



Minnesota Wool Market



Market Spotlight

This document presents an analysis of the wool market in Minnesota. AURI used publicly available information to present historical production trends and prices, the market value and end-uses. This is part of a series of market spotlights from AURI on different ag and food industries in Minnesota.

Industry Outlook

Wool production in the state has steadily declined from 2013–2022. Figure 1 presents Minnesota’s wool production trends (price and number of sheep shorn) during that period. It shows that sheep producers in the state have experienced a depressed market for several years.

- From 2013–2022, the average price of wool in Minnesota has decreased by more than 50%, moving from \$0.84/lb. to \$0.34/lb.
- Producers indicated that they rarely receive the wool price suggested by the USDA, and they indicated that in 2024, the price of wool has decreased to as little as \$0.05/lb.
- The number of sheep shorn in Minnesota went from 135,000 to 100,000, a 26% decrease from 2013 to 2022 (USDA-ESMIS, 2024). Reasons for this decline include the economics of sheep production (high input costs and low prices), labor availability, and lack of market opportunities for wool.

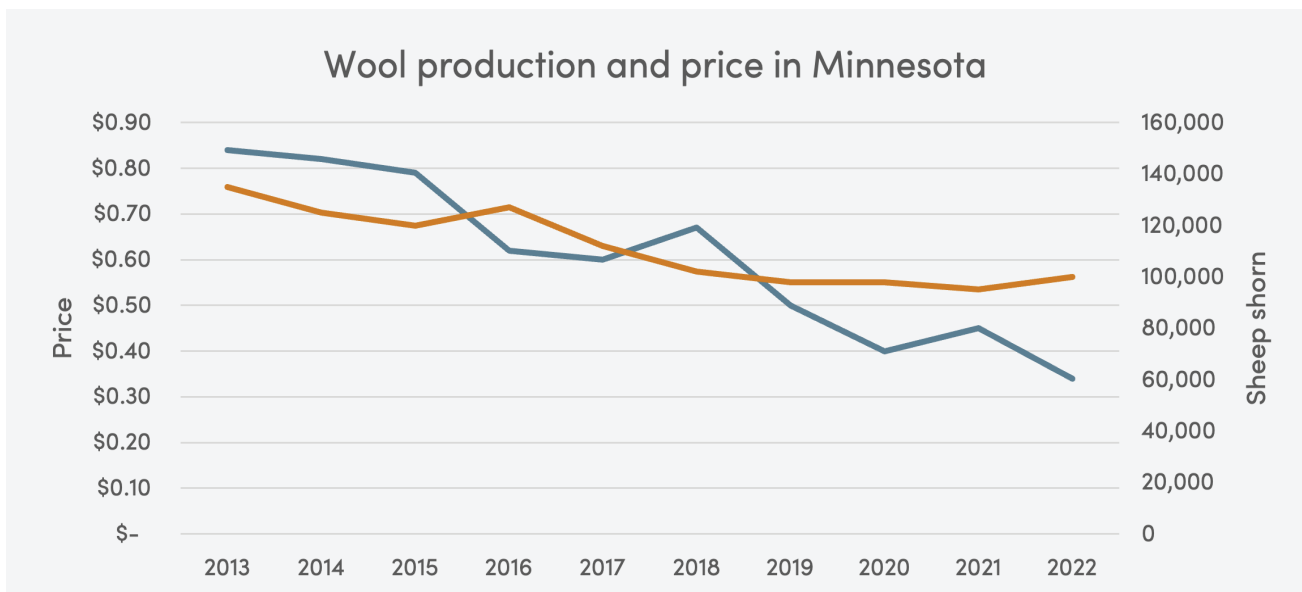


Figure 1. Number of sheep shorn and price of wool in Minnesota from 2013–2022.



Market Potential

In 2022, the wool market in Minnesota was valued at \$180,000 (USDA-ESMIS, 2024), resulting from 1,000 sheep farmers producing 600,000 pounds of wool. Producers received an average price of \$0.34 per pound of wool in the same year. This market valuation suggests that the average sheep farm receives \$180 for their wool per year. The unfavorable state of the wool market can be associated with the lack of market outlets and uses for raw wool.

\$180K
Wool Market
Value

The market potential for wool in Minnesota is constrained as only five fabric mills manufacture wool in the state. Unfortunately, these mills do not source their wool from local producers. Some local producers sell their raw wool to yarn shops.

Minnesota has two fiber arts trails (Weaving Waters Fiber Arts Trail and Pine to Prairie Fiber Arts Trail) with multiple fiber artists exhibiting at each. In addition, several events focus on local wool use, including:

There are approximately 60 yarn shops in Minnesota (U.S. Census Bureau). A study on fiber in the Midwest shows that an average yarn shop uses 3,000 pounds of raw wool per year (Yang et al., 2016), suggesting that this market has a potential utilization of 180,000 pounds of raw wool annually.

- Shepherd's Harvest Sheep and Wool Festival (Lake Elmo)
- Farm-to-Fiber Festival (Park Rapids)
- Fall Fiber Festival (Hopkins)

Supply Chain Considerations

The average sheep producer in Minnesota produces 600 lbs. of wool per year. This low number creates challenges for a single producer to find markets and effectively cover logistics and transportation costs.

- Producers in certain regions of the U.S. have organized marketing pools to send their raw wool. Those marketing pools work as an intermediate market or broker, which allows producers to improve their bargaining power.
- The average wool intermediary manages 3.5 million pounds annually, allowing producers to lock in a market for their wool. Examples of organized structures serving as brokers include the Center of the Nation (North Dakota), Roswell Wool (California), Great Plains Wool Company (Wyoming), and Utah Wool Company (Utah).
- The brokers buy wool from producers. A majority of their wool is sold overseas for cleaning.

Wool End-Uses

Wool and fabric mills represent the most promising market outlet for wool because of the annual volume of wool they can buy. However, because of the supply chain gaps between buyers and sellers, most producers are not finding the proper market for their wool. The biggest manufacturers in the state source their wool internationally, and the smallest manufacturers struggle to develop reliable links with farmers to supply commercial wool.

Apparel and Textile Industry

Wool is traditionally used in the apparel and textile industry. Its unique fiber properties help to make various clothing and high quality fabric curtains, pillows, rugs, socks, blankets, carpets, and bedding.

Due to diminishing returns in traditional markets, future demand for wool will be determined by its ability to capitalize on new emerging markets (Doyle et al., 2021). Two emerging markets are included below.

Wool Pellets as Horticultural Mulch

Wool pellets are “pelletized” wool compressed into small, dense shapes. Many studies have investigated their potential as soil amendments for nurseries and fruit and vegetable growers. Research has shown that wool can serve as a growing substrate and a soil additive to improve soil moisture. As the movement for local vegetable production grows, the wool pellet market shows potential for steady growth. A recent article by the American Sheep Industry indicates Lowe’s purchased 1.5 million pounds of pelletized wool in 2023. The average selling price was \$13 per item (8 oz bag) in the same year.

Wool Dryer Balls as an Alternative to Dryer Sheets

Wool dryer balls are tightly compressed balls made from 100% wool. They help prevent laundry from clumping in the dryer. No scientific studies have indicated better performance than typical dryer sheets. However, wool balls are perceived in the market as a more sustainable alternative to dryer sheets. Multiple brands produce wool dryer balls, and some producers sell them directly to consumers. The price varies between \$12 and \$30 per pack (A pack contains 6 wool dryer balls).



This document is part of the Agricultural Innovation Center at the Agricultural Utilization Research Institute (AURI) to provide market business development services to agricultural producers in Minnesota. The center assists farmers with market research, marketing plans, customer identification, and market intelligence issues. The center provides direct business, products, processes, and development services.

Questions or comments?

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