

Prepared for:
Marin County Department of
Agriculture, Weights and Measures

Prepared by:
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Executive Summary

Marin County Sheep and Wool
Preliminary Market and Industry Assessment



ERA Economics
Environment • Resources • Agriculture

Purpose & Background

The Marin County Department of Agriculture (County) engaged ERA Economics to conduct a reconnaissance-level investigation of the local sheep industry and the market potential for a regional wool processing facility. The analysis includes:

- Evaluation of baseline industry data
- Overview of industry market conditions
- Marin County agriculture, sheep, and wool industries
- Industry opportunities in Marin County
- Feedback from industry experts and areas for further evaluation

This document summarizes a data-driven overview of the current Marin County and broader domestic sheep and wool industries. Industry reports, research reports, industry data, and other industry statistics were reviewed and compiled. ERA Economics and the County worked together to conduct interviews with industry experts, outreach to local producers, and organized meetings with other stakeholders and interested parties. The outreach included industries in Marin County as well as sheep and wool producers in California and the broader domestic market.

ERA Economics would like to thank the Marin County staff, sheep producers, wool industry representatives, and regional partners who shared their knowledge and insights. This study benefitted immeasurably from interviews with these individuals and organizations.

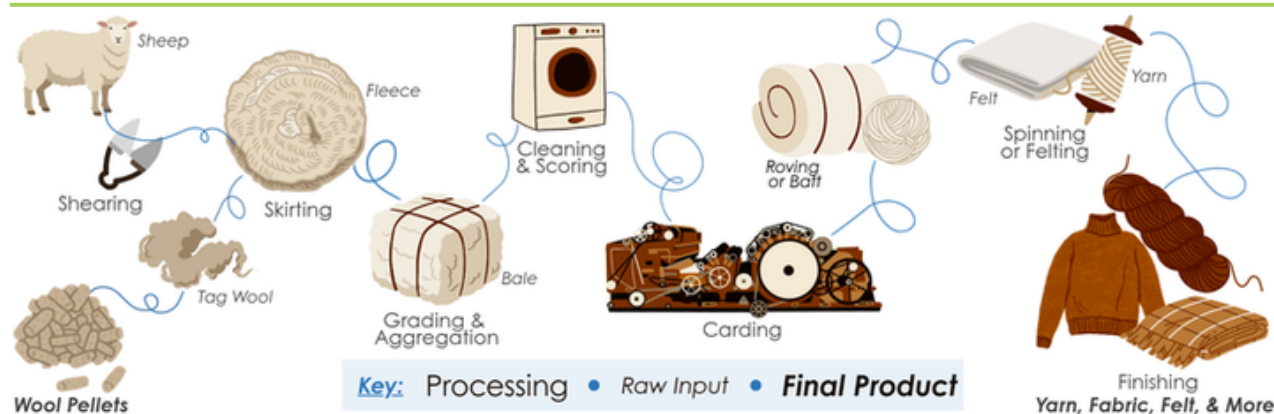
Sheep & Wool Production Overview

Marin County has a long agricultural history of crop and livestock production. Like many urban-rural counties, the agricultural footprint has changed over time due to factors including expanding urban areas, increasing cost of production, and agricultural market forces.

Agriculture and open space are part of the rural character of Marin County, and land conservancies, such as the Marin Agricultural Land Trust, work to preserve the agricultural legacy of Marin County and support the economic viability of remaining farms and ranches. Over 60,000 acres of land in the county is currently in an agricultural or open space easement.

Sheep are a prominent livestock in the region and well suited to Marin County's climate, topography, and agricultural land conservation goals. With plenty of opportunities for grazing, the economic viability of expanding the county's sheep industry depends on the cost of inputs and markets for products. In addition to the meat and contract grazing sheep provide, the wool industry collects, aggregates, processes, and markets fiber. **Figure 1** illustrates the wool supply chain and production process from shearing through example final products. Lower-grade or tag wool may be discarded or diverted to products such as wool pellets. Higher grade wool is processed and turned into various finished goods / textiles.

Figure 1. Overview of the Wool Supply Chain



U.S. Sheep & Wool Industry

Wool Production

The U.S. sheep and lamb inventory totaled approximately 5.05 million head, including 3.68 million breeding sheep and 1.37 million market sheep and lambs. Market lambs were 94 percent of the total inventory and market sheep were 6 percent of total market inventory. U.S. producers generated 22.5 million pounds of shorn wool valued at approximately \$35.4 million. Wool is a relatively small but important co-product of the domestic sheep industry.

The U.S. is small share of wool supply, accounting for less than 1 percent of global production. **Table 1** summarizes raw and processed wool exports and imports for 2025 and 2026. The U.S. is a net exporter of raw wool because it is cheaper to ship and process wool abroad, and it is a net importer of processed wool and wool products as U.S. consumer purchase a substantial share of these commodities. The global trade data show that the U.S. is not currently well positioned and competitive as a global producer or processor of wool. However, there are markets that Marin County is well-suited to serve.

Table 1. U.S. Wool Trade, in Million Pounds

Measure	2025	Thru May 2026
<i>Raw</i>		
Raw wool imports (clean)	4.84	1.82
Raw wool exports (clean)	9.82	3.68
Net Raw Wool Trade	4.98	1.86
	Net Exports	
<i>Processed</i>		
Wool top imports (processed)	1.14	0.39
Wool top exports (processed)	0.47	0.19
Net Wool Top Trade	0.67	0.20
	Net Imports	

Wool Processing

Most of the value-added from wool production is in the processing steps to turn raw wool into finished retail products. Historically the U.S. processed wool domestically, but due to international competition, trade barriers, and other market forces, there is a limited processing industry in the U.S.

For Marin production, with limited local processing, almost all this value is captured outside the county and state. The spread between the price at the Marin farm gate (\$1.21 per pound) and the price for finished product (up to \$24 per pound) represents the value added by scouring, carding, spinning, and knitting. Wool revenue is around \$8 per animal. Most sheep enterprises are diversified and include additional revenue streams from grazing contracts and meat.

Wool Demand

Wool is processed to meet consumer demand, which has changed over time. As consumer preferences and purchases change, these shifts affect the production of goods and the price they can ultimately be sold for. Several demand channels are promising:

- **Fiber demand.** Awareness of micro-plastics in synthetic fibers may increase demand for wool and other natural fibers.
- **Apparel brands.** Companies have sought domestically grown wool textiles but have been unable to source them due to processing infrastructure gaps.
- **Industrial buyers.** Air filter manufacturer Havelock in Reno uses New Zealand wool because American wool cannot be cleaned to the standard its equipment requires.
- **Government procurement.** Government procurement is more stable than fashion or consumer markets.
- **Specialty fiber spinning.** Artisans are seeking quality wool for textiles and crafts.

Marin Sheep & Wool Industry

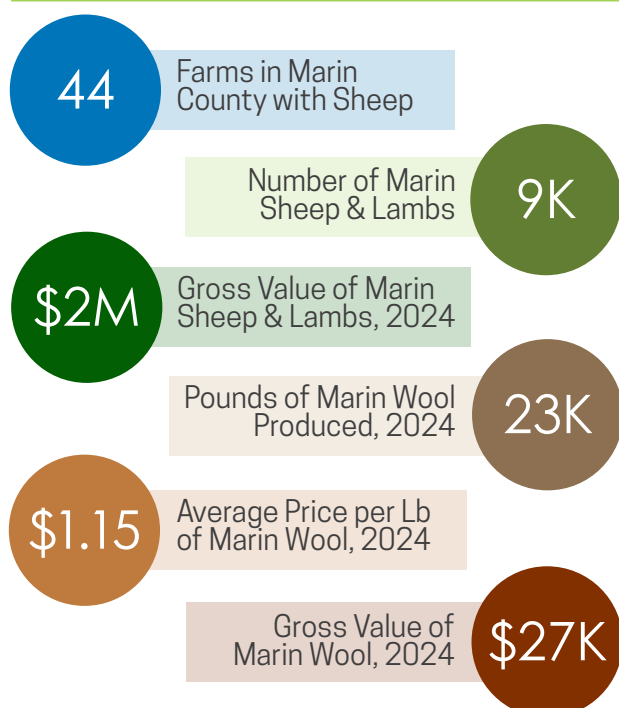
Marin hosts a small but active base of sheep enterprises. Revenue is from meat, grazing, and fiber, which is marketed through select wool processing channels. Wool processing capacity in Marin County, and the U.S. more broadly, is currently limited.

Agriculture, Sheep, & Wool Production

Marin County has around 255 farms representing 514 producers over 121,000 operating acres. The median farm size was 81 acres. In 2024, the total gross value of the industry was \$83.82 million, down slightly from 2023. 48 percent of total production value came from livestock, with another 28 percent from livestock products (milk and wool). A substantial share of Marin County is protected for open space or agriculture.

The county's cool, coastal climate and expansive rangeland support sheep production. An estimated ten operations in the county run sheep at commercial scale, with a larger number of smaller ranches and some new producers entering the industry. **Figure 2** summarizes sheep and wool production in Marin County.

Figure 2. Marin Sheep & Wool Industry



Wool Marketing & Processing Channels

Marin County wool moves through several distinct marketing and processing channels depending on clip size, fiber quality, and intended end use. Interviews were conducted with local producers and marketing and processing businesses. Producers may sell raw fleeces directly to hand spinners and specialty buyers, aggregate and ship larger lots to distant commercial processors, use small custom mills for yarn and finished fiber products, or divert lower-grade wool to pellets and soil amendments. These channels provide some market access, but the absence of a coordinated regional system limits scale, increases transportation and processing costs, and reduces the value retained by local producers.

Table 2 summarizes selected marketing channels and processing businesses currently serving Marin County wool producers.

Table 2. Wool Processing Channels

Channel	Location	Supply Chain Role
Bollman Industries	Texas	Commercial scouring at scale
Frankenmuth	Michigan	Vertically integrated mill; focused on bedding
Barinaga Ranch	Marin County	Direct sales to hand spinners
Valley Oak Wool Mill	Woodland, California	Small-lot washing, carding, spinning
The Wool Shed	Marin County	Purchases wool from producers for retail
Mountain Meadow Wool	Wyoming	Small mill accepting small lots for fiber
Brazil Ranch	Marin County	Wool pelletizer
Point Reyes Compost	Marin County	

Opportunities & Constraints

Key Opportunities

A strong local appreciation for sustainability, open space preservation, a legacy of agriculture, and shifting global dynamics may position Marin County to revitalize some of its regional wool economy. Identifying economic opportunities for protected land and adjacent affluent markets could help support the local livestock sector and grow the local fiber industry.

- **Agricultural land preservation.** MALT holds easements on extensive protected agricultural land, and sheep are one alternative to keep Marin's agricultural lands in production.
- **Global trade conditions.** Locating scouring capacity closer to producers may reduce reliance on foreign markets, insulate from trade shocks, and keep regional value.
- **Funding opportunities.** Available loans, grants, and private/philanthropic funding can support local capital acquisition for developing processing.
- **Accessible near term markets.** With proper preprocessing, producers can access markets with growing demand. Some hand spinners and smaller brands seek local and regional specialty fiber for yarn, woven goods, and bedding. Low quality wool can be diverted to wool pellets for soil.
- **Expanding longer-term markets.** Several markets have potential for domestic wool, including air filters, sheep skins, lanolin recovery, and government procurement.

Key Constraints

There are headwinds to expanding the sheep and wool industry in Marin County. This is evidenced by several regional initiatives and businesses that were not successful. The primary constraint is that it is currently cheapest to transport and export wool for processing, and then import finished goods for sale in the U.S. A successful local industry needs to work within these economic realities.

- **Wool production & markets.** Marin's small clip cannot justify industrial-scale scouring infrastructure on its own. In a competitive global industry, Marin is better suited for small, local markets and diversified (grazing, meat) sheep enterprises.
- **Capital and regulations.** Building a commercial-scale scouring facility costs \$19–38 million. Navigating permitting and regulations for processing creates additional costs and market limitations. A financial evaluation of a new facility is a natural extension of this report.
- **Producer coordination.** Experts emphasized the importance of a solid business plan to navigate regulations, sustain markets, and support sound cooperative projects with producers.

Summary

Marin County is unlikely to support a large-scale scouring facility in the immediate future due to market and trade conditions, water constraints, capital requirements, and land use, permitting, and other regulations. However, Marin is well-positioned for expanding its sheep and wool industries. This would include expanded aggregation, processing, and access to local markets that are unique to Marin.

Marin County can continue to support industry development opportunities. Near-term steps may include:

- **Continue to support incorporating grazing and sheep in the county vegetation management plans** to support producer revenue, which can support expanded wool processing.
- **Establish training and quality standards** that raise the cleanliness, consistency, and competitiveness of local wool.
- **Convene an advisory group, commission, or steering committee** to guide Marin's role in the regional wool supply chain and market development.

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