

The Hard Truth About Cashmere

WEEKLY ARTICLE



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Jan. 30, 2020

Last August, Donald Trump Jr. set off on a hunting expedition to the westernmost reaches of Mongolia, where he killed an endangered Argali sheep. The act prompted a *ProPublica investigation* into the legality of his trip—but while it's thrust the oft-overlooked country into the global news cycle, it's not the only way the United States is threatening Mongolia's natural environment.

Congress is presently considering the **Mongolia Third Neighbor Trade Act**, which would allow duty-free imports of Mongolian cashmere products. For the United States, the bill is a rare display of bipartisan unity (28 Republican and 23 Democratic co-sponsors): It presents an opportunity to strengthen ties with a developing democracy sandwiched between Russia and China—two major rivals.

Mongolia's economy is largely dependent on its coal and copper exports to China; when China's demand slows or commodity prices drop, the ramifications are felt exponentially in Mongolia. Cashmere production offers the country a chance to expand its non-mined exports—but here, too, China plays a key role.

In 2017, Mongolia exported **9,400 tons** of wool and cashmere, but only a fraction of that—1,100 tons—was processed within its borders. The bulk of the country's wool and cashmere was sold in its raw form to China, meaning Mongolia lost out on the additional jobs and revenue that could have been gained from turning the raw animal hair into fiber domestically. Thus, for Mongolia, the Third Neighbor Trade Act offers a chance to diversify its export partners and expand the global market for Mongolian cashmere.

Of course, the bill's actual implications are far more complex.

The growth of fast, disposable fashion, combined with increased knitting capacity in Chinese factories, has made cashmere—previously an expensive luxury good—available to the masses. As the world clamors for cashmere clothing and accessories, Mongolian herders have a unique opportunity to earn a living and help stabilize their country's economy. They've risen to the opportunity by breeding and buying more and more goats—a development that's accelerating the destruction of the country's precious grasslands.

After the collapse of the communist Mongolian People's Republic in 1990, Mongolia abandoned the quota system that previously governed the number of animals permitted to graze on its lands. Since then, its **grazing livestock population** has jumped from 20 million to 61.5 million. Goats now account for more than half of all livestock, which has proven environmentally disastrous: Goats eat the roots and flowers needed to seed new grasses, so when a herd uproots a pasture, what grows

back is sparser and often poisonous (inedible plants generally replace native grasses). Unmoored soil is swept up into dust storms, reaching as far south as Beijing and Hong Kong.

Consequently, an estimated **70 percent** of Mongolia's grazing lands are presently considered degraded. Herders are forced onto progressively smaller patches of land, further hastening soil erosion.

The Mongolia Third Neighbor Trade Act has its merits—including, crucially, its potential to bolster the livelihood of herders—but Congress should scrutinize it carefully, and with an eye toward sustainability. In particular, the United States should consider including a provision limiting duty-free trade to ethically-sourced, sustainable cashmere.

Efforts to promote sustainable cashmere are already underway. The **United Nations Development Program** recently brought together 100 stakeholder groups to begin developing a consensus on what the 'sustainable' logo actually means in the Mongolian context and creating traceability in the product's long supply chain.

Corporations have also signaled their interest in pursuing sustainable cashmere—and their willingness to pay a premium for it. H&M has made a **commitment** to phase out 'conventional' cashmere in favor of sustainably-sourced cashmere, while **French luxury fashion group Kering** (which owns such brands as Gucci, Alexander McQueen, and Yves Saint Laurent) is working with the Wildlife Conservation Society to develop its own sustainable cashmere supply chain in Mongolia. Kering has partnered with Stanford University's Natural Capital Project to map out the grasslands; on the ground, the Wildlife Conservation Society works with 207 herder families to create annual pasture management plans, which aim to spread herders across viable grasslands and maintain reserve and emergency pastures.

In its rush to expand trade with Mongolia, the United States must ensure that it doesn't inadvertently disrupt the efforts of those already working to create change in Mongolia's cashmere production. If not carefully managed, Americans' demand for cashmere could contribute to the destruction of Mongolia's natural environment—leaving the country's herders with only fleeting wealth and permanent loss of their ancestral lands.