

# Marketing of Cashmere in Iran

H.R. Ansari-Renani<sup>1</sup>, B. Rischkowsky<sup>2</sup>, J.P. Mueller<sup>3</sup>

## Cashmere prices

Cashmere is the fine, undercoat fiber (down) produced by cashmere goats in some of the most arid parts of Central Asia, including China, Mongolia, Iran and Afghanistan. Cashmere is a luxury fiber regarded as one of the most expensive natural fibers in the world.

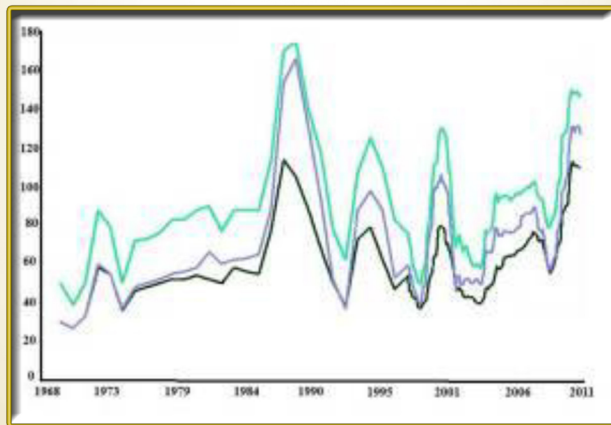


Figure 1. Cashmere price in China (■), Mongolia (■) and Iran (■) over time (Schneider, 2012).

<sup>1</sup> Animal Science Research Institute (ASRI), P.O. Box 31585-1483, Karaj, I. R. Iran, [ansarirenani@yahoo.com](mailto:ansarirenani@yahoo.com)

<sup>2</sup> International Center for Agricultural Research in the Dry Areas (ICARDA), Aleppo, Syria

<sup>3</sup> Instituto Nacional de Tecnología Agropecuaria (INTA), Bariloche, Argentina

Price of this luxury fibre is high but is subject to wide fluctuations in the international markets leading to prices increases or decreases by 50% or more in a short period of time (Figure 1). The characteristics of cashmere such as hard-wearing durability, resilience or springiness, moisture absorption, comfort, fineness and smoothness make it ideally suited to many applications in the apparel and textiles.

## Cashmere marketing and export

Figure 2 illustrates the major production, marketing and processing centers of Iranian cashmere. Principle centers for collection and first sorting of raw cashmere in Iran are Baft, Sirjan, Mashad and Birjand.

Mashad is the center of cashmere industry as most of the large manufacturers, exporters, dealers and selling agents and warehouse dealers are located there. Mashad sharing a common border with Afghanistan also plays an important role in processing and marketing of Afghan cashmere (Figure 2).



Figure2. Major production, marketing and processing centers of Iranian cashmere.

The local plants in Mashad and Semnan cities scour and dehair about 30% of the locally produced cashmere and 29% of Afghanistan clip (Figure 3).



Figure 3. Storage and sorting (first row), scouring and drying (second row) and dehairing and packaging (third row) in Mashad cashmere dehairing plant.

Characteristics of the cashmere market in Iran:

- At present no price differential is paid to the producers for fine cashmere,
- Producers do not receive seasonal price information on cashmere through reliable and up to date sources.
- Producers of cashmere are not aware of world market prices for different cashmere quality classes.
- Cashmere producers sell unsorted raw cashmere at a lower price than could be expected if the cashmere was sorted into quality classes.
- Producers market cashmere on 'eye-ball' basis: transactions and agreements are made on individual basis.
- Many local dealers or purchasers of small lots of cashmere are junk dealers or feed-store operators.
- Many of these dealers specialize not only in cashmere but other products of the region.



After harvesting, cashmere is bought directly from the herders by middlemen and the fiber is stored in warehouses.

Basic problems of operators of cashmere warehouses include:

- Obtaining adequate volumes of cashmere for efficient handling during droughts.
- Securing adequate protection from losses by fire and other hazards at reasonable costs.
- Obtaining and maintaining suitable facilities and equipment for rendering the essential warehouse and related services efficiently.
- Securing adequate information concerning the quality and commercial value of the cashmere handled.
- Maintaining suitable contacts with market outlets for the different qualities of cashmere handled.

Cashmere stored in warehouses eventually finds its way to dehairing factories in Iran and to spinning and weaving mills in China, Italy, England and Belgium (Figure 4). Local mills in Mashad and Semnan scour and dehair about 30% of the locally produced cashmere and 29% of Afghanistan clip.

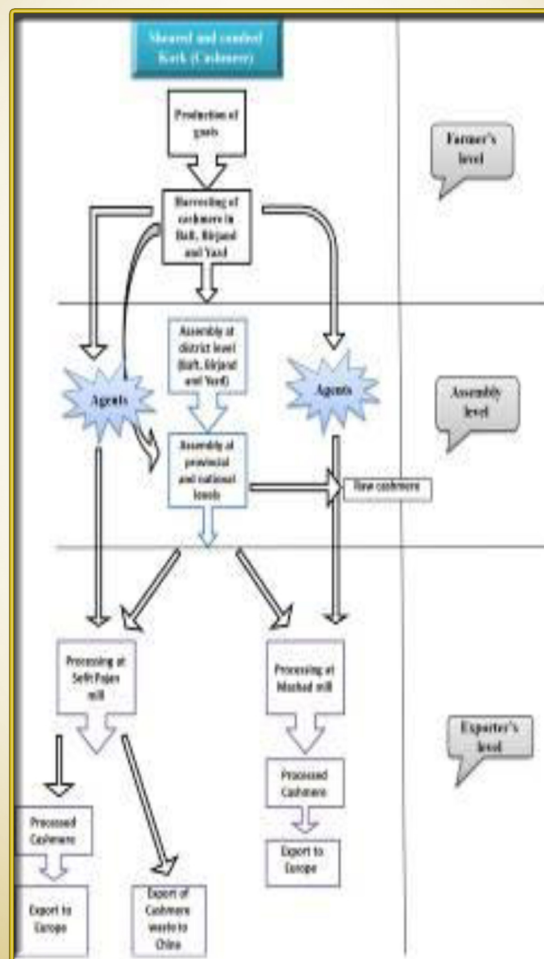


**Figure 4. Distribution pathway of cashmere shipments from Iran to the major importing countries.**

## Cashmere valued addition along the marketing chain

International buyers and processors pay differentially according to the quality and color of cashmere. Finer diameter cashmere receives higher prices, provided other criteria are met, such as length, yield, color and lack of contamination.

Value addition takes place at different stages of the production and market chain. Figure 5 shows value chain of harvested cashmere at farmer, assembly and exporter levels.



**Figure 5. Market channels of harvested cashmere**

- Most of the bargaining power within the value chain resides with the private-owned processing firm and retailer.
- Herders are the largest group of actors but perhaps the least powerful.

There is scope within the production and market channels to improve value added in Iran through:

- Increase fiber quality without decreasing fiber yield of goat herds and thus increasing financial returns to farmers.
- Restore the quality of Iranian cashmere through herd selection and superior genetics.
- Training program on combing cashmere.
- Better planning and coordination among producers, producer organizations, small and large traders, processors, private sectors, concerned governmental and non-governmental organizations and consumers.
- Development of herder cooperatives.
- Access to markets by creating wholesale networks.
- Making seasonal price information available through radio and/or printed media.