTRODUCTION

SECTION 1: INTRODUCTION

1.1. Background

The NAMC was founded under the Marketing of Agricultural Products Act (Act 47 of 1996), and one of its primary objectives is to enhance market access for all participants. Recognizing ongoing barriers to smallholder farmers' integration into South Africa's mainstream economy, the NAMC established the SMAT in 2016/17. This tool was created to assess progress toward equitable market access, particularly among smallholder farmers who are predominantly black.

Despite various programs aimed at changing the agricultural sector, including the Reconstruction and Development Programme (RDP, 1994), the White Paper on Agriculture (1995), and the Broadening Access to Agriculture Thrust (BATAT, 1995), smallholders continue to face considerable challenges. Programs such as the Comprehensive Agricultural Support Programme (CASP) have offered important assistance but have not reached their desired results.

The NAMC proposed SMAT in response to the demand for a systematic instrument for monitoring and analysing smallholder market access. The tool's development involved identifying key indicators, conducting pilot surveys on potatoes and beef, which culminated to citrus, broilers, raisins, wool, cotton and maize baselines. This report focuses on the seventh SMAT baseline on smallholder mohair farmers. The study seeks to identify barriers and propose actions to improve market access and the value of marketable products.

1.2. The Smallholder Market Access Tracker (SMAT)

The SMAT is a tool that measures progress in achieving the market access goal for smallholders in South Africa. The tool aims to generate information to address the strategic objective of increasing market access for smallholder farmers in South Africa. The SMAT is helpful for the following targeted stakeholders, among others, for advisory services:

- Government
- Farmers and farmer organisations
- Market institutions

The SMAT is built on a rigorous process of selecting indicators. These indicators, the heart of the SMAT tool, were identified using key market access variables from empirical research. After a thorough discussion under the SMAT Reference Group's oversight It was decided that the SMAT indicators would be primarily sourced through a survey specifically designed to collect primary data on smallholder market access. Additional data, when required, would be obtained from secondary sources and expert or critical informant opinions. The indicators were selected based on the theoretical economic premise hypothesized to affect smallholders' likelihood of accessing the market positively, negatively, or neutrally. The indicators are further categorized into **A Indicators** (from the farmer's perspective) and **B Indicators** (from the market's perspective). **Table 1** below presents the selected indicators for the SMAT with their definitions and the nature of their effect on smallholder market access.

[1] The NAMC defines the Reference Group as a group of experts in certain fields but with a degree of diversity among them (experience, demographics, regional spread, areas of specialisation, academic inclination, sector and affiliation).

Table 1: The SMAT indicators

Name	Definition and expected nature of the relationship with market access (in parentheses)
Farmer (Supply or "Push") indicators	
A1. Farmer profile:	
A1.1 Gender	The gender of the farmer (NA)
A1.2 Age	Age of the farmer (NA)
A1.3 Education	Highest education level attained by the farmer (+)
A1.4 Location	Town and province where the farmer is located (NA)
A1.5 Legal entity	Type of entity that the farmer belongs to (if any) (NA)
A2. Supply:	
A2.1 Selling of produce	Whether the farmer sells any produce (+)
A2.2 Type of market supplied	Type of market supplied by the farmer (NA)
A2.3 Quantity supplied	Quantity (quantities) supplied by the farmer (+)
A2.4 Value supplied	Value (in Rands) supplied by the farmer (+)
A2.5 Selling arrangements	Whether farmer sells through spot selling, contract, etc. (NA)
A2.6 Selling price arrangements	Whether a farmer negotiates to sell price or is a price taker (NA)
A2.7 Payment arrangements	The length of time it takes for payment to be effected (NA)
A2.8 Distance to market	Distance to the market supplied by the farmer (-)
A3. Market Services	
A3.1 Access to market information	Whether the farmer has access to any source of market information (+)
A3.2 Access to storage	Whether the farmer has access to any form of storage (+)
A3.3 Access to packaging facilities	Whether the farmer has access to any packaging facilities (+)
A3.4 Access to credit	Whether the farmer has access to a credit facility (+)
A3.5 Access to training/extension	Whether the farmer has access to any training or extension service (+)
A3.6 Access to transport	Whether the farmer has access to any transport service (+)
A3.7 Rating of quality of market information	Farmer's rating of the quality of market information (1 = poor; 5 = excellent) (+)
A3.8 Rating of quality of storage	Farmer's rating of the quality of storage (1 = poor; 5 = excellent) (+)
A3.9 Rating of quality of packaging facilities	Farmer's rating of the quality of packaging facilities (1 = poor; 5 = excellent) (+)
A3.10 Rating of quality of credit	Farmer's rating of the quality of credit service (1 = poor; 5 = excellent) (+)
A3.11 Rating of quality of training/ extension	Farmer's rating of the quality of training/extension (1 = poor; 5 = excellent) (+)
A3.12 Rating of quality of transport	Farmer's rating of the quality of transport (1 = poor; 5 = excellent) (+)

[2] The farmer (supply or "push") indicators denote the perspective of the farmer (the supplier)

Name	Definition and expected nature of the relationship with market access (in parentheses)
A4. Market Requirements	
A4.1 Awareness of market requirement	Where applicable, whether the farmer is aware of market requirements (+)
A4.2 Compliance with market requirements	Where applicable, the extent to which the farmer complies with market requirements (1 = no compliance; 5 = excellent compliance) (+)
B. Market (Demand or "Pull") perspective	
B1. Market Profile	
B1.1 Type of market	Type of market supplied by the smallholder (NA)
B1.2 Market location	Town and province where the market is located (NA)
B1.3 Total market turnover	Where applicable, the total turnover of the market supplied by smallholder farmers (NA)
B1.4 Market turnover by commodity	Where applicable, the market's turnover on the specified commodity supplied by smallholder farmers (NA)
B1.5 Market tonnage by commodity	The total market tonnage of the specified commodity sourced from smallholder farmers (NA)
B2. Supply by Smallholder Farmers	
B2.1 Number of smallholders supplying the market	Number of smallholders supplying the market with the specified commodity (+)
B2.2 Volumes supplied by smallholders (t)	The total tonnage of the specified commodity supplied by smallholder farmers (+)
B2.3 Value supplied by smallholders	The total value of the specified commodity supplied by the smallholder farmers (+)
B2.4 Smallholders' market share	The total smallholder farmers' market share for all commodities supplied (+)
B2.5 Smallholders' market share/ commodity	The smallholder farmers' market share of a specified commodity (+)
B3. Services Provided to Smallholders	
B3.1 Market information	Whether the market provides market information services to smallholders (+)
B3.2 Storage	Whether the market provides storage services to smallholders (+)

[3] The market (demand or "pull") indicators denote the perspective of the market (the buyer)

Name	Definition and expected nature of the relationship with market access (in parentheses)
B3.3 Packaging facilities	Whether the market provides packaging facilities to smallholders (+)
B3.4 Credit	Whether the market provides credit facilities to smallholders (+)
B3.5 Training/extension	Whether the market provides training or extension services to smallholders (+)
B3.6 Transport	Whether the market provides transport services to smallholders (+)
B4. Minimum Market Requirements	
B4.1 Business registration	Whether business registration is a minimum requirement for smallholders (NA)
B4.2 Packaging	Whether packaging is a minimum requirement for smallholders (NA)
B4.3 Product standards	Whether product standards are a minimum requirement for smallholders (NA)
B4.4 Payment arrangements	The length of time the market takes to pay smallholders for their produce (NA)
B5. Market Performance of Smallholders	
B5.1 Rating of quality	The market's rating of the quality of products supplied by smallholders (1=poor; 5=excellent) (+)
B5.2 Rating of quantities	The market's rating of the quantities of produce supplied by smallholders (1=poor; 5=excellent) (+)
B5.3 Rating of consistency of supply	The market's rating of the consistency of supply of produce supplied by smallholders (1=poor; 5=excellent) (+)
B5.4 Rating of farmer logistics	The market's rating of the logistics for the products supplied by smallholders (1=poor; 5=excellent) (+)

Note: It is expected that sourcing data from both the supplier and buyer perspectives will assist in counter-checking results, such that data from one side is checked against data from the other side to improve overall quality and usability.
NA = Not applicable

1.3. Methodological approach to the development of SMAT

The development of the SMAT commenced in April 2016. The NAMC put together an internal research team to implement the SMAT project. A group of experts representing a wide range of agricultural stakeholders (academia, government, private sector, and non-governmental organizations) – the "Reference Group" – was appointed to oversee and advise the process and its outputs. **Figure 1** depicts the process of the development of the SMAT. Notably, the involvement of the Reference Group ended in 2020, during the broiler baseline, due to structural and policy changes within the NAMC.

As explained earlier, two pilots were conducted to test the tool, culminating in six baselines. Both the pilots and baselines form part of the output. Subsequently, an outcomes phase follows. The real worth of SMAT is believed to lie in this phase because the outcomes should be action plans and commitments by relevant stakeholders, guided by the baseline recommendations. These action plans and commitments should further form the basis for tracking progress from the baseline. In other words, beyond generating information on the status of smallholder market access, the SMAT must stimulate difficult discussions to drive inclusive growth and break the barriers that smallholder farmers face in mainstream value chains.

The baselines serve as outputs and provide recommendations based on the assessment of the respective industry. However, the report's relevance as a measure of progress and its impact on developing smallholder farmers will largely depend on the actions of the industry, government, farmers, and other relevant stakeholders. The outcomes stage catalyses the actual report and the desired broader impact.

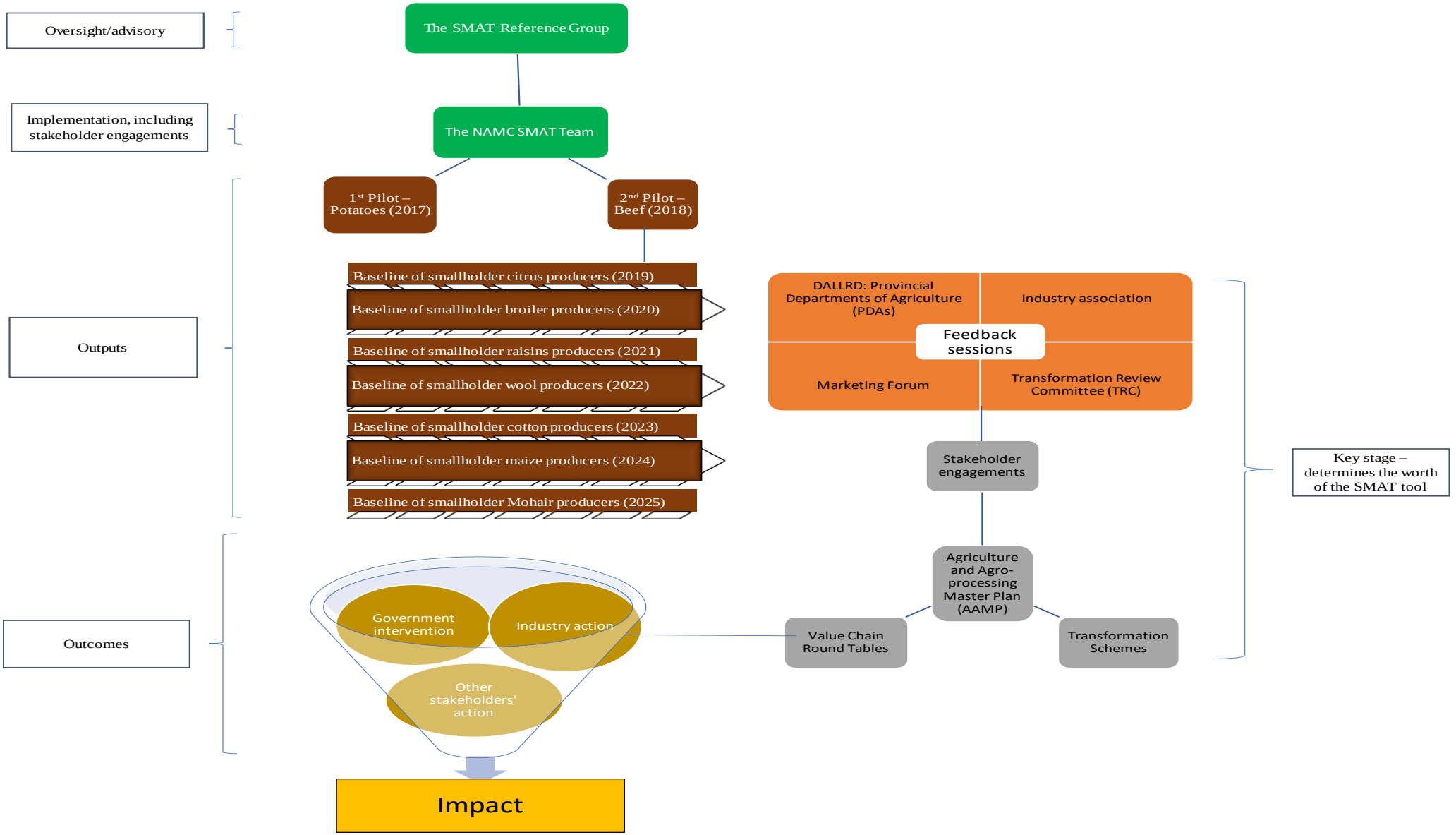

Figure 1: The SMAT process
Source: Adapted from the SMAT report (2019)

1.4. Mohair baseline: sampling and data collection procedure

The mohair baseline focused on smallholder farmers who actively produce and market mohair in South Africa. A database of smallholder mohair farmers in South Africa was obtained from Mohair South Africa (MSA), and it contained twenty-two farmers. The data used in this baseline was gathered from twenty mohair farmers in four local municipalities in the Eastern Cape province, namely Dr Beyers Naudé, Blue Crane Route, Walter Sisulu, and Inxuba Yethemba local municipalities. Twenty farmers were interviewed. However, two responses were removed due to incomplete information. The eighteen responses that were used in the analysis of this report represent 82% of smallholder mohair farmers in the MSA's database. Availability sampling was used to interview farmers during a workshop organized by the Mohair Empowerment Trust (MET) in July 2024.

SECTION 2:
OVERVIEW OF THE MOHAIR INDUSTRY

SECTION 2: OVERVIEW OF THE **MOHAIR INDUSTRY**

2.1. Introduction

The South African mohair industry is known for its high-quality mohair, which has been recognized in the international mohair market, primarily because of its lustre, resilience, and colour retention qualities. South Africa currently produces approximately more than 50% of the global mohair, with the Eastern Cape being a dominant producer. This section provides a brief overview of the mohair industry in terms of production, marketing channels, and prices.

2.2. Mohair production

South Africa, a country known for its rich agricultural heritage and varied climatic conditions, has emerged as a prominent player in the global mohair trade. The country's unique geographical features, encompassing both commercial and smallholder farming, have facilitated the growth of a thriving mohair sector catering to both domestic and international markets. South Africa's agricultural sector has undergone significant structural changes in the post-apartheid era, with a shift toward high-value, export-oriented production (Sibanda & Ndlela, 2020). This transition has been driven by the need to enhance the competitiveness of South African agriculture in the face of increasing global competition. The mohair industry has been at the forefront of this transition as the country continues to capitalize on its natural advantages in mohair production.

Figure 2 shows that the production of mohair in South Africa was stable at 2.3 million kg in 2022, indicating a 4.5% increase from 2018. South Africa is the world leader in mohair production both in terms of quality and production output. In 2022, about two-thirds of the world's mohair was produced in Southern Africa (Mohair SA, 2023). Specifically, South Africa accounted for a share of 51% of the global mohair clip of 4.55 million kg, followed by Lesotho with a share of 16% (Mohair SA, 2024). Other mohair-producing countries of the world include Argentina, Turkey, Australia, and the United States of America. Smaller numbers of Angora goats are also found in Mexico, Iran, Chile, Swaziland, Canada, Spain, and the United Kingdom (UK). The industry has seen its gross production value grow from R1.15 billion in the 2018/19 season to about 1.45 billion in the 2022/23 season (DALRRD, 2023).

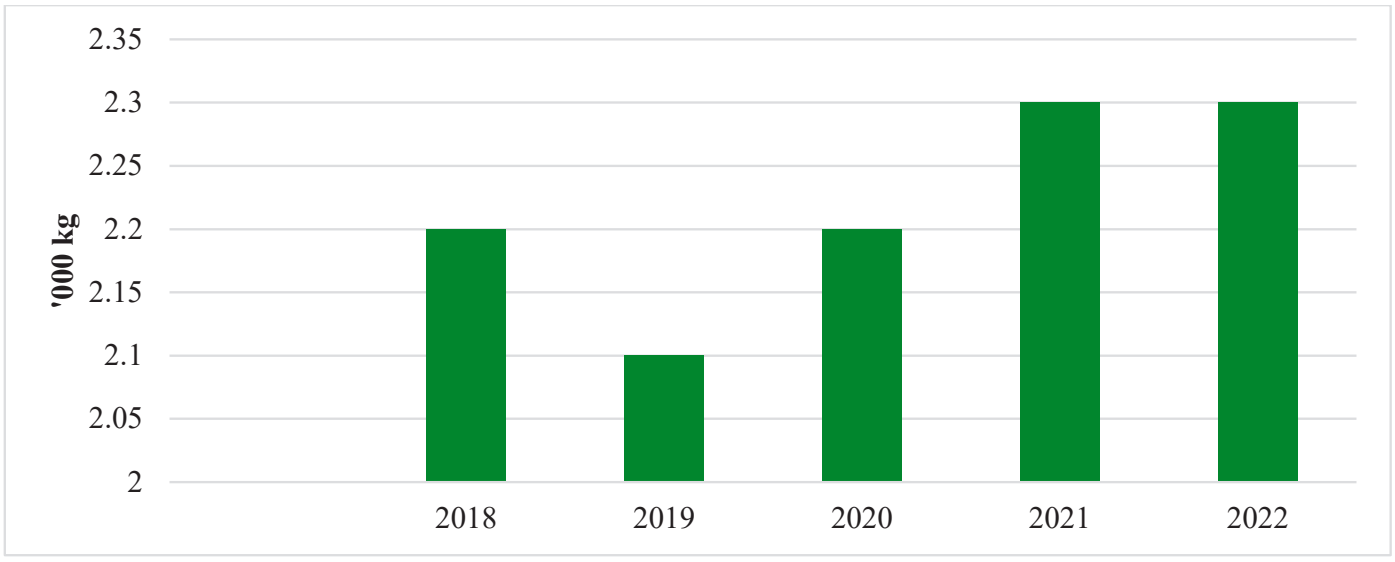

Figure 2: Production
Source: DALRRD (2023)

2.3. Marketing channels

South Africa's mohair industry relies on various marketing channels that require in-depth analysis to maintain long-term profitability and global competitiveness. These channels are critical for connecting mohair producers with domestic and international customers, enabling the movement of this prominent fibre from farm to processing and, finally to the end consumer. This section analyses various mohair marketing channels and their roles in the mohair value chain.

Figure 3 shows the mohair marketing channels in South Africa, which predominantly comprises brokers selling mohair through auctions, with the Wool and Mohair Exchange in Port Elizabeth serving as a primary hub. The majority of mohair clip is sold through the auction system, which is held weekly at the Wool and Mohair Exchange in Port Elizabeth from August to June. Bales are organized into individual lots, and samples are displayed for customers to inspect and evaluate for quality. Buyers include both local and international firms.

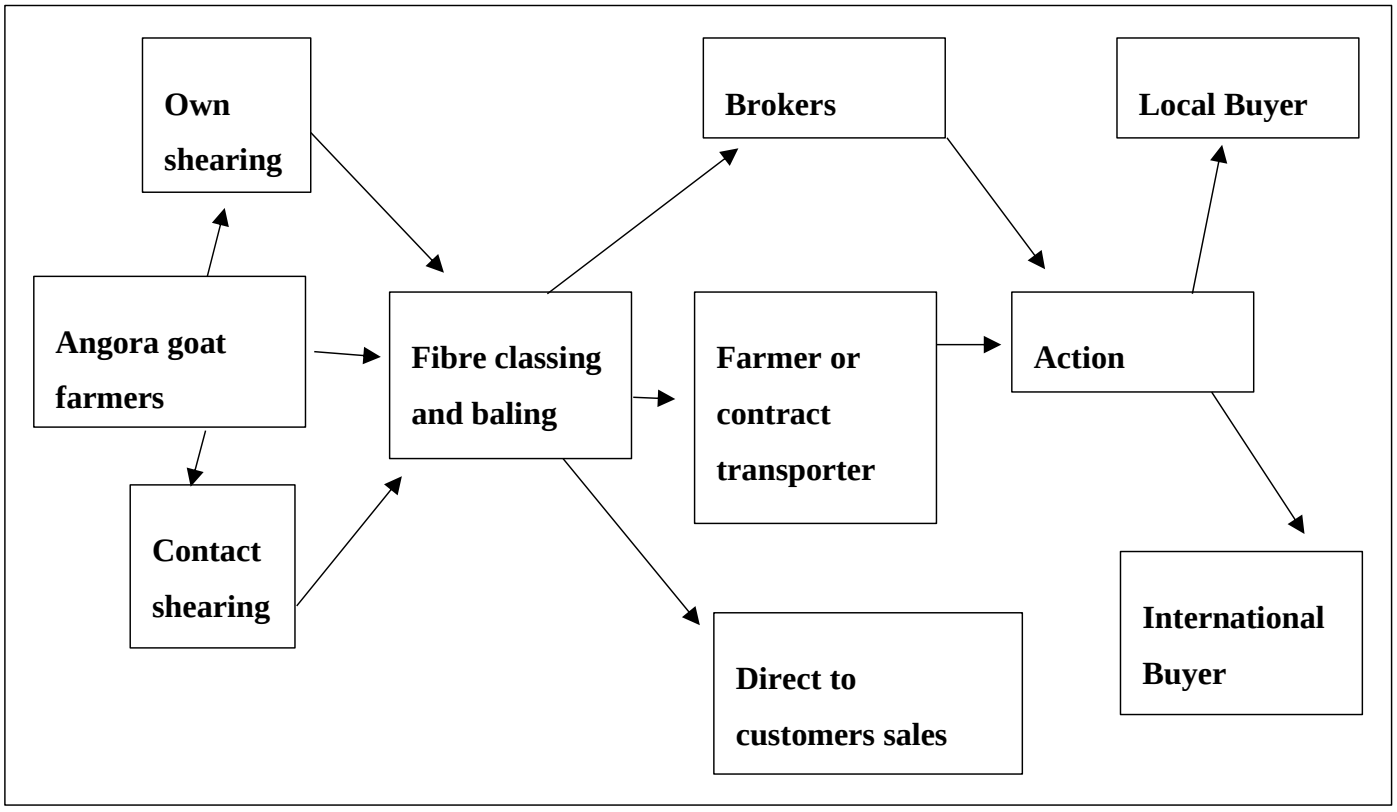

Figure 3: Mohair value chain
Source: Own diagram

- **Angora goat farmers**
  Farmers play a pivotal role in the production of raw mohair. Farmers often sell their mohair through intermediaries like cooperatives and brokers. In this case, raw mohair is sold to companies like Cape Mohair and Wool, which collect, grade, and market the fibre.

- **Cooperatives or brokers**
  Cooperatives or brokers act as intermediaries, facilitating transactions by buying and selling raw mohair on behalf of farmers, offering investment advice and portfolio management, and conducting research to provide insights into market trends and opportunities. These brokers can either send the mohair to auctions or traders.

- **Mohair auctions**
  Brokers and cooperatives sell the raw fibre at auctions, usually held in Port Elizabeth (Gqeberha), the central hub of the industry.

- **Processors**
  The raw mohair bought is processed into different grades. In South Africa, key mohair processors include the Stucken Group (with its Gubb & Inggs mill and Hinterveld Mill), House of Fibre, and SAMIL, which are vertically integrated, specializing in mohair processing, trading, yarn spinning, and dyeing.

- **Textile manufacturers**
  Use processed mohair to make yarn, fabrics, and clothing. The major companies in this industry are Cape Mohair and Wool and Mink & Manure.

- **Retailers**
  Sell finished goods locally and internationally through e-commerce websites and retail stores, often focusing on high-end designer brands.

- **Export markets**
  A significant portion of the products is exported to countries like Italy, China, Japan, the United States, the United Kingdom, Germany, and South Korea known for their high-end textile markets.

- **Direct-to-consumer sales**
  Some producers and manufacturers bypass traditional channels, using online platforms and craft markets to sell directly to consumers, often underpinning this with claims of sustainability and ethical sourcing.

2.4. Factors driving mohair trends

2.4.1. Luxury market recovery post-COVID-19

The global luxury market, particularly in Europe and Asia, has rebounded as economies recover from the effects of the COVID-19 pandemic. Consumers are once again investing in high-quality, luxury materials such as mohair, which has driven demand in key markets like Italy and China. This recovery has had a noticeable impact on the demand for South African mohair, particularly in high-end fashion and upholstery.

2.4.2. Growing interest in sustainable and ethical textiles

In 2022, there was a marked shift toward sustainability in the fashion and textile industries. The increasing importance of ethical sourcing and traceability has led to a higher demand for mohair produced under responsible farming practices. The RMS, launched several years ago, has played a significant role in certifying ethical production, boosting interest from regions like Italy and Germany. These markets, known for their environmentally conscious consumer base, are driving the demand for high-quality, ethically sourced fibres.

2.4.3. Economic pressures on traditional markets

While countries like Germany, Italy and China showed growth, Bulgaria and Egypt experienced a demand reduction. Economic pressures, such as inflation and the cost-of-living crisis, may have impacted the purchasing behaviour of Bulgaria and Egypt consumers and businesses. As a result, many companies may have turned to alternative, more cost-effective fibres or materials.

2.4.4. The role of China's manufacturing power

China continues to be a major player in global textile manufacturing. As the world's largest producer of textiles, China's demand for raw fibres like mohair remains strong. The increase in China's share of South African mohair exports from 25% in 2021 to 26% in 2022 highlights the country's enduring importance as both a consumer of raw materials and a manufacturing powerhouse.

2.5. Looking ahead: the future of mohair exports

As the global market for luxury textiles continues to evolve, South African mohair producers are likely to see both challenges and opportunities. Sustainability will play an increasingly important role, with markets demanding not only high-quality but also responsibly sourced materials. South Africa's emphasis on sustainable farming practices and certified mohair is likely to continue attracting buyers from environmentally conscious markets.

Furthermore, South African producers may look to diversify their export markets. While traditional markets such as Italy, China, and Germany will remain key, there is potential for growth in emerging markets such as South Korea, India, and parts of Latin America. These regions are witnessing a growing demand for high-quality natural fibres, which could provide new avenues for expansion.

Additionally, there is a trend towards increasing the value-added processing of mohair within South Africa. While the bulk of South Africa's mohair is still exported as raw or semi-processed fibre, the country's textile industry is working to enhance its capacity to process mohair locally. This shift towards local manufacturing and value addition may gradually change export patterns, with more processed mohair products being shipped abroad rather than raw materials.

South Africa's mohair export trends in 2021 and 2022 reveal a market that is still largely driven by luxury demand, particularly in Europe and Asia. However, the shift towards sustainability and ethical sourcing is shaping the future of this industry. While established markets such as Italy and China continue to dominate, the industry is also seeing signs of growth in emerging markets, as well as a gradual shift toward adding value to mohair before export. The combination of ethical sourcing, sustainable production, and market diversification will likely define the future trajectory of South Africa's mohair exports.

2.6. Mohair prices

McGregor et al. (2012) detail how mean fibre diameter serves as the primary price determinant, correlating with fleece-free liveweight, age, and genetic strain. Governance and market structure influence valuation too; inefficiencies in spot market exchanges hinder quality signaling, prompting proposals for vertically coordinated supply chain models (Jordaan and Kirsten, 2008). South African studies thereby portray an industry whose historical price trends and valuation determinants reflect both evolving production practices and market structures within its livestock and textile sectors.

Figure 4 shows the mohair prices measured in South African rands. The price patterns of mohair from 2020 to 2024 show significant swings driven by the length, diameter, and anticipated costs of the mohair clip. Mohair prices ranged from an average of R243.29 in 2020 to a maximum of R605.85. Strong demand or advantageous market conditions for farmers were indicated by the 2021 price spike, which saw the average price rise to R386.72 and the maximum price reach R826.65. However, the average price increased to R364.58 in 2024, while the maximum price hit a record high of R829.50.

These patterns demonstrate the mohair market's volatility, where variables like fibre diameter, length, and anticipated market values have a significant impact on pricing. Resolving these issues could improve market predictability and stabilise prices.

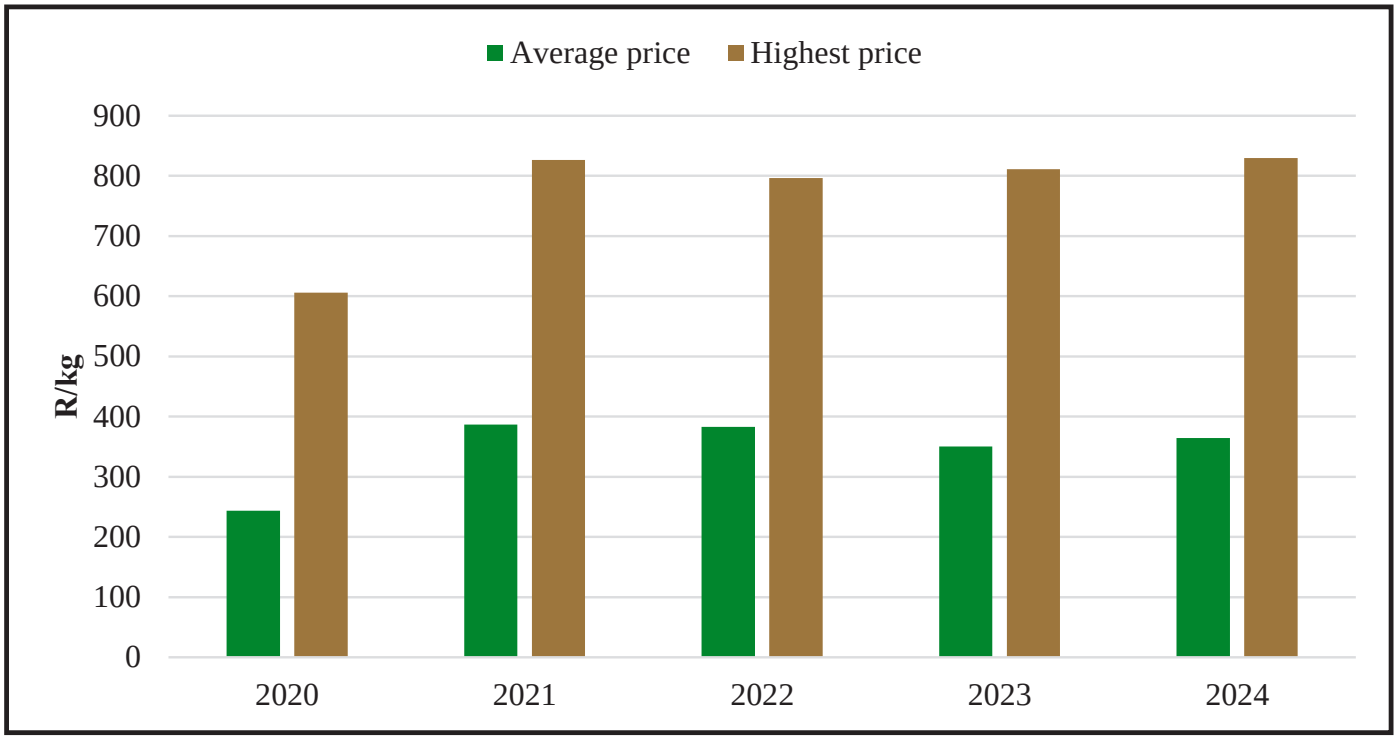

Figure 4: Mohair prices
Source: DALRRD (2023)

SECTION 3:

MOHAIR INDUSTRY CHALLENGES AND MARKET OPPORTUNITIES

SECTION 3: MOHAIR INDUSTRY CHALLENGES AND MARKET OPPORTUNITIES

3.1. Barriers and drivers of growth in the mohair industry

While South Africa has firmly cemented its position as the global leader, producing over 50% of the world's mohair supply, the journey has not been without its challenges and triumphs. Over the past few years, the industry has faced a delicate balancing act: navigating external economic disruptions, evolving sustainability standards, and the pressing need for innovation while capitalizing on increasing global demand for ethical and sustainable fashion.

3.1.1. Drivers of growth

South Africa is globally recognized for producing high-quality mohair due to its ideal climatic conditions and skilled farming practices. The Eastern Cape region, the heart of South African mohair production, provides a unique environment that fosters healthy goat herds and superior fibre quality. Ongoing investment in breeding programs and genetic improvement has resulted in finer, more lustrous mohair, attracting international buyers (Mohair SA, 2024). The consistent quality and traceability South African producers have solidified the industry's competitive edge. The exclusivity of mohair has enabled South African producers to command premium prices in niche luxury markets. With a focus on traceability, ethical production, and superior quality, South Africa's mohair has maintained its value despite global economic uncertainties (Mohair SA, 2024).

The fashion industry's increasing focus on sustainability and ethical sourcing has been a significant growth driver for South Africa's mohair industry. As consumers and brands pivot toward eco-friendly materials, mohair's natural properties – biodegradability, durability, and renewability have positioned it as a desirable alternative to synthetic fibres. Organizations such as MSA and the Textile Exchange have promoted responsible production through initiatives such as the RMS, ensuring the ethical treatment of animals and environmental stewardship (Coetzee, 2023). Brands committed to sustainability, including luxury labels and niche designers, have embraced South African mohair, enhancing its global market appeal.

Collaboration between government, industry stakeholders, and research institutions has fuelled the mohair sector's growth. Partnerships focused on innovation have led to advancements in animal husbandry, fibre processing techniques, and product diversification. The introduction of new applications for mohair in textiles, interior design, and technical fabrics have opened untapped markets; for instance, research into blending mohair with other natural fibres has produced versatile materials that meet modern consumer demands for functionality and luxury.

3.1.2. Barriers to growth

South Africa's mohair industry has been severely affected by the growing frequency of droughts and unpredictable weather patterns driven by climate change. Yet existing and aspirant smallholder farmers in the Eastern Cape face many challenges that are impeding their development (Mpyana, 2019). Prolonged dry spells in major producing areas like the Eastern Cape and Karoo have resulted in diminished grazing pastures, reduced productivity among goats, and lower fibre yields. Rising temperatures pose significant challenges to animal health, particularly Angora goats, which are highly susceptible to heat stress. Extreme heat can negatively impact their fertility, milk production, and overall growth. While goats are generally more resilient to hot conditions compared to other livestock, Angora goats have higher nutritional needs to sustain fibre production, making them especially vulnerable during periods of extreme heat (Green Agri, n.d.). Furthermore, the availability of water is becoming increasingly vital as climate change disrupts rainfall patterns and extends dry periods. Consistent access to clean water is essential to maintain the health and productivity of Angora goats.

Despite significant progress in implementing the RMS, lingering concerns about animal welfare practices have occasionally damaged the industry's reputation. Concerns raised by organizations like People for the Ethical Treatment of Animals (PETA) about treatment practices have necessitated a shift toward more transparent and humane farming methods (PETA, 2021). This is against the Animals Protection Act 71 of 1962 in South Africa, which stands as a foundational piece of legislation in the realm of animal welfare, aiming to prevent cruelty and promote the well-being of animals within the nation's borders (Trent et al., 2005). Media exposure and consumer activism have heightened

scrutiny, leading to reduced demand from some global brands – producers have faced pressure to meet evolving sustainability standards while balancing profitability (PETA, 2021).

While initiatives like the RMS promote ethical production, small-scale and communal farmers often struggle to access certification due to resource constraints. According to MSA, approximately 15% of South Africa's mohair clip comes from these farmers, indicating a significant portion that may not meet evolving market standards. This lack of access limits their ability to capitalize on premium pricing associated with certified sustainable products (Coetzee, 2023). The universal adoption of RMS further hinders the industry's ability to uniformly market its ethical credentials to global buyers.

The mohair industry's reliance on niche luxury markets makes it susceptible to economic downturns and changing consumer preferences. Global competition, particularly from emerging producers in countries such as Argentina and Turkey, has added pressure on South Africa to maintain its competitive advantage. Price fluctuations driven by shifts in global demand and supply have created uncertainty for farmers (USAID, 2020).

3.2. Market opportunities in the mohair industry

Figure 5 below illustrates South Africa's mohair exports to the world over the past decade.

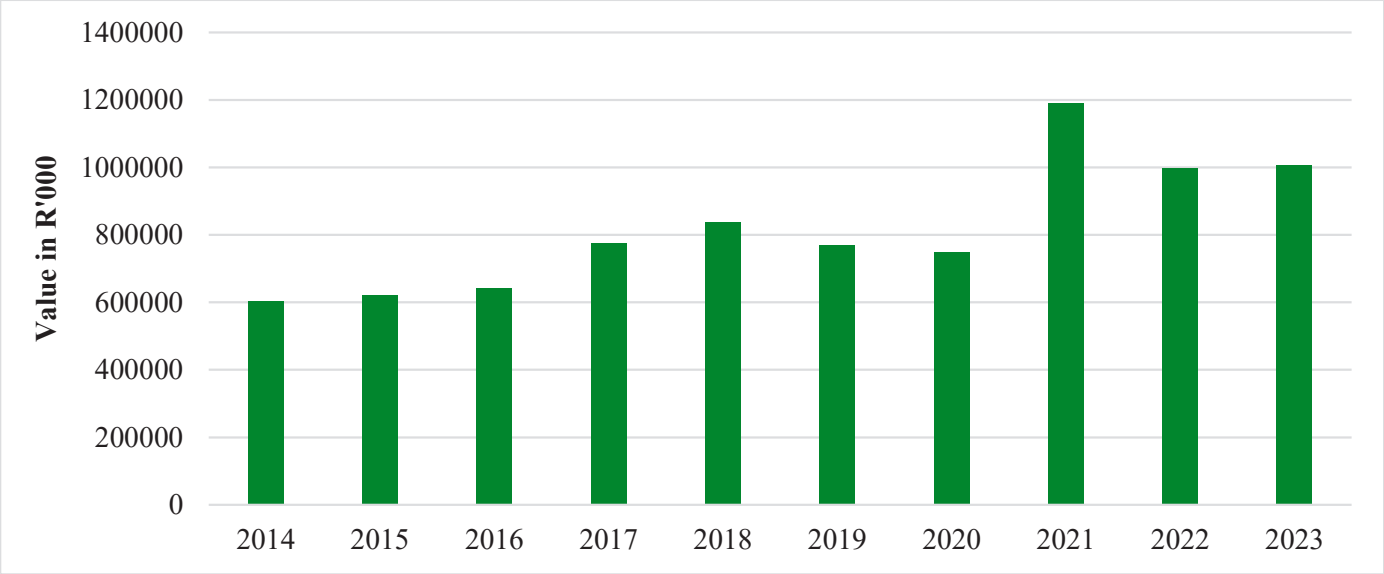

Figure 5: South Africa's mohair (HS 5105.39) exports to the world between 2014-2023
Source: Trade Map (2024)

South Africa's mohair exports have grown by approximately 66% over the past decade, from a value of R604.3 million in 2015 to about R1 Billion in 2023. China accounted for an average of 62% of global mohair imports by value over the past five years, and 71% (by value) of South Africa's production went to China (NAMC, 2021). Currently, China is the leading importing market of South Africa's mohair exports with a share of 37% of total exports, followed by Italy (32%), Taipei Chinese (12%), Bulgaria (6%), Japan (4%), UK (3%), Spain (2%), India, Peru, and Republic of Korea with a share of about 1%. This shows that China is an important market for South Africa's mohair industry, and it contributes positively to the development of the industry (NAMC, 2021). Despite Peru and India accounting for less share of South Africa's mohair exports, they have experienced the highest growth rates over the period under consideration, increasing by 579% and 509%, respectively. In addition, Spain recorded a growth rate of 184%, followed by Taipei Chinese (115%), Bulgaria (82%), China (77%), Italy (66%), and the UK (3%). Exports to the Republic of Korea and Japan recorded a decline of 55% and 5%, respectively. The mohair market has traditionally been heavily influenced by fashion demand, or the lack thereof. This is one of the reasons for the volatility in demand experienced from time to time.

According to Mohair SA (2024), the average auction price of mohair decreased by 8,9%, from R437,75 in 2021 to R398,69 in 2022. Although the kid sector experienced some downward pressure, the rest of the clip had good demand. The South African mohair industry currently has six buyers purchasing mohair on the 14 official mohair auctions. Two of the buyers can further beneficiate mohair in South Africa by processing and spinning it into mohair tops and mohair yarns. They contract process and spin for some of other buyers as well.

Figure 6 shows the purchases of each of the South African buyers for the 2022 season. The two buyers with processing and spinning capabilities in South Africa purchased 74% of the 2022 mohair clip compared to 76% in 2021. The most significant changes from 2021 were Suedwolle, who purchased 4% more in 2022, and Mosenthals purchased 3% less in 2022.

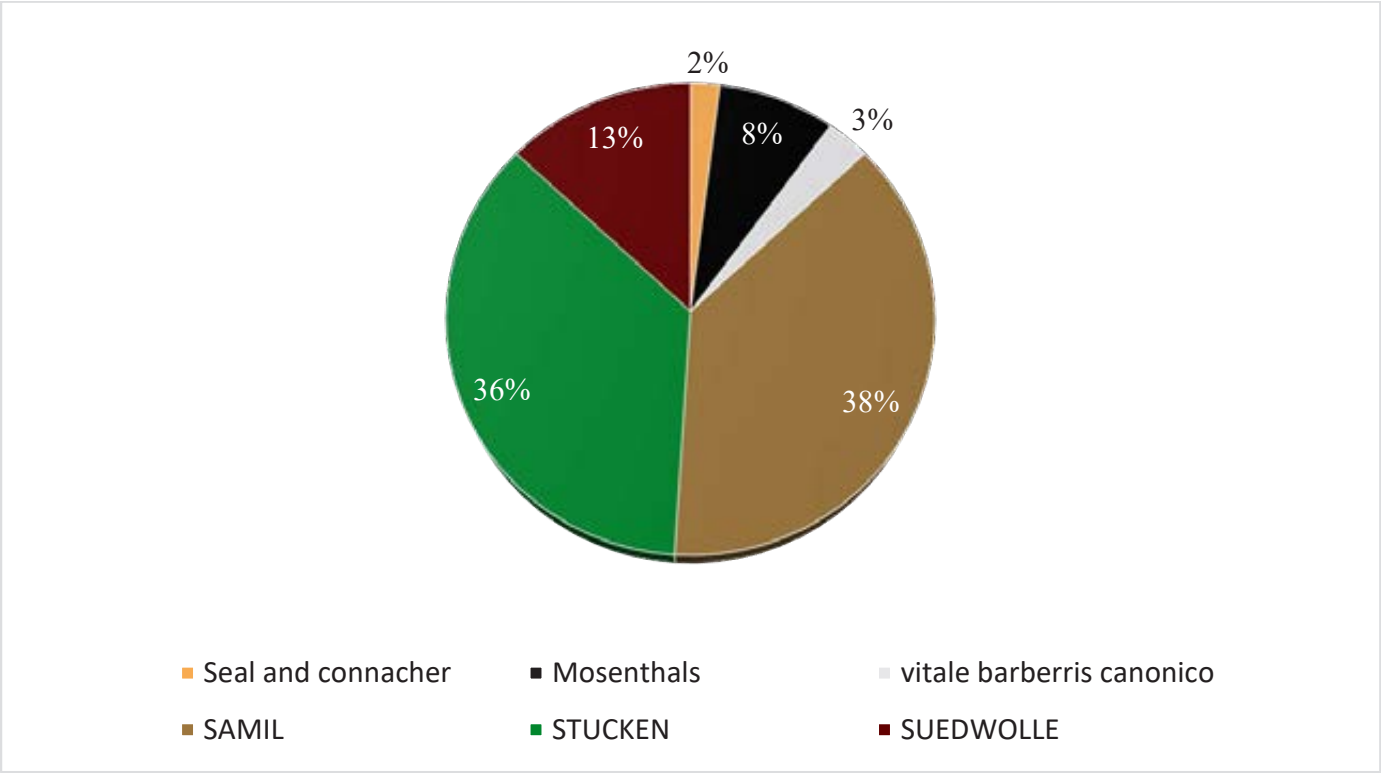

Figure 6: Mohair buyers by weight
Source: Mohair SA (2024)

3.2.1. Global markets

Figure 7 depicts the top six global exporters of mohair in 2024. In terms of exports, South Africa is currently ranked third globally, with 48 250 tons exported in 2024 Currently, Australia is the leading exporter of mohair accounting for over 300 000 tons of global mohair exports in 2024, followed by New Zealand, South Africa, and UK with 99 706 tons, 48 250 tons, and 26 094 tons exported respectively.

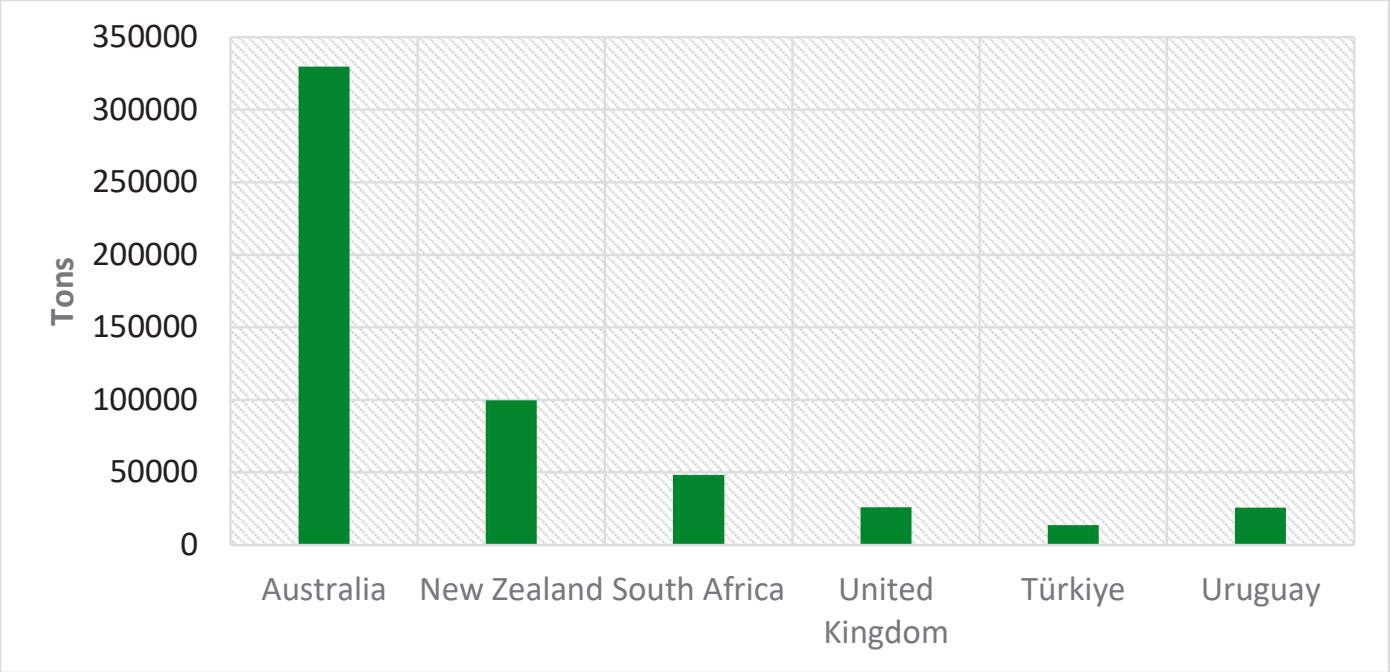

Figure 7: Top global exporters of mohair in 2023
Source: Trade Map (2024)

Figure 8 shows the major destinations of mohair from South Africa to the world during the 2022 period. The figure also shows that during the 2022 season, most mohair exports from South Africa went to Italy, accounting for 40%, followed by China (27%), the UK (11%), Bulgaria (10%), and Taiwan (5%). The figure further shows that the lowest importers of mohair from South Africa during this period were Japan at 4%, followed by Spain at 3%.

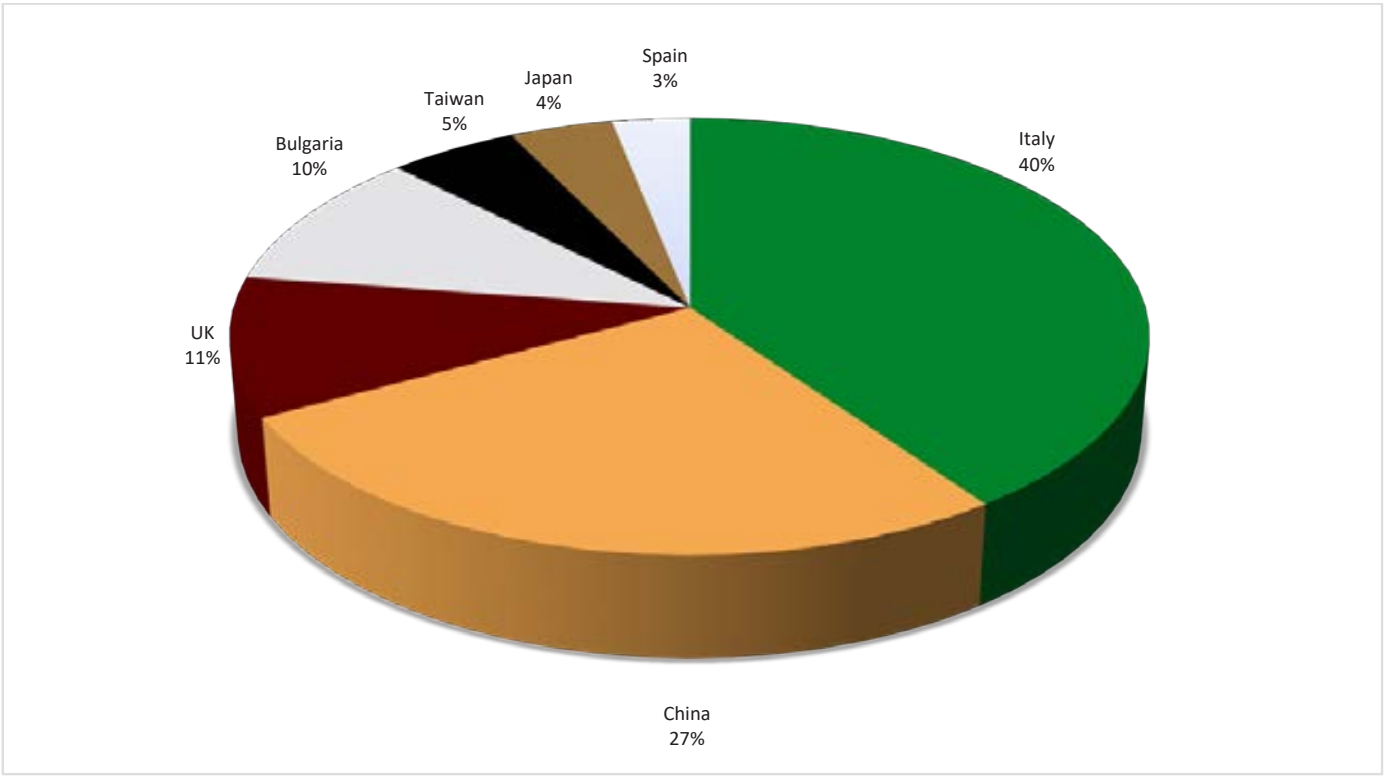

Figure 8: Major destinations of mohair from South Africa
Source: Mohair SA (2024)

Figure 8 shows the major destinations of mohair from South Africa to the world during the 2022 period. The figure also shows that during the 2022 season, most mohair exports from South Africa went to Italy, accounting for 40%, followed by China (27%), the UK (11%), Bulgaria (10%), and Taiwan (5%). The figure further shows that the lowest importers of mohair from South Africa during this period were Japan at 4%, followed by Spain at 3%.

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SECTION 4:
MOHAIR BASELINE SURVEY RESULTS

SECTION 4: MOHAIR BASELINE **SURVEY RESULTS**

4.1. Demographic and socioeconomic profile

The categorical demographic description of mohair farmers is shown in **Table 2**. Geographically, farmers are concentrated in Dr Beyers Naudé municipality (44.4%), with significantly smaller representations from Blue Crane Route and Sara Batman (16.7% each) and minimal presence in Nxuba, Sisonke, and Walter Sisulu. This uneven distribution suggests that mohair production may be influenced by localized factors such as existing infrastructure, historical farming patterns, or access to support services. The heavy concentration in Dr Beyers Naudé implies this region could serve as a hub for pilot interventions. However, development programs must consciously include underrepresented areas to prevent widening regional disparities. The legal structure of operations shows a strong preference for cooperatives (61.1%), with a smaller but notable presence of Pty Ltd operations (27.8%) and minimal use of partnerships or trusts (5.6% each). This distribution suggests that collective action through cooperatives is the primary mechanism for farmers to navigate market challenges. However, the limited adoption of structures such as trusts indicates potential legal and financial literacy gaps that could be addressed through targeted business development programs.

Table 2: Description of categorical variables

Variable	Stats / Values	Frequency (%)
Local Municipality	1. Blue Crane Route	3 (16.7%)
	2. Dr Beyers Noder	8 (44.4%)
	3. Nxuba	2 (11.1%)
	4. Sara Batman	3 (16.7%)
	5. Sisonke	1 (5.6%)
	6. Walter Sisulu	1 (5.6%)
Legal entity	1. Cooperative	11 (61.1%)
	2. Partnership	1 (5.6%)
	3. Pty Ltd	5 (27.8%)
	4. Trust	1 (5.6%)
Gender	1. Female	4 (22.2%)
	2. Male	14 (77.8%)
Education	1. Secondary School	10 (55.6%)
	2. Tertiary	8 (44.4%)
The primary source of livelihood	1. Farming	17 (94.4%)
	2. Other business	1 (5.6%)
Race	1. Black	12 (66.7%)
	2. Coloured	6 (33.3%)
Land ownership status	1. Leasehold	13 (72.2%)
	2. Title deed	5 (27.8%)

Source: Survey data

Educational attainment presents a nearly even distribution between secondary (55.6%) and tertiary (44.4%) education levels. Many tertiary education institutions could be leveraged as local champions for knowledge transfer and the

adoption of innovation. Gender representation reveals a disparity, with male farmers dominating at 77.8% compared to just 22.2% female participation. This imbalance suggests broader societal and cultural barriers that limit women's access to agricultural resources, land ownership, and decision-making roles in farming operations. An overwhelming 94.4% of the sampled farmers identified farming as their primary livelihood, with only 5.6% having supplemental business income. This near-total reliance on agricultural production makes these households particularly vulnerable to market fluctuations, climate shocks, and other agricultural risks.

Racial composition shows most Black farmers (66.7%) alongside a substantial minority of Coloured farmers (33.3%). This distribution reflects the broader demographic patterns of the Eastern Cape region. While both groups face similar structural challenges, the presence of two distinct racial groups suggests that culturally sensitive approaches may be needed in program design and implementation. Perhaps most critically, land ownership status shows 72.2% of farmers operating on leasehold arrangements compared to 27.8% with title deeds. This high rate of tenancy rather than ownership creates significant barriers to long-term investment in land improvement, access to formal credit, and overall farm sustainability. The prevalence of leasehold arrangements suggests that land reform and tenure security should be central components of any comprehensive support strategy for these farmers.

Moreover, **Table 3** shows numeric demographic variables. Household income shows extreme variability, with a mean of R17 000 but a much lower median of R6 000, indicating that a few higher-earning households are pulling up the average. At the same time, most families survive on lower incomes. The standard deviation of R24 774.99, larger than the mean, confirms this wide disparity. The minimum income of R500 represents severe poverty, while the maximum of R100 000 shows what some better-off households can achieve. This income inequality suggests that while mohair farming has the potential for decent earnings, most households struggle to reach sustainable income levels. Land ownership data show farmers working with substantial but variable land areas, averaging 2 788.5 hectares but with a high standard deviation of 1 964.96 hectares. The median of 2 450 hectares indicates that half of the farmers work smaller plots, while some have larger operations (up to 7 456 hectares). This farm size variation explains the observed income disparities, as larger landholders can maintain more enormous herds and achieve greater production volumes.

Table 3: Description for numerical variables

Variable	Mean	SD	Min	Max	Median
Household Income (R)	17 000	24 774.99	500	100 000	6 000
Own land size (Ha)	2 788.5	1 964.96	287	7 456	2 450
Household size	5.17	3.19	1	15	4
Number of dependents	2.72	1.71	0	6	3
Experience	7.94	3.70	2	18	7
Age (in years)	47.50	14.87	25	69	46

Source: Survey data

Household demographics reveal relatively large families, with a mean size of 5 members and a median of 4. The maximum household size of 15 suggests some extended family living arrangements, which may provide labour but increase financial pressures. The average of 3 dependents per household confirms that most farmers support multiple non-working family members, compounding their financial challenges. Experience levels among farmers are robust, averaging nearly 8 years with a median of 7 years. This substantial experience base suggests productivity challenges are likely due to external constraints (like access to capital or markets) rather than a lack of farming knowledge. The age distribution, with a mean of 47.5 years and a median of 46, indicates a mature farming population. The range from 25 to 69 years shows participation among working-age adults but with relatively few young entrants, which may raise concerns about sector sustainability.

4.2. Production profile

Table 4 shows the production metrics of smallholder mohair farmers. Farm incomes show extreme disparities at the financial level; while the average three-year income stands at R578 117, the median of R450 000 tells us half of farmers earn less than this amount. The large standard deviation of R724 188 and the range from R15 000 to R3 million highlight that a small number of commercial-scale operations are pulling up the average. At the same time, many

farmers struggle at subsistence levels. Compounding these challenges are substantial input costs, with feed expenses averaging R119 563 over three years and some farmers spending up to R800 000, while labour costs range from zero to R1.2 million.

Zero values in labour and medication costs suggest some farmers may be dangerously under-investing in critical inputs, potentially compromising animal health and productivity. When examining herd dynamics, several concerning patterns emerge. Mohair production varies dramatically from 118 kg to 5 000 kg over three years, a 42-fold difference that underscores the sector's uneven productivity. Farmers face substantial losses, with an average of 66 goats stolen per farm and 45.6 lost to sickness or predation over three years. These losses represent a significant portion of herd turnover, especially considering that the average farm only produces about 46 kids in the same period. The active buying and selling of goats (averaging 230 purchased and 163 sold over three years) suggests farmers constantly replenish their herds to compensate for these losses.

Table 4: Quantitative analysis of operational metrics

Variable	Mean	SD	Min	Max	Median
Average Farm Income (3 years)	578 117.6	724 188.1	15 000	3000 000	450 000
Average Loan Repayment (3 Years)	359 800.0	156 956.0	189 000	550 000	30 0000
Average Feed Cost (3 Years)	119 562.5	195 433.9	0.0	800 000	55 000
Average Labor Cost (3 Years)	113 961.1	277 293.4	0.0	1200 000	1 1000
Average Medication Cost (3 Years)	64 905.2	116 598.3	35	500 000	30 000
Average Mohair Quantity (3 Years)	1110.1	1290.9	118	5 000	715
Number of Bucks	294.6	351.6	4.0	1 200	136
Number of Does/nannies	251.4	303.1	0.0	1 200	168.5
Goats Bought (in 3 Years)	229.8	279.6	13	1 200	157.5
Average Goats Sold (in 3 Years)	162.6	279.9	0.0	1200	61.5
Castrated Goats	108.2	137.4	0.0	403	53.5
Stock Theft (3 Years)	66.1	100.1	0.0	400	25.5
Number of Kids	46.1	49.8	0.0	130	17.0
Mortality Due to Sickness/Predation (3 Years)	45.6	62.6	5.0	250	17.5
Farming Experience (Years)	7.9	3.7	2.0	18	7.0
Years Selling Mohair	6.9	2.9	2.0	12	7.0
Number of Employees	4.9	6.0	0.0	25	3.5

Source: Survey data

Reproductive performance appears limited, with castration rates potentially reducing breeding stock. The median values for most production metrics being consistently below the means indicate that while a few more extensive operations exist, most farmers maintain small-scale herds with small outputs. Combined with the heavy debt burdens (loan repayments consuming about 60% of median farm income) and the labour-intensive nature of operations (averaging 5 workers per farm), the data paints a picture of farmers caught in a cycle of high costs and animal losses.
Table 5 shows the categorical statistics of operational metrics for smallholder mohair goats. Labour dynamics present a mixed picture, with nearly equal proportions of farms relying on hired labour (44.4%), family labour (16.7%), or a combination of both (38.9%). This distribution suggests that while some operations have transitioned to more commercial models using paid workers, many remain dependent on family members, potentially limiting their scalability. About 61.1% of farmers report no access to farming loans. Those who do secure financing primarily turn to the formal networks, with 42.9% borrowing from the Land Bank. There is also some reliance on family and friends (28.6%), while only 14.3% access development finance institutions.

Table 5: Categorical analysis of operational metrics

Variable	Stats / Values	Frequency (%)	Graph
Type Labour	1. Both	7 (38.9%)	
	2. Family labour	3 (16.7%)	
	3. Hired labour	8 (44.4%)	
Farming loan	1. No	11 (61.1%)	
	2. Yes	7 (38.9%)	
Loan Source	1. Finance Institution	1 (14.3%)	
	2. Family and friends	2 (28.6%)	
	3. Land Bank	3 (42.9%)	
	4. Sscar agric	1 (14.3%)	
Need for Extra Feed	1. No	1 (5.6%)	
	2. Yes	17 (94.4%)	
When is feed need	1. All year round	1 (5.9%)	
	2. During the kidding season	7 (41.2%)	
	3. When there is not much Feed	9 (52.9%)	
How do you acquire a freed	1. Both	3 (17.6%)	
	2. Buy	11 (64.7%)	
	3. Produce	3 (17.6%)	
Type of Feed needed	1. Grains	2 (11.1%)	
	2. Grass hay	2 (11.1%)	
	3. Lucerne hay	13 (72.2%)	
	4. Other	1 (5.6%)	
The primary water source for goats	1. Dam	2 (11.1%)	
	2. Groundwater	10 (55.6%)	
	3. Reservoir	2 (11.1%)	
	4. River	4 (22.2%)	
The main cost per season	1. Feed cost	4 (22.2%)	
	2. Labour cost	6 (33.3%)	
	3. Medication cost	5 (27.8%)	
	4. Other	3 (16.7%)	

Source: Survey data

Feed management is one of the most pressing challenges, with an overwhelming 94.4% of farmers requiring supplemental feed. About 41.2% of the sampled farmers experience feed deficits during the critical kidding season, and a majority (52.9%) face shortages during periods of general scarcity. This dependency has led 64.7% of farmers to purchase feed rather than produce it themselves, creating significant financial pressure. The preference for lucerne hay (72.2%) as the primary feed source suggests opportunities for collective purchasing arrangements to reduce costs. Water access presents another critical vulnerability, with more than half (55.6%) of farmers dependent on groundwater sources that may become unreliable during droughts, while another 22.2% rely on potentially seasonal river water. Only a small fraction can access more stable water sources such as dams or reservoirs.

The financial burden of these operational challenges becomes clear when examining production costs. Labour expenses emerge as the largest cost (33.3%), followed closely by medication (27.8%) and Feed (22.2%). This cost structure highlights the delicate balance farmers must maintain between maintaining herd health, ensuring adequate nutrition, and managing workforce expenses. The high medication costs underscore these goat herds' health challenges, while the significant feed expenses reflect the sector's dependence on purchased inputs. These financial pressures are compounded by the limited access to formal credit mentioned earlier, creating a cycle where farmers struggle to invest in improvements that could ultimately reduce their costs. The data paints a picture of farmers operating on the edge of viability, where any shock, such as drought, price fluctuations, or health outbreaks, could push their operations into crisis.

4.3. Market access

This subsection focuses on the marketing channels supplied by the farmers. The majority of farmers (94%) supply brokers, with just one farmer (6%) indicating that he supplies other markets. Other markets in this context include buyers from the auctions and processors of mohair. Noteworthy, there was no further comparison between the brokers and other markets apart from the quantity supplied to each of these markets. This was due to an insufficient number for comparison as one farmer represents just 6% of the sample farmers. The brokers are analyzed based on their usage, selling arrangement, price, and payment arrangement, as well as the distance away from the farmers. **Figure 9** presents the summary of the markets used. The results show that the majority of farmers (94%) sell their mohair to brokers, followed by 6% of farmers who supply other markets. Brokers absorb a larger quantity of mohair sold by mohair smallholder farmers as indicated by an average quantity of 1 079 kg compared to 340 kg sold to other markets.

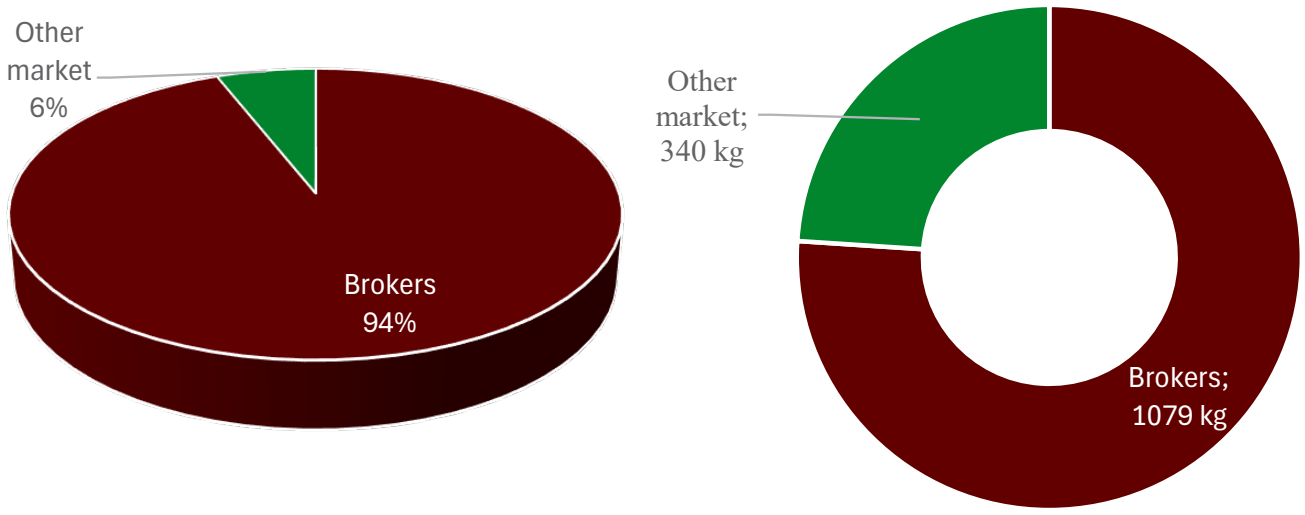

Figure 9: Proportion of farmers supplying various marketing channels and the quantity supplied
Source: Survey data

Figure 10 presents the payment arrangements between the brokers and the farmers. The results show that the majority of farmers (44%) indicated that they get paid after two weeks to a month, followed by those who indicated that they get paid after a month to three months (33%). About 16% of the farmers get paid after a week, while 6% must wait for more than three months. Hopefully, there are one-of-a-kind scenarios that lead to farmers waiting over three months to get paid, implying that this ideally should not be a normal occurrence as it potentially compromises the sustainability of smallholder mohair farming.

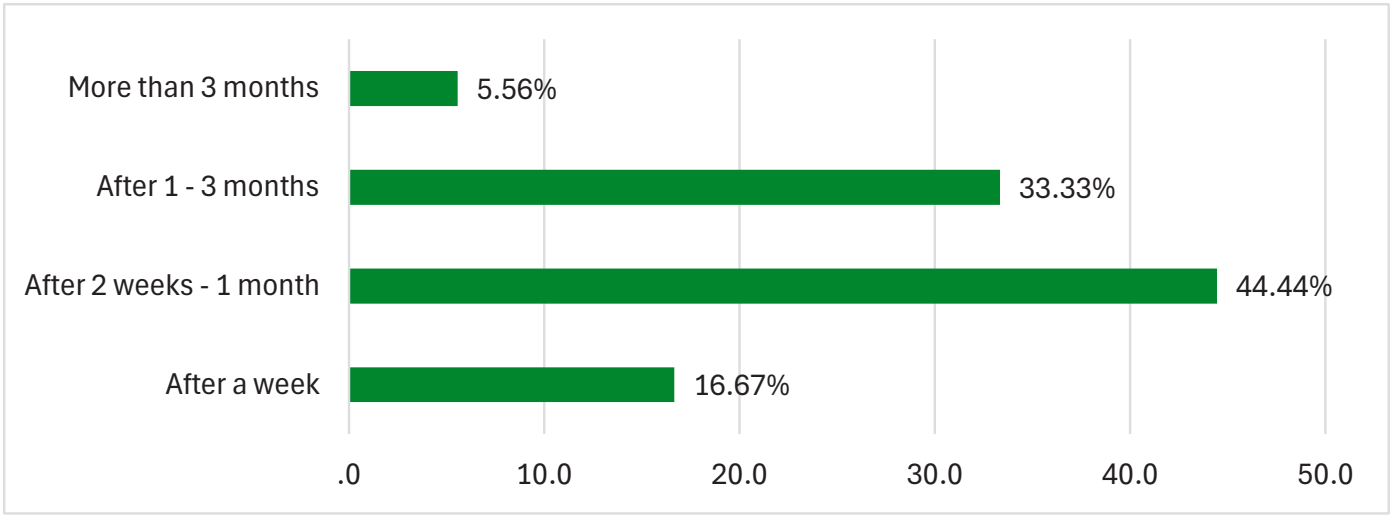

Figure 10: Payment arrangement
Source: Survey data

Figure 11 shows the percentage of farmers who use their transport to deliver their mohair to the market, and the results indicate that only 39% of farmers use their own transport. Although not presented in the analysis of the results, all the farmer who do not use their own transport to deliver their mohair to the market (61%) indicated that they get charged for transport – they pay for transport.

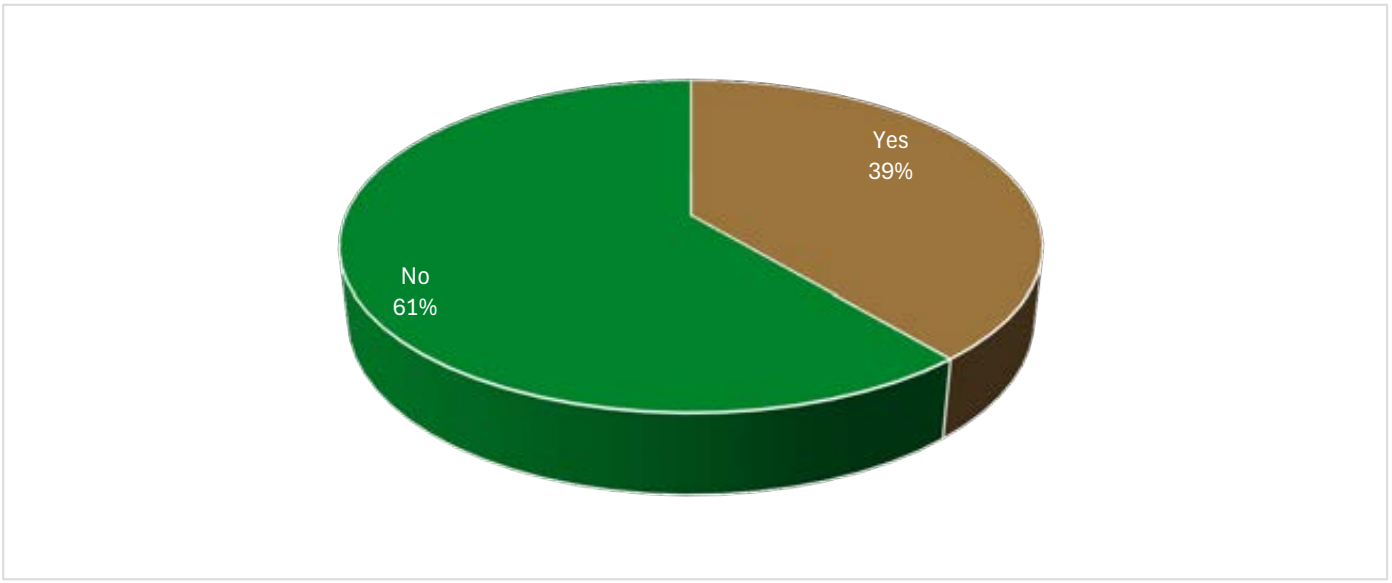

Figure 11: Logistics arrangements
Source: Survey data

After indicating that they get charged for transport, farmers were asked to indicate how much they pay. **Table 6** shows that farmers pay R3 407.64 on average to get their mohair to the market. The large standard deviation indicates that the data was spread out from the mean. The average distance to the market was 306.67 kilometers. Some farmers are located 120 kilometers away from the market, while others are located as far as 1000 kilometers away.

Table 6: A summary of the cost of transport and the distance to the market

Variable	Mean (R)	Std. dev.	Min	Max	
Cost of transport (R)	3 407.64	2 499.52	500	8000	11
Distance to the market (km)	306.67	198.85	120	1000	18

4.4. Perception of marketing channels

The study used five indicators to rate farmers' perceptions and experiences of the market. These include fairness , accessibility , safety , flexibility , and convenience . The rating was based on a scale of 1 – 4 for each of the indicators, where 1 = very poor, 2 = poor, 3 = good, and 4 = excellent. **Figure 12** shows that brokers were rated 'good' by the majority of farmers in all five indicators. However, there were varying proportions for each indicator. For example, 76% of the farmers rated brokers' fairness as 'good', followed by safety and convenience, both tied at 67%. Accessibility was rated 'good' by the least proportion at 58%. Similarly, their proportions varied for the 'poor' and 'excellent' ratings, with a larger proportion of farmers (25% for each indicator) rating safety and accessibility of brokers as 'poor' on one hand, while 17% and 8% of the farmers rated the same indicators as 'excellent'. There were equal proportions of farmers rating fairness and convenience of brokers as 'poor' (12% and 17% respectively), while the same proportion rated the two indicators as 'excellent'. None of the farmers provided a 'very poor' rating in all the indicators.

[4] Fairness refers to the transparency of the market, particularly with regards to grading and standards followed by the price received by the producer.

[5] Accessibility means ease of participation into the market and is based on barriers to entry that often hinder smallholder farmers to participate in high value markets. Some of the barriers considered in the context of this baseline include the stringent market requirements such as certification, good farm practices and so on

[6] Safety refers to the conditions in which the produce is moved and the incidents of robbery or theft. It takes into account the suitability of the modes of transport and the extent of security of the produce as it moves from the producer to the buyer

[7] Flexibility means the extent to which the market is flexible to unforeseen circumstances such as extreme weather events, fires, logistics disruption and so on that may lead to deviations in terms of the expected timing and quality of the produce during the transaction

[8] Convenience means an extent to which farmers are able to get their produce into the market on time. This takes into account issues such as transport, distance, roads, etc. and so on

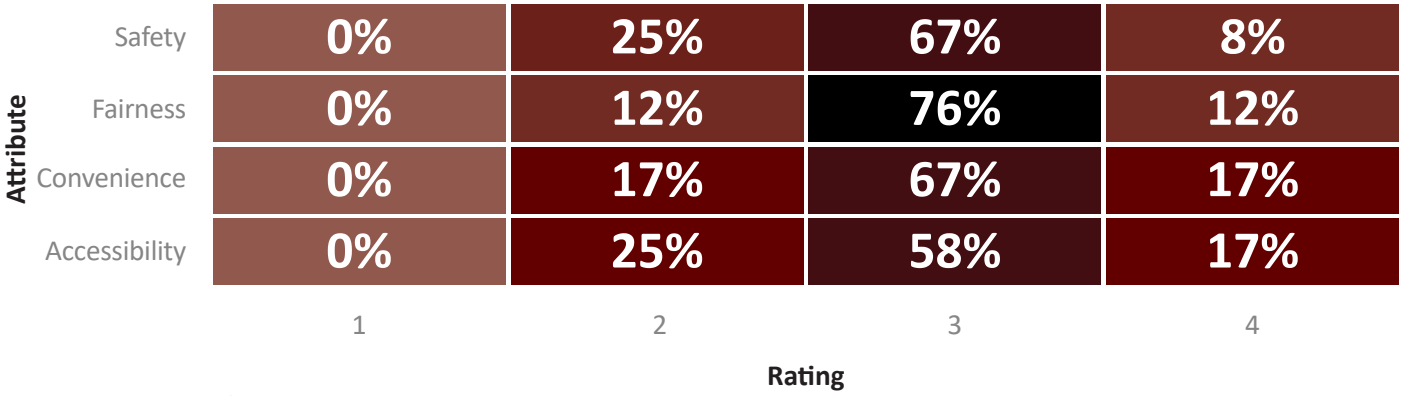

Figure 12: Rating of Brokers
Source: Survey data

4.5. Access to marketing services and facilities

This subsection provides an indication of facilities and services that farmers may have access to, which may enhance their ability to access markets for their produce. The results in **Figure 13** show that more than 60% of farmers have access to the facilities, services, and support provided by the government and the mohair industry. Access to credit was an exception, with only 36% of the farmers indicating that they have access to credit. It is encouraging to note that 76% and 94% of the farmers indicated that they have received government and industry support, respectively. Also, at 94%, the proportion of farmers indicated that they received training and have access to dipping facilities, followed by 89% of the farmers who indicated that they have access roads, handling facilities, and own transport. The proportion of farmers who have access to veterinary services was fairly high at 72%, with the proportion of farmers that have access to other services and facilities such as shearing sheds, extension services, and market information reaching as high as 83%.

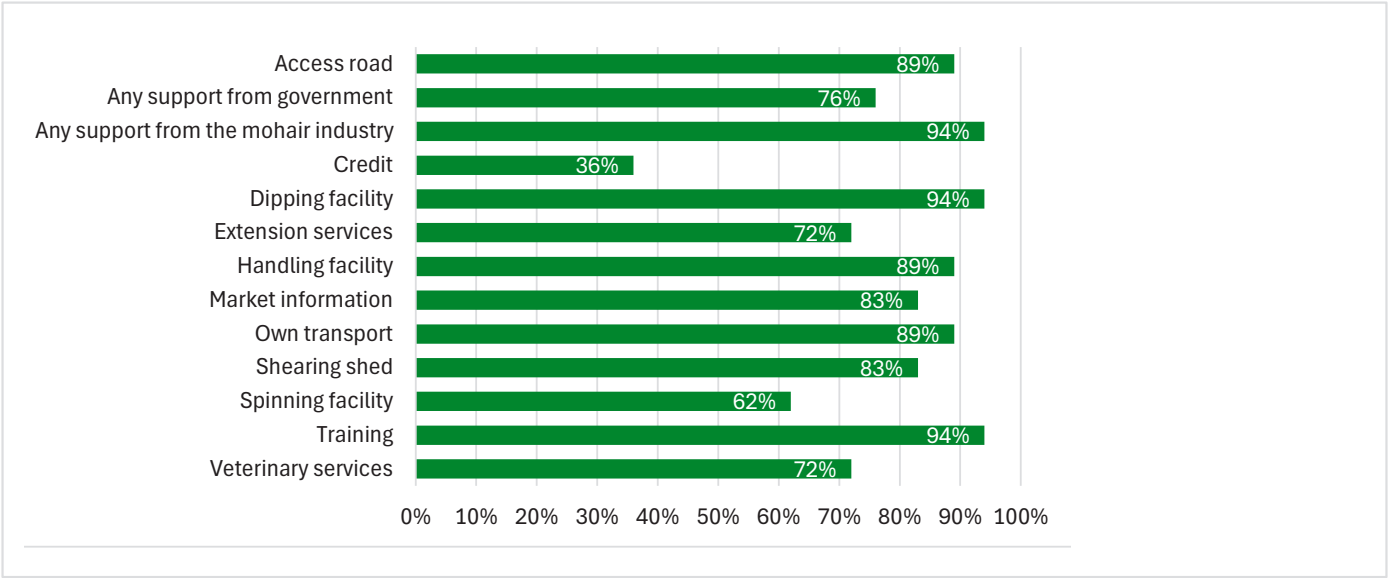

Figure 13: A summary of access to marketing services and facilities
Source: Survey data

Furthermore, farmers we requested to rate the marketing services and facilities they have access to. The rating was measured on a scale of 1 - 4, where 1 = very poor, 2 = poor, 3 = good, and 4 = excellent. The results in **Figure 14** show that, in general, farmers were satisfied with the quality of services and the facilities that they have access to, except for the access to credit, which was rated as 'poor' and 'very poor' by 42% and 17% of the farmers, respectively. Between 7% and 10% of the farmers rated timeliness and quality of support from both government and industry, spinning facility, and quality of handling facility as 'very poor'. In the other extreme, 7% of the farmers rated each of the following indicators as 'excellent': timeliness and adequacy of support from government and industry, quality of access roads, own transport and market information. Between 15% and 25% of farmers rated the quality of the shearing shed, veterinary services, and extension services as 'excellent'.

Heatmap of Service Ratings (Percentage)

Service Attribute	1	2	3	4	5
Timeliness of mohair industry	7%	7%	79%	7%	0%
Timeliness of government support	7%	14%	71%	7%	0%
Relevance of training	0%	11%	89%	0%	0%
Quality of veterinary services	0%	15%	62%	23%	0%
Quality of spinning facility	10%	30%	60%	0%	0%
Quality of shearing shed	0%	8%	77%	15%	0%
Quality of own transport	0%	0%	93%	7%	0%
Quality of market information	0%	0%	93%	7%	0%
Quality of handling facility	8%	0%	92%	0%	0%
Quality of extension services	0%	0%	75%	25%	0%
Quality of dipping facility	0%	17%	75%	8%	0%
Quality of access road	0%	29%	64%	7%	0%
Adequacy of mohair industry support	7%	0%	86%	7%	0%
Adequacy of government support	7%	7%	79%	7%	0%
Accessibility of credit	17%	42%	42%	0%	0%

Rating

Figure 14: A summary of the ratings for marketing services and facilities
Source: Survey data

Furthermore, the farmers were asked if they received any support from the government and the mohair and to indicate the type of support they received. Machinery includes tractors. Infrastructure includes shearing sheds, renovations of the dipping facilities, and fencing. Access water includes boreholes, stock water, and water rights. Goats include livestock improvement programmes, while 'other' includes medication, feed, and Covid-19 Relief Funds. **Figure 15** shows farmers do receive support from the government and the mohair industry. The government tends to focus on machinery, infrastructure, water, and land. The mohair industry tends to focus on veterinary service, training, and mentorship, while together, they assist with stock building and improvement. There were 15% and 11% of the farmers who indicated that they did not receive any support from either the government or the mohair industry, respectively.

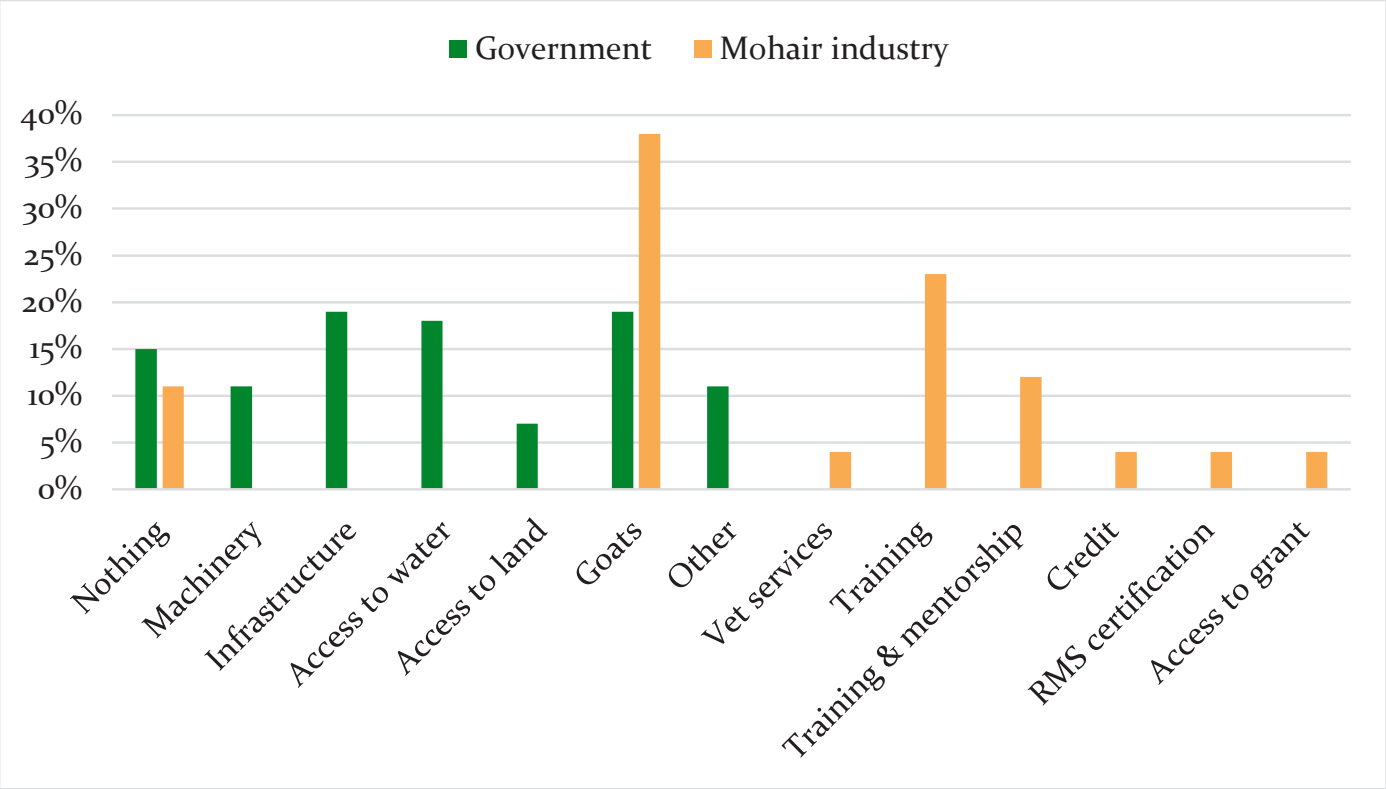

Figure 15: A summary of the type of support received from the government and industry
Source: Survey data

Farmers were also requested to indicate the challenges they encounter in their mohair production endeavours. The answers are summarized in **Figure 16**. A larger proportion of the farmers indicated that infrastructure such as fencing, shelter for goats, shearing shed, irrigation, and dipping tanks were required, followed by limited or no access to energy (e.g., electricity to pump water). Lack of access to water, land, stock theft, and alien plants were among the challenges faced by smallholder mohair farmers. 'Other' includes the rest of the challenges, which include tractors, mortality, maintenance costs, jackals, business acumen, and feed cost.

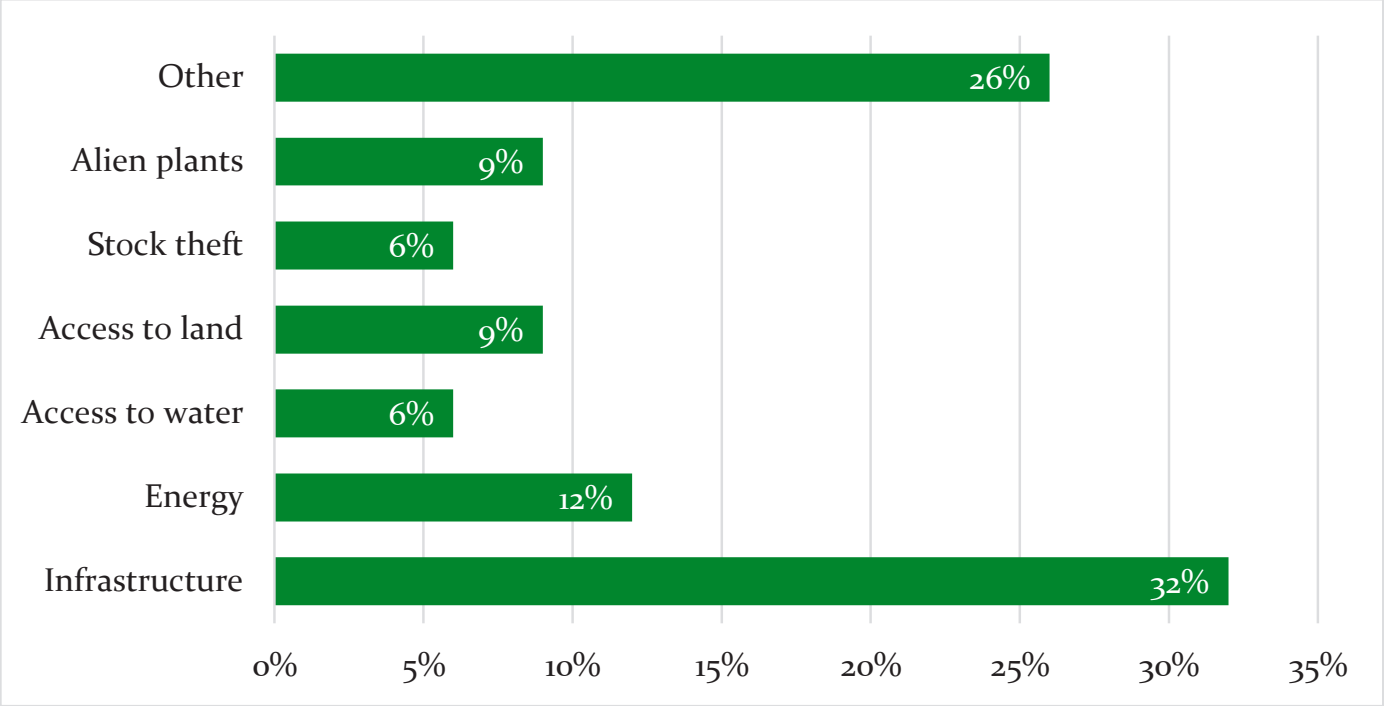

Figure 16: A summary of the challenges encountered by the smallholder mohair farmers
Source: Survey data

4.6. Access to insurance

Table 8 shows farmers' perceptions of having insurance. The farmers were allowed to pick more than one option if they felt there was a combination of reasons for them not to have insurance. All (100%) of the farmers perceive insurance to be important for their farming endeavours, but only 11% of them have insurance. The reasons for not having insurance were probed, and the results show that affordability was the main issue as indicated by 78% of the farmers, followed by those who indicated that they do not need insurance (17%) as well as the lack of information about what farmers must do to get insurance and who offers it as indicated by 11% of the farmers.

Table 7: Access to agriculture insurance

Question	Positive responses
Do you perceive insurance to be important in your farming?	100%
Do you have insurance?	11%
What are the reasons for not having insurance?	
Expensive premiums	78%
I do not need it	17%
I do not have information about it	11%

Source: Survey data

SECTION 5:
CONCLUSION AND RECOMMENDATIONS

SECTION 5: CONCLUSION AND **RECOMMENDATIONS**

5.1. Conclusions

The findings of this baseline study provide a detailed analysis of South Africa's smallholder mohair sector, revealing both its productive potential and systemic challenges. The mohair production in South Africa is dominated by male farmers compared to their counterparts. Most of these farmers have a secondary education, which plays a critical role in the production and marketing of mohair. Furthermore, the youngest mohair farmer was 19 years while the oldest was 69. This shows a need to put more incentives that would be attractive to get more youth into the production and marketing of mohair in South Africa. In addition, the results revealed that mohair farmers are living at an average income of R17 000 per month, and they mainly get their income from farming. As such, varying income is also mirrored in land ownership disparities, where the land data showed farmers working on 2788.5 hectares on average but with a high standard deviation of 1 964.96.

The income variable is critical, considering relatively large smallholder mohair farmers' families, characterized by a mean size of 5 members and a median of 4. Although this suggests some added benefit in terms of labour, it may also indicate some disadvantages in the form of increased financial pressures. Varying mohair production, from 118kg to 5 000 kg, also underpins the farm income disparities and is further exacerbated by a high stock turnover as farmers face substantial losses, with an average of 66 goats stolen per farm and 45.6 lost to sickness or predation, compared to about 46 kids produced. The average farm income was R578 117, with a large standard deviation of R724 188.

Over half of the sampled farmers are operating as cooperatives. This distribution highlights smallholders' preference for collective business models. These farmers contribute to employment, hiring an average of 5 farm workers. The result of the study shows that mohair farmers spend more of their farm income on labour compared to feed and medications. There is also an observed cycle of a possibly constrained investment in long-term improvements that could ultimately reduce farmers' costs. This is compounded by limited access to credit, particularly from formal finance institutions.

One of the findings is that market access is not an issue for smallholder mohair farmers who largely rely on brokers to sell their mohair. Further, the farmers indicated that the brokers offer a better price, although they take between two weeks to three months to pay, with some farmers waiting over three months for their payments. This has serious sustainability and re-investment implications in the face of limited access to credit. In addition, farmers incur transport costs whether they use their own transport or other alternative arrangements to deliver their mohair to the markets. This cost can be as little as R500 or as high as R8000, depending on the distance of a farmer to the market, which ranges from 120 km to 1000 km.

Smallholder mohair farmers were satisfied with the brokers about fairness, accessibility, safety, flexibility, and convenience, providing a 'good' rating for all the indicators in general. However, it should not be ignored that there were a few farmers who had a different view, providing a 'poor' rating. Their views need to be probed further for a better understanding to enable the relevant interventions when necessary.

Farmers have access to various facilities and services that have the potential to improve market access and the quality of the marketable produce. This is an important step to build on towards efforts that seek to support these farmers' endeavours, as these farmers still face numerous challenges such as access to infrastructure, energy, water, and land while battling with stock theft, predation, and alien plants, among other things.

Smallholder mohair farmers perceive agriculture insurance to be important in their farming endeavours but still do not have it due to various reasons. Affordability is the leading cause of low adoption of agriculture insurance among smallholder mohair farmers.

5.2. Recommendations

The recommendations are categorized based on the key findings and directed to the relevant bodies based on their roles in the sector.

5.2.1. Recommendations to the smallholder mohair farmers

Based on the results and conclusion, the farmers need to pay special attention to the following aspects:

- Preference for collective business models has the potential to increase bargaining power, thereby lowering production and marketing-related costs. Farmers must use this model for their benefit by buying inputs in bulk while also establishing their collection points based on the distance between farms and quantities produced to transport the produce in bulk.
- Stock theft is one of the major challenges in livestock production in general. Where possible, farmers are encouraged to invest in technology such as alarms, CCTV cameras, and GPS collars. Supporting the implementation and enforcement of traceability systems is also key.
- Trust and money lending among family and friends could be an effective technique that decreases interest burdens, eliminates collateral issues, and removes rigorous standards that are frequently not met by all farmers. This practice could be upscaled in a way that is manageable and effective for personal development.

5.2.2. Recommendations to government and the mohair industry

- The amount of support provided by the government on machinery, infrastructure, water, and land, and the mohair industry on veterinary service, training, and mentorship, while together, they assist with stock building and improvement is commendable and must be upscaled.
- This kind of work must also be coordinated to address the concerns of farmers about their timeliness and quality. This could be addressed through creating a shared vision between the government and industry, while including other value chain role players as envisaged in the Agriculture and Agro-processing Master Plan (AAMP). The Value Chain Round Table (VCRT) and production scheme concepts seek to establish collaboration and create a shared vision among value chain role players.
- Where possible, the role of government must be clearly defined, and its participation as a partner must be fostered in the MET.

5.3. Implementation plan

Table 8 shows a proposed implementation plan that includes an in-depth summary of the specific activities to be carried out to accomplish various outputs, as well as the stakeholders who are responsible for the execution of the activities towards the inclusive growth and development of smallholder mohair producers in South Africa. The proposed plan of action seeks to assist stakeholders in implementing the recommendations in accordance with the AAMP.

Table 8: Proposed implementation plan

AAMP pillar	Research questions	Research focus areas	Recommendations	Activities	Output	Responsibilities
Pillar-3 Providing comprehensive farmer support, development finance, R&D, and extension services	To measure channels to access the market for the mohair smallholder farmers	• Formal markets through brokers • Informal and cultural markets	Establish and strengthen marketing cooperatives. Capacity building of smallholder mohair farmers on the marketing of mohair. Conduct a demand and supply estimate of the market for smallholder farmers.	Formation and registration of marketing cooperatives. Training of smallholder farmers on agribusiness management. Provide coaching, mentorship, and incubation to smallholder farmers. Investigate marketing challenges experienced by mohair farmers.	Coordinated mohair farmers. Appreciation by smallholder mohair farmers of the requirements of the markets.	DoA, PDA, Industry associations, Farmers, NAMC
	To identify barriers to market access by smallholder mohair farmers.	Challenges faced by smallholder mohair farmers • Inadequate and ineffective extension services. • Lack of access to finance. • Lack of access to information.	Link smallholder farmers with extension officers. Embark on awareness campaigns to explain available funding instruments to farmers.	Interface smallholder mohair farmers with extension services. Package and distribute information to farmers in an easily understood format. Secure funding to design and	Mitigation of barriers to market access.	DoA, PDA, ARC, NAMC, Farmers, Industry associations, Local municipalities.

AAMP pillar	Research questions	Research focus areas	Recommendations	Activities	Output	Responsibilities
		• Poor marketing infrastructure. • Stock theft. • Ineffective disease management.	Disseminate information required by smallholder farmers through the commodity association. Revitalisation of bulk and soft infrastructure Implementation of Livestock Identification and Traceability System (LITS).	implement technology initiatives suitable for smallholder farmers. Secure capital investment in marketing infrastructure. Transfer and adoption of LITS technology to mitigate stock theft and disease outbreaks.		
	To identify the opportunities for the growth of the mohair industry.	Expand mohair export channels.	Enhance capacity of mohair farmers to comply to export requirements i.e. product quality standards, SPS	Interface farmers to adequate and efficient export development programs. Training of smallholder farmers. Provide coaching, mentorship and incubation to smallholder mohair farmers on export requirements.	Appreciation of the mohair export requirements.	DoA, PDA, ARC, NAMC, Industry associations.

AAMP pillar	Research questions	Research focus areas	Recommendations	Activities	Output	Responsibilities
Pillar-5 Enabling market expansion, improving market access, and trade facilitation	To investigate the responsive mohair farmers' structure to mitigate market access challenges.	Establish the Mohair Value Chain Round Table (VCRT).	Establish the VCRT.	Facilitate the establishment of VCRT. Facilitate the sittings of VCRT. Implement the AAMP.	Sufficient and adequate response to market access challenges.	DoA, PDA, Industry associations, NAMC.

5.4. Further study

Further studies highlight the role of the NAMC as part of the recommendations proposed to other stakeholders. The NAMC will encourage the inclusion of these recommendations in the priority areas of the relevant VCRTs and production schemes, leveraging on its position as the AAMP coordinator. It will conduct a follow-up study from this baseline to track if there has been progress in terms of market access or not. It will also be involved in various platforms and direct stakeholder engagements regarding market access issues and interventions as per the recommendations of this baseline and/or as may be required by the mandate of the NAMC (e.g., concerning the Transformation Review Committee work).

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