



Michell Group

BRINGING PERU'S FINEST ALPACA FIBERS TO THE WORLD

By Andrew MacDowall

Peru is set for another record-breaking export year in 2024, after reaching \$64.4 billion in 2023. While the country is known for copper and gold exports, it also stands as the world's leading supplier of alpaca fiber—home to 87 percent of the global alpaca population, a product that symbolizes both the nation's rich heritage and its unique natural resources.

Alpaca fiber is harvested from camelids that graze at altitudes between 2,500 and 4,500 meters, enduring extreme temperature fluctuations from 30°C to -20°C. These resilient animals, living on the high moorlands of Peru, thrive in these challenging conditions, surviving on a low-protein diet of natural grasses. Despite the harsh environment of the Andes, they produce some of the finest fibers in the world, renowned for their quality and durability.

When it comes to alpaca fiber, Michell Group is the name that stands out as a pioneer and global leader in the industry. As one of Peru's most iconic brands, Michell Group begins its story with Frank William Michell, a decorated British Royal Air Force pilot during World War I, but in 1920, his life took a remarkable turn.

"An encounter with an actress wearing a chinchilla coat sparked his curiosity, leading him to Peru," recalls Michael Michell, executive president of Michell Group and Frank Michell's son. "Determined to explore new opportunities, he boarded a sailing ship bound for Peru and settled in Juliaca, deep in the Puno region. For the next 11 years, with almost nothing to his name, he built relationships with small alpaca growers, sourcing fiber and sending it to Arequipa. From there, it was



Michael Michell
Executive President

purchased used spinning machinery, shipped it to Peru and elevated the company's industrial prowess.

"It all comes down to truly loving the business, and I do," says Michell. "I used to journey up to the mountains regularly to buy alpaca and live alongside the people there."

Even during turbulent times, including years of military rule in Peru and state attempts to control the alpaca industry, Michell Group not only survived but thrived. By the late 1970s, under Michael Michell's leadership, the company had expanded its footprint across North America, Europe and Asia, carving out a dominant presence in the global market. He invested heavily in cutting-edge production facilities, built highly skilled teams and ensured the company remained agile in an ever-changing marketplace.

"No one can replicate what we do," Michell proudly states. "We have the finest Peruvian workers who have developed machinery capable of producing incredibly fine

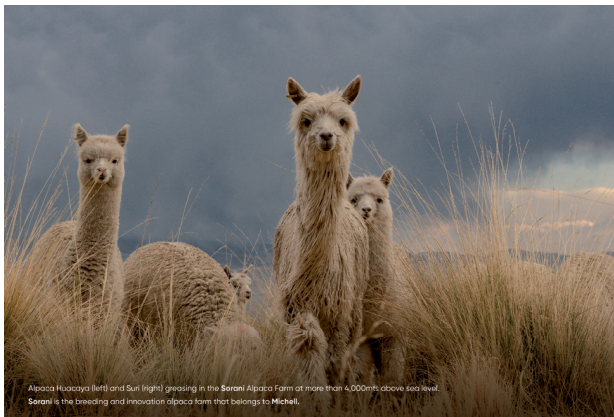
baby alpaca yarn. Many of our team members have been with us for 30 or 40 years, a testament to their dedication and expertise. Together, we've cultivated an enviable company culture that sets us apart."

Michell Group is globally recognized as the benchmark for Alpaca Tops and renowned for its expertise in yarns, whether pure alpaca or blended with silk, cashmere or Andean wool. The company is the market leader in alpaca tops and exports significant volumes of premium yarns to markets across the U.S., Europe, Asia, South America and China. Michell's close proximity to fashion brands and key markets reflects the growing demand for high-end yarns, including those for hand-knitting. Demand for alpaca, as well as vicuña, has grown significantly, particularly in luxury markets around the world.

Through its renowned apparel brands Patapampa, MFH Knits and Sol Alpaca, Michell Group has become a leader in luxury alpaca garments, known for its exquisite quality and craftsmanship. A key highlight of Michell's offering is Mundo Alpaca, a unique retail experience and museum that has locations in Arequipa, Lima and Cusco. Mundo Alpaca has become a must-visit destination for most tourists in Peru, offering an immersive experience where visitors can learn about the significance of alpacas in Peruvian culture, explore the traditional craftsmanship behind alpaca textiles, and discover Michell's brands.

At the heart of Michell's operations is a deep commitment to quality, craftsmanship, sustainability and exceptional customer service. As a vertically integrated company, Michell Group oversees the entire process—from alpaca breeding to retailing the finest alpaca products. This structure ensures full control over every stage of production, allowing the company to consistently deliver premium quality and meet the high expectations of its global clientele. The company holds multiple certifications, including the Organic Textile Standard (GOTS) and Interwoollabs, affirming the ecological safety and fineness of its yarns. Since 2020, Michell has also been certified by Peru Fair Trade, underscoring its responsibility to employees, society, and the environment.

Looking ahead, Michell Group is poised for continued growth, with ambitious plans to expand both its retail presence and exports. As the company nears a century of excellence, it remains deeply rooted in Peruvian tradition, bringing the finest alpaca fibers from Peru to discerning customers worldwide. By continually investing in its people and processes, Michell is set to maintain its leadership in luxury alpaca textiles for years to come, proudly representing the very best of Peru's rich heritage on the global stage.



Alpaca Huacaya (left) and Suri (right) grazing in the Sarani Alpaca Farm at more than 4,000m above sea level. Sarani is the breeding and innovation alpaca farm that belongs to Michell.

shipped by my great-grandfather and grandfather all the way to Liverpool."

What started as a modest venture sourcing raw alpaca fiber grew into a global enterprise that would redefine the industry. In 1947, Michell Group made history by establishing Peru's first alpaca combing and spinning plant, setting an entirely new benchmark for quality and innovation in alpaca production worldwide. Michael Michell, having joined the family business at a young age, brought with him not only a deep connection to his heritage but a relentless drive to push the company forward. After gaining valuable experience in the U.S. in top-making and spinning, he seized an opportunity to transform Michell Group's capabilities. He



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