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About Alpacas

Discussions on this page offer a brief introduction to alpacas. More information is available from many sources including the Alpaca Owners and Breeders Association and the Empire Alpaca Association. Of course, we encourage you to contact us to schedule a farm visit as that is the <u>best</u> way to gain insight into alpaca ownership and to get personally acquainted with these wonderful animals.

About Alpacas

Alpacas are a member of the camelid family which includes Dromedary (single hump) and Bactrian (double hump) camels as well as llamas, guanacos and vicunas that are indigenous to South America. Llamas and alpacas have been domesticated for thousands of years and while they are closely related there are some major differences. Llamas are about twice the size of alpacas and are used primarily as pack animals whereas alpacas are raised for their exceptionally fine fiber. During the Incan Empire, clothing made from alpaca was reserved exclusively for members of the royal family and highest government officials.

Alpacas were first imported to the United States in 1984 and are now being successfully raised and enjoyed throughout North America and abroad. Importations were ceased in 1998 when members of the Alpaca Registry voted to close the door to future importations to ensure the integrity of the North American herd and to provide North American breeders with greater <u>sales opportunities</u>. The growing demand for alpacas in the United States is now supplied by alpaca breeders in the United States.

The lifespan of the alpaca is about 20 years and gestation about 11.5 months. Alpacas eat grasses and chew a cud. Adult alpacas are about 36" tall at the withers and generally weigh between 100 and 200 pounds. They are gentle and easy to handle. Alpacas don't have sharp teeth, horns, hooves or claws. Clean-up is easy since alpacas deposit droppings in only a few places in the paddock. They require minimal fencing and can be pastured at 5 to 10 per acre.

Alpacas produce one of the world's finest and most luxurious natural fibers. It is clipped from the animal annually without causing it injury. Soft as cashmere and warmer, lighter and stronger than wool, it comes in more colors than any other fiber producing animal (approximately 22 basic colors with many variations and blends). Finer grades of alpaca fiber are considered hypo-allergenic, meaning they do not irritate your skin as sheep's wool sometimes does. Unlike sheep's wool, alpaca contains no lanolin and is therefore ready to spin after only nominal cleaning of the fleece. This cashmere-like fleece, once reserved for Incan royalty, is now highly sought after by both cottage-industry artists (hand spinners, knitters, weavers, etc.) and the commercial fashion industry.

Finally, alpacas are easy to transport, which makes it easy to move them from one location to another. They have a relatively long and trouble-free reproductive life span, and alpacas can be fully insured against loss.

Environmentally Friendly

"Agriculture is sustainable when it is ecologically sound, economically viable, socially just, culturally appropriate and based on a holistic scientific approach." – NGO Sustainable Agriculture Treaty

Alpaca fiber is:

Sustainable – an ever-growing North American herd provides an ever-increasing source of fiber.

Natural – not synthetic and not petroleum based like polyesters, acetates, acrylics, nylon, rayon or Gore-Tex. Cotton uses 25% of all insecticides that are applied to crops in the United States annually and the US EPA deems 7 of the top 15 <u>pesticides</u> applied to cotton to be potential or known human carcinogens.

Renewable – alpaca fiber is harvested (shorn) annually causing no harm to the animal (unlike mink or baby seals).

Durable – archeologists have found remnants of Incan alpaca textiles that are centuries old.

Alpacas are one of the most environmentally friendly of livestock animals:

- ✓ The alpaca's feet are padded and they leave even the most delicate terrain undamaged as it browses on native grasses.
- ✓ The alpaca is a modified ruminant with a three-compartment stomach. It converts grass and hay to energy very efficiently, eating less than other livestock animals.
- ✓ Its camelid ancestry allows the alpaca to thrive without consuming very much water, although an abundant, fresh water supply is necessary.
- ✓ Whereas most livestock animals pull up grass by the roots and compress the soil with their hooves, alpacas do not. Rather, alpacas "cut" grass against their palate (because they lack upper incisors) which encourages grass re-growth.
- ✓ South American Indians use alpaca dung for fuel and gardeners find the alpaca's rich fertilizer perfect for growing fruits and vegetables.
- ✓ A herd of alpacas consolidates its feces in one or two spots in the pasture, thereby controlling the spread of parasites, and making it easy to collect and compost for fertilizer.
- ✓ No chemicals are used either during feeding or during the industrial production of the fleece into fiber:
- ✓ Sheep fleece contains lanolin which requires a multi-step detergent wash.
- ✓ No need for pesticides (as in the production of cotton) or chemical fertilizers.

- ✓ No need for dyeing as alpacas come in more than 20 natural colors. But if dyeing is desired, only 20% of a normal dye bath quantity is required.
- ✓ Manufacturing synthetic fibers is a petroleum-based, energy-intensive process.
- ✓ Alpaca fiber is very strong (durable end products), easy to process (no lanolin) and gives a high yield of end-product (nearly twice the percentage that sheep yields).

Financial Considerations

Alpacas have been referred to as "The world's finest livestock business." For any business asset to be valuable, it must possess certain qualities that make it desirable. Around the world, alpacas are in strong demand, and people pay high prices for them. They are scarce, unique, and the textiles produced from their fleeces are known in the fashion centers of New York, Paris, Milan, and Tokyo. There are excellent profit opportunities and tax advantages available to alpaca breeders. Historically, the alpaca's value has sustained ancient cultures, such as the Incas of Peru. Today, alpacas represent the primary source of income for millions of South Americans. History has validated the value of the alpaca.

Alpaca Supply and Demand

The North American market for alpacas has been moderated by the effects of relatively slow herd growth. As of early 2009, the total population of registered alpacas in North America is just over 151,000 (as compared to over 3 million that reside in South America). The North American supply will continue to be limited in the near future for a number of reasons:

- ✓ Alpacas reproduce slowly. A female generally breeds for the first time between 18-24 months of age, is pregnant for 11-12 months, and almost always only has one cria (baby) per year.
- ✓ Many breeders retain their offspring to build their herds.
- ✓ The limited size of the national herds in each country outside of South America will restrain growth to a small degree.
- ✓ The U.S. alpaca registry is closed to further importation to protect our national herd, which will further moderate U.S. herd growth.

Meanwhile, demand for alpacas has increased dramatically every year since their introduction outside of South America (1984). Not only are there more breeders entering the alpaca market each year in established countries such as Canada, New Zealand, Australia and the U.S., but there are more countries worldwide also actively establishing alpaca herds. This growth is sure to continue as the alpaca gains international recognition.

Alpacas offer an outstanding choice for livestock ownership. They have long been known as the aristocrat of all ranch animals. Most of all, alpacas have a charismatic manner, they do very well on small acreage, and they produce a luxury product which is high in demand.

Factors Affecting Values

An alpaca rancher with a small herd on a small acreage can expect to harvest his animals' fleeces and sell their offspring profitably. The value of alpaca fleece and finished products made from that fleece is the economic underpinning of the future market for alpacas. North American breeders are beginning to organize fiber co-ops for the commercial processing of the fleece (for example, The Alpaca Fiber Cooperative of North America –www.afcna.com and the New England Alpaca Fiber Pool – www.neafp.com). Domestic fiber is also often processed at "mini-mills" and sold to cottage industries that revolve around hand spinning and weaving. Each animal will produce around three to ten pounds of fleece a year. Alpaca ranchers sell their fleece in a variety of ways including raw fiber, washed and carded fiber, yarns, and finished products, with lucrative margins. Profits from fiber production vary based on each farm's model for fiber sales.

The current alpaca industry is based on the sale of quality breeding stock, which commands premium prices. Factors that influence individual alpaca prices include color, conformation (physical soundness), fleece quality and quantity, age, and gender. Females sell for more money on average than males, but herd sire quality males have historically commanded the highest individual prices. Well-conformed alpacas with superior fleece characteristics sell for higher prices.

The value of an alpaca herd is compounded over time. Alpacas reproduce almost every year, and about one-half of their babies are females. When you retain the female off-spring in your herd, they begin producing babies – a process referred to as "alpaca compounding."

Tax-deferred wealth building is another "alpaca advantage". As your herd grows, you postpone paying income tax on its increasing value until such time as you begin selling the offspring. Many breeders elect to sell all or some of the annual offspring production for practical reasons, such as recovering their initial cash flow, acreage and building limitations, and time constraints.

Alpacas are also fully insurable against theft and mortality. Insurance can be purchased for your stock regardless of age. Average insurance rates are 3.25% of the value of the animal, or \$325 for every \$10,000 of insurance.

The major tax advantages of alpaca ownership include the employment of depreciation, capital gains treatment, and if you are an active hands-on owner, the benefit of off-setting your ordinary income from other sources with expenses from your farming business. If you are considering raising breeding-quality alpacas for profit, it is a good idea to consult with an accountant who is familiar with the farm tax code. A very helpful IRS publication (#225), entitled The Farmer's Tax Guide, can be obtained from your local IRS office and on-line.

FAOS

Q: How are alpacas different from llamas?

A: While both are members of the camelid family, llamas and alpacas are distinctly different animals. First, llamas are much larger, about twice the size of an alpaca, with an average weight of about 250 to 450 pounds, compared to an alpaca whose weight averages 100 to 200 pounds. Llamas are primarily used for packing or for guarding herds of sheep or alpacas, whereas alpacas are primarily raised for their soft and luxurious fiber.

Q: Are alpacas easy to care for?

A: They are a small and relatively easy livestock to maintain. They stand about 36 inches high at the withers (where the neck and spine come together); weigh between 100-200 pounds; and establish easy-to-manage, communal dung piles. The alpacas need basic shelter and protection from heat and foul weather, just like other types of livestock, and they also require certain vaccinations and anti-parasitic medicines. Their fleece is sheared once a year to keep them cool in summer. Additionally, their toenails need to be trimmed on an as-needed basis to ensure proper foot alignment and comfort. Interestingly, alpacas do not have hooves – instead, they have two toes, with hard toenails on top and a soft pad on the bottom of their feet, which minimizes their effect on pastures and helps make them an "environmentally-friendly" animal.

Q: What do alpacas eat?

A: The main thing alpacas eat is just grass or hay, and not much of it – approximately two pounds per 125 pounds of body weight per day. The general rule of thumb is 1.5% of the animal's body weight daily in hay or fresh pasture. A single, 60-pound bale of hay can generally feed a group of about 20 alpacas for one day. Grass hay is recommended, while alfalfa should be fed only sparingly, due to its overly rich protein content. Alpacas are pseudo-ruminants, with a single stomach divided into three compartments. They produce rumen and chew cud, thus they are able to process this modest amount of food very efficiently. Many alpacas (especially pregnant and lactating females) will benefit from nutritional and mineral supplements, depending on local conditions. There are several manufactured alpaca and llama feeds and mineral mixes readily available; consult with your local veterinarian to ensure you are feeding the appropriate diet for your area. Alpacas also require access to plenty of fresh water to drink.

Alpacas have two sets of teeth for processing food. They have molars in the back of the jaw for chewing cud. But in the front, the alpaca has teeth only on the bottom and a hard gum (known as a dental pad) on the top for crushing grain, grass, and hay. Unlike goats and sheep that have long tongues which they sometimes use to rip plants out of the ground, alpacas have short tongues and nibble on the tops of grasses and other plants, resulting in far less disturbance of the vegetation. However, they are also browsers and will often eat shrubs and the leaves from trees if given an opportunity, which requires monitoring to ensure they do not consume harmful products.

Q: How much space does it take to raise an alpaca?

A: Because these animals are environmentally friendly and require so little pasture and food, you can usually raise from five to ten alpacas on an acre of land, depending on terrain, rain/snowfall amounts, availability of pasture, access to fresh water, etc. They are even successfully raised on dry lot (and fed grass hay), in some areas.

Q: What do I need by way of shelter and fencing?

A: While the shelter requirements vary, depending on weather and predators, as a general rule, alpacas do need at least a three-sided, open shelter where they can escape from the heat of the sun in summer and from icy wind and snow in winter. If predators (dogs, coyotes, bears, etc.) are present in your area, then a minimum of five-foot-high, 2"x4" no-climb fencing is strongly recommended. Traditional horse fencing (with 6"x6" openings) is not recommended, as curious alpacas have been harmed by putting their heads or legs through the openings.

Q: Can alpacas thrive in locations with very hot or very cold climates?

A: Generally, yes. Alpacas are amazingly resilient animals and have adapted successfully to the extremes of both very hot climates and very cold climates. In hot, humid climates, alpaca owners need to take extra precautions to make sure that the alpacas do not suffer from heat stress. These include: shearing fleeces early in the year, providing fans and good ventilation in the barn, offering cool fresh water for drinking, and hosing off their bellies (where heat is dissipated) on very hot days.

Q: Are alpacas easy to train?

A: Alpacas are very smart animals and are fairly easy to train. It is best to start training them when they are young so they will accept a halter and will learn to follow you on a lead. Many owners also enjoy training them to walk through obstacles; some even compete with their animals in shows where they walk over, through, and around objects and jump over small hurdles. Since they often need to be transported to shows and other farms, it is helpful to train them to ride in a trailer or van. Alpacas are easy to transport, as they normally cush (lay down with their legs folded under them) when traveling.

Q: Are alpacas dangerous?

A: No – they are safe and pleasant to be around. They do not bite or butt and do not have sharp teeth, horns, hooves, or claws as do some other types of livestock. They move gracefully and adroitly about the field and are therefore unlikely to run into or over anyone, even small children. Occasionally, an alpaca will reflexively kick with its hind legs, especially if touched from the rear, but the soft padded feet usually do little more than just "get your attention".

Q: Are alpacas clean animals?

A: Yes, they are much cleaner than most livestock. Alpacas are a virtually odorless animal. Since they have minimal aroma, they don't tend to attract as many flies in the summertime as other forms of livestock. Furthermore, alpacas defecate in communal dung piles. There may be three or four of these

piles in a pasture, which makes for easy clean-up, reduced opportunity for parasites, and better overall hygiene in the herd.

Q: Do alpacas make noise?

A: Alpacas are very quiet, docile animals that make a minimal amount of sound. They generally make only a pleasant humming sound as a means of communication. Only occasionally will you hear a shrill sound, called an "alarm call", which usually means they are frightened or angry with another alpaca. Male alpacas also "serenade" females during breeding with a guttural, throaty sound called "orgling".

Q: Do alpacas spit?

A: All members of the camelid family use spitting as a means of negative communication. They do get possessive around food, and thus may express annoyance by spitting at other alpacas that they perceive are encroaching on "their" food. They also often spit at one another during squabbles within the herd (usually involving two or more males or pregnant females). Rarely do alpacas spit at people on purpose, but humans can get caught in the cross-fire, so it's best to study their behavior and learn to avoid the most vulnerable situations.

Q: How long do alpacas live?

A: Generally, around 15 to 20 years. The longest documented lifespan of an alpaca is 27 years.

Q: Does the birthing require human assistance?

A: In most cases, the newborn cria (pronounced KREE-ah) is born without intervention, and usually during daylight hours. A cria normally weighs between 15 and 19 pounds and is usually standing and nursing within 90 minutes of birth. The cria continues to nurse for about 6 months until it is weaned.

Q: Are alpacas an "exotic species," or are they considered simply "livestock"?

A: Since alpacas have been raised as domestic livestock for thousands of years and since the end product of alpacas is their fleece, like sheep, they are classified as livestock by the U.S. federal government.

Q: So what do you do with these animals?

A: Alpacas are fiber-producing animals raised for their soft and luxurious fiber. Each shearing produces roughly five to ten pounds of fiber per adult animal, per year. This fleece, comparable to cashmere, can be turned into a wide array of products from yarn and apparel to tapestries and blankets. The fleece itself is recognized globally for its fineness, softness, light weight, durability, excellent thermal qualities, and luster.

In addition to selling the fleece and the animals, many breeders of alpacas operate an end products retail store on or off their farms. They sell alpaca apparel, yarn, fleece, teddy bears, and household goods directly to consumers who visit their farm or over the Internet. Many also sell the products

through craft fairs, farmers markets, and retail sites. Sales of these end products can provide considerable supplemental income to the farm or ranch.

Q: How long is the gestation period?

A: The gestation period is generally 11 months (about 340 days), but can last as long as 12 or 12.5 months. After birthing, females are typically re-bred within 2-4 weeks.

Q: How many offspring do they have at one time?

A: Females nearly always give birth to a single cria, although twin births also do occur on rare occasions.

Q: What is the long-term outlook for the market for alpaca fleece?

A: Alpaca fiber is valued worldwide as a luxury fiber. This fiber is converted into clothing and accessories that consumers equate with luxury, glamour, and superior quality. Combine this with a well-defined marketing program targeting consumers of all aspects of the alpaca industry, and you get a stable and robust industry.

