

# PLANS TO LAUNCH A MOHAIR INDUSTRY UNDER THE LEADER II PROGRAMME IN PORTUGAL

L.Pinto de Andrade<sup>1</sup>; J.M. Fiadeiro<sup>2</sup>; J. Goulão<sup>3</sup>; C. Pinto<sup>4</sup>  
1 - Escola Superior Agrária Castelo Branco  
Quinta Sr<sup>a</sup> Mércules  
6000 Castelo Branco

## SUMMARY

The present project will be innovative in Portugal, in terms of its organization and objectives. The aim is to introduce Angora goats onto existing farming units that do not at present keep goats. Once the enterprises are successfully established, the mohair production will contribute to the maintenance of the agricultural enterprises of the region. This will help to offset the current problems facing these areas, such as the abandonment of existing farming units, which is leading to desertification in certain rural areas in Portugal.

The introduction of Angora goats to the Cova da Beira region will allow the diversification of livestock at the regional and national level. This will increase the production of Mohair fibre, of which both the Portugal and EU as a whole are deficient.

A group of ten breeders, each starting with twenty females and two males will be formed. The breeders will be linked in a co-operative, which will buy and transform all the mohair fibre produced. To achieve this, the co-operative will sub-contract work to textile factories in the region. As the breeders are associated together, they are able to retain complete control of the purchase and transformation of raw material, as well as the commercialisation of the various products, thus benefiting from the added value of the processing stages. This will make a significant contribution to the economic profitability and technical sustainability of their agricultural activities.

The project is firmly based on the concept of integration. The encouragement of co-operation, with the use of common facilities (e.g. shearing, technical assistance) and the synergy of the co-operative, will create the necessary economic balance of the farming units and support the systematic and continuous development of quality and efficiency to suit the requirements of the market.

## INTRODUCTION

One of the EU's agricultural policy is the encouragement of diversification. This applies particularly to the Less Favoured Areas (LFAs) where large areas of Portugal are included and to the production of non-food commodities which at present are in oversupply in the EU. The policy also seeks to encourage the production of commodities for which there are strong market demands and which will provide employment in rural areas.

Substantial quantities of animal fibre are produced by the EU countries, however, most of it is wool of moderate to poor quality which cannot properly be classed as "fine Fibre". The production of truly fine, high quality, and therefore high value animal fibre like Mohair fibre is a good example of diversification into a new product (Russel, 1993).

There is an opportunity to apply for funding under the EU LEADER II initiative to assist in the framework of a community initiative for rural development. Grants made under the LEADER II could provide the vital funding to start the essential national fine fibre herds.

At this region there is a local institution that manages the actions of the LEADER programme: The Rural Development Association (RUDE). This association intends to promote the local potential of endogenous development, defending the dignification of the rural man, and guarantees the quality of the projects presented. The RUDE is the responsible for the implementation of this project that intends to introduce the Angora goats on Cova da Beira region.

Angora goats were unknown in Portugal until the 1987 Spring when a first import of castrated males was made in order to study adaptation. Only in 1988 the first flock of pure-bred males and females was obtained. At present, Angoras are farmed in four different places, one in the very North and the others spread in the South (The Alentejo region). The total population is around 350 (Rolo, 1992).

The introduction of Angora goats in Portugal is not an easy option, since goats have never had a good reputation because of their browsing habit, and are usually blamed for the deterioration or even the destruction of what had been an ecologically stable community leading to what is called desertification. However, Portugal is a traditional country in goat enterprises and they are usually managed as sheep production. The goat's livestock has remained stable in the last six years and in 1993 his number was about 836.000 animals (Anuário Pecuário, 1994).

## Mohair industry under the LEADER II in Cova da Beira region

The present project is to be implemented in the Castelo Branco region and it includes the Belmonte, Covilhã and Fundão areas belonging to the North area of Castelo Branco region Fig. 1.

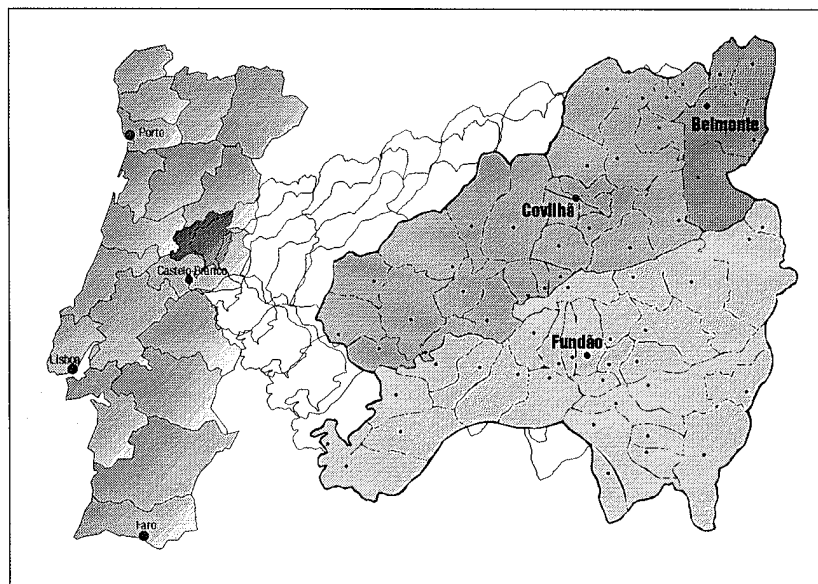


Figure 1 - Implemented project region

The aim of the present project is to introduce the Angora goat breed in farming units, that do not have any other goat breeds, so that it may contribute to the maintenance of the agricultural enterprises of the region, avoiding in this way, as far as possible, the abandonment of the existing farming units which, therefore, lead to the desertification of the rural areas as we can see on table 1.

TABLE1- Evolution of the resident population in Cova da Beira region.

	1960	1970	1981	1991	1960/70 (variation)	1970/81 (variation)	1981/91 (variation)
Cova da Beira	129 639	103 371	99 799	93 097	- 20.3 %	- 3.5 %	- 6.7 %
Castelo Branco	316 536	252 341	234 230	214 853	- 20.3 %	- 7.2 %	- 8.3 %
Portugal	8 292 975	8 070 975	9 336 760	9 371 319	- 2.7 %	14.9 %	0.5 %

I.N.E. 1960, 70, 81, 91.

One group of ten breeders each one having twenty females and two males will be formed and the goats will be reared under the same traditional extensive system of production, as it is already practised for sheep and goats by farmers in this semi-arid area. The breeders will be joined in a co-operative, which will buy and will transform all the mohair fibre produced. In order to achieve this the cooperative will sub-contract some textile factories of the region. Due to the fact that the breeders are grouped, they will have a complete control of the process of purchase and transformation of raw material, as well as, the commercialization of the several products, receiving the added values, resulting from the sale of the final product.

All the productive process will be followed by The Agriculture School of the Polytechnic Institute of Castelo Branco (ESACB) and the Ministry of Agriculture (DRABI). Both institutions will give technical assistance to the breeder enterprises and they also intend to create a performance recording system for Angora goats. The parameters to take into account are the following:

- 1- Animal production and performance - pedigree and production data registration (kids growth rate, mohair growth) reproduction data (fertility and prolificacy, and ovarian activity) body weight, condition score and fleece weight.
- 2- The health status of the Angora goats in different age groups will be monitored in order to identify their susceptibility to diseases and parasitism so that they will be controlled.
- 3- Evaluation of gross margins for the Angora goat in comparison with traditional livestock enterprises in the area (comparisons of income from meat, milk and fibre).

The transforming process will be accompanied and guided by The Portuguese Textile and Clothing Industries Technological Center (CITEVE). It will start with raw material qualification belonging to all the producers of the group, it will proceed with the control and technical aid of all the phases of the transformation process and it will end with quality control of the final product in order to obtain products with technical characteristics which are compatible with their commercial value.

After processing, the product (final or intermediate) will be marketed. The responsibility of this work belongs to the technical and marketing services of the cooperative. See figure 2.

The CITEVE and the ESACB intend to create a recording system based on scores of fleece quality by grading panel and objective measurements of fibre diameter, medulation, fibre density, clean fleece yield and kemp content on an individually basis.

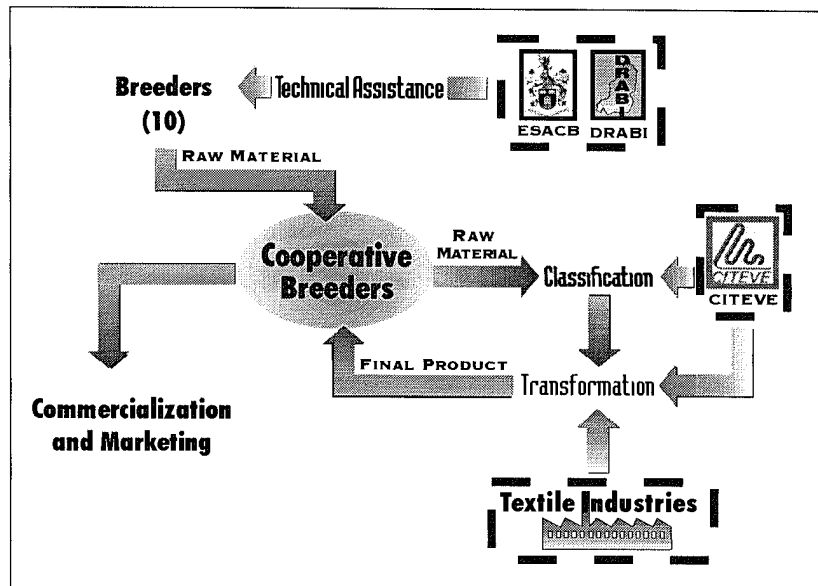


Figure 2 - Diagram of the project

Grants made under the LEADER II could provide the vital funding to start the essential national fine fibre Angora herds and the fundings will be directed to the following activities:

**At the production level:**

Acquisition of animals and instalment of the necessary infrastructures to farming units;  
 Technical assistance and guidance from ESACB and DRABI.

**At the cooperative breeders level:**

Organization of the departamental structure.

**At the transforming level:**

Technical assistance and guidance from CITEVE;  
 Sub-contract textile industries.

**At the Commercialization level:**

Promotion and marketing activities related to the final product;  
 It is foreseen an organism which will certify the commercialized products, as well as, the implementation of a trade mark (i.e. Mohair Cova da Beira).

**Interest of the project to the Cova da Beira region**

The production of animal fibre (Mohair) in Portugal as an alternative to food products at present in oversupply in the EU is relevant at several levels:

**A- Animal level**

- One of the main constraint in Mohair production is the Angora goat's lesser tolerance of wet conditions (Russel, 1993), and Portugal has a good location due to its natural climatic factors (dry and warm).

- The nutritional constraints applied to fine wool production in the region (Merino sheep) will also be applied to Mohair fibre production, since the production of high quality fibre demands a relatively low level of nutrition (Russel, 1995).
- The diseases and parasite conditions affecting goats are essentially the same as those found in sheep, and the known treatments and preventive medicine programmes developed for sheep are generally effective in goats (De Las Heras, 1993).
- The economics of Mohair production are marginal and rely, to a large extent, on the subsidies which goat enterprises in Portugal still get.
- It is estimated that Portuguese gross imports of Mohair are of about 10 to 12 Ton./year (ICEP, 1992), which remaining constant, will correspond to a herd of 2500 to 3000 animals, which exceeds the number of existing animals (approximately 10 times more).

## **B- Social level**

- The establishment of fine fibre enterprises in rural areas would secure jobs in rural areas by increasing the gross margins taken out of the traditional farms.
- The change from traditional animal enterprises (sheep production) to animal fibre production will not require the development of new systems of management, since most fine fibre production is well suited to extensive systems based on the poorer land resources prevailing in the region.
- Local farm based skills (such as hand knited shawls or pure mohair blankets and marketed directly to consumers by farmers themselves) and capital stocks (herds) could be extended.
- It can reduce the risk of fire in many rural areas, where farming activities have decreased and the biomass of shrubs is increasing, through an adequate goat grazing management.
- The EU is deficient in fine fibres and the increase in Mohair production in Portugal, with low costs of production and near to the biggest import countries in the world (Italy, France and UK) can be an advantage to export to these countries.
- In Portugal the importation of fine fibre garments has increased 7%/Year (ICEP, 1992) which can be an indicator of the increase of disposable income in Portugal in order to buy these luxury garments.

## **C- Industry level**

- It is a help to the Portuguese textile industries in the region, both in the short term (it modifies capabilities and skills in a fine fibre processing and manufacture) and in the medium/long term (local supply of raw material with no need of outside markets of the EU and replacement at a national level from import garments of high price and quality).
- It can develop local support structures such as fibre pools, storage and handling.
- Developments in the area of fibre metrology by the CITEVE could lead to the adoption of techniques to identify regionally produced fine fibres and thus lead to the protection of these niche markets.
- A traditional goat meat market, with high prices, in comparison with Northern European countries, is a solid basis for goat fibre production and it can also support slaughterhouses and meat

related processing opportunities.

- Goat's milk is also used to make traditional cheese, even if the price is not so highly valuable as ewe's milk.

### **Potential constraints to Mohair industry**

The principal concern regarding Angora goat enterprises is that mohair is a fibre which is subject to the vagaries of fashion. World production exceeds demand and political stability in countries such as South Africa (which are major suppliers of the world market), will put prices of fibre under continued downward pressure from the supply side. Hopkins (1993) stated that the control of world fibre supply would be an important factor for both market and price stability. Stability in the marketplace is essential to create and maintain confidence in a particular fibre and attract newcomers to associated fine fibre enterprises.

It is also known that the demand of fine fibres which are manufactured into luxury products will be dependent on the level of disposable income in Portugal and in the western world. We must assume, launching this project, that the standard of living will continue to rise in Portugal and in the western world, as predicted by the OECD, expecting that demand will continue to rise.

### **Conclusions**

The future opportunities for Angora goats will be linked to policy changes and incentives to encourage present farmers to move into a non-traditional enterprise, and the LEADER II could provide the vital fundind to promote rural areas.

The EU has necessarily to consider innovative ventures, such as Mohair and others fine fibres production, in its search for alternative means of securing jobs in rural areas, maintaining rural communities, and to support farmers according to the GATT and the CAP recent regulations.

The idea is to create a vertically integrated business encompassing all stages of mohair production, manufacturing and marketing. Producers are then able to control all the steps from farm to final consumer and retain the margin normally taken by market intermediaries, which will significantly contribute to the economic profit and technical rentability of their agrarian activities.

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2 - J. M. Fiadeiro; CITEVE - Edifício dos Pelames - Lg. Tinoco de Sousa - 4760 - Vila Nova de Famalicão - Portugal.

3 - J. Goulão; DRABI - Direcção Regional de Agricultura da Beira Interior - R. Amato Lusitano - Lote 3; - 6000 - Castelo Branco - Portugal.

4 - C. Pinto; RUDE - Associação de Desenvolvimento Rural - R. Rui Faleiro, nº54 - R/C - 6200 Covilhã - Portugal.