

# 'The reputation and quality assurance of Mongolian cashmere on the world market begins with herders'

By **Khash-Erdene** - Apr 06,2020 2637

*The Sustainable Fibre Alliance (SFA) was established in the UK in 2015 to ensure the long-term sustainability of global cashmere production. SFA Country Director, Dr B.Batkhisig, spoke about the SFA's work in Mongolia, the importance of quality assurance and international recognition for Mongolian fibre and other timely matters in the interview below.*

## **What makes Mongolian cashmere valuable?**

It is well known that Mongolia produces high-quality cashmere. Our fibre is fine, warm, soft and durable and it has good elastic qualities for manufacturing high-quality garments. There are many other distinct features such as its electrical resistance, resistance to humidity and its breathability. But in addition to the characteristics of our fibre, the value of Mongolian cashmere also comes from our story. We have an ancient history of livestock production and our country is unique in its vast rangelands and nomadic way of life. When people buy Mongolian cashmere, they think of our goats roaming the grasslands and the families that care for them as they have done for thousands of years. This is a powerful image and one that is integral to the value of Mongolian cashmere.

## **How should we ensure recognition of and quality assurance for Mongolian cashmere products on the global market?**

The solution is through a credible, globally recognised standard that represents responsibly produced cashmere. Customers are becoming more environmentally aware and want to know whether the product they're buying - particularly a luxury item such as cashmere - has been ethically and sustainably produced. A credible certification standard demonstrates to consumers that their cashmere has been produced responsibly and in a way that benefits herders. Standards need to be holistic, in that they address ecological, social and economic aspects of sustainability. And they will be adapted to the Mongolian context and based on robust assurance procedures. Having a well-designed standard that is recognised by the global cashmere industry means that herders and producers in Mongolia can demonstrate their commitment to sustainability to the external market.

We have the opportunity to promote Mongolia as a producer of sustainable cashmere. But to get international recognition we also need to focus on improving the quality of our fibre. We have seen a reduction in quality over recent decades and this is making it harder to compete with China on the global market. Often our fibre is blended with Chinese fibre to achieve the quality standards required by the luxury market. This is something that we need to address urgently. There are definitely pockets of very high-quality fibre throughout the country, but often this is mixed with low-quality fibre and its value is lost. We need large-scale breeding initiatives to raise fibre quality across the country, and we need to encourage herders to shift their focus to quality instead of quantity.

Herders can also sort their fibre into different quality categories such as age, gender, and quality. Processors are often willing to pay more for sorted fibre, and it allows herders to get premium prices for their high-quality fibre. Moving to lower yields of high-quality fibre is fundamental to the overall sustainability of Mongolian cashmere and it will help raise the profile of our cashmere to international buyers.

### **Who's responsible for improving the quality and preparation of cashmere?**

The cashmere supply chain is complex. We all need to work together to ensure that Mongolian cashmere achieves its true value by adopting responsible practices and maintaining quality standards at every step of the process, from combing through to production. We all have a responsibility to protect our environment for future generations and transforming the cashmere sector will demand action from every stay of the supply chain.

### **What must herders and cooperatives consider when trying to improve the quality of cashmere harvests?**

As I mentioned, shifting their focus to lower yields of high-quality fibre will be really important here. It would be great to see the return to traditional Mongolian breeds that are known for their low micron, long fibres. For example, the Russian *don* breed has been popular due to its high yield, but the fibre is thick and short, and this contributed to Mongolia's overall decline in quality. Herder cooperatives can work together to access high-quality billies that can be shared amongst herding families, and they should seek out traders and processors that are willing to pay a premium price for high-quality fibre. We would love to see a market where herders are rewarded for managing their herds sustainably and within the carrying capacity of their pasture, rather than rewarding herders with large herds and high yields that overgraze pasture and are at increased risk from dzud and climate change.

Colour is another aspect for herders to consider. There is a premium for white fibre, as this requires less bleaching before the dyeing process, and we are already seeing a shift toward a higher proportion of white goats across the country. However, we also produce some beautiful natural colours, such as browns and greys, and as long as we maintain other quality features such as micron and length, I think we will see demand for these natural colours continue.

Age is another important factor. After goats reach 5 years their fibre quality declines considerably and herders could consider selling these animals for meat, if that is an option for them, or they can sort their fibre by age so that the low-quality fibre from their older goats is not mixed with their young goats. This sorting of cashmere fibre by quality is being demanded by the market and will add value for herders.

### **What are the good practices needed for combing goats?**

Combing is an ancient practice, yet it still must be done with consideration for the animal. Firstly, combing shouldn't begin until the goats have started their natural moult so that the fibre is removed easily from the coat. The different sacks and bags for sorting the cashmere by age, sex and colour must be ready - sorting is all about preparation. Secondly, a blanket or covering must be placed over the ground for comfort of the animal and to stop the fibre getting dirty. The combing should not be rushed and should be done carefully in a way that doesn't damage the skin or yank the hair painfully. There have been some shocking videos of goats being combed using appalling methods, which we know is not representative of the majority of herders. However, these videos do show that some herders are using harsh methods that are not necessary or acceptable and we must promote welfare-friendly practices that ensure care and consideration to goats during their combing.

### **How will herders benefit from adopting good practices in the preparation of cashmere?**

Through sorting and packing cashmere properly, herders remove some of the labour-intensive tasks undertaken by processors and can sell at a value-added price. Cashmere businesses and manufacturers always seek to purchase high quality raw materials in large quantities. By understanding the market demand, herder cooperatives will be in a better position to supply the market.

Also, there are benefits to be gained by herders that work together in a cooperative or types of herder organisation. When households pool their fibre together as a group, they can increase sales and attract regular buyers, building up partnerships with businesses. Working together also decreases the costs and risks borne by individual herder households. Herders really are stronger together when it comes to cashmere production.

### **Who are the members of SFA?**

SFA is an international, not-for-profit organisation supported by leading brands, retailers and manufacturers from around the world. Collectively, our membership represents approximately 80% of the global cashmere market. Our international members include Burberry, Johnstons of Elgin, LVMH, Alex Begg, Marks & Spencer, John Lewis, J.Crew and Erdos. Our Mongolian membership includes Gobi Corporation, Khanbogd Cashmere, Evseg and others.

## **Why are global cashmere brands interested in Mongolia?**

Consumers want to know that the cashmere they purchase is produced responsibly and Mongolia's nomadic way of life appeals to them as buyers. Brands use images of Mongolia's beautiful vast landscapes and unique herding culture to promote their cashmere products, and this story contributes to cashmere's status as a rare, luxury product. Yet, consumer awareness of overgrazing, pasture degradation and welfare concerns are growing, and some are now questioning whether they should be buying cashmere products. We have opportunity to establish Mongolia as a producer of sustainable, welfare-friendly, high quality cashmere, but we will need to act fast.

## **What is the SFA doing to address these challenges?**

We are addressing these challenges with the SFA Cashmere Standard, our certification standard for responsible cashmere. We accredit that the herder and processor level, encouraging the adoption of responsible production practices and bringing transparency to the market. We provide extensive training and capacity building efforts to herding communities, and we work with other stakeholders to increase the adoption of more sustainable practices and build the resilience of herders to livelihood risks.

Within Mongolia there is no mechanism that connects herders with national producers in a transparent way and connecting national producers with the international market is also a challenge. We hold events which link herders with processors, and we have recently created a register that provides a list of all herding organisations and processors that have signed up to our codes of practice. The register will clearly indicate which producers are SFA Certified – meaning that they have been independently assessed as compliant with our codes of practice – and the aim is to give these herders and processors greater visibility on the global market.

## **As an international organisation, do you employ a professional team?**

The SFA team consists of our head office in the UK and our SFA Mongolia office which is based here in Ulaanbaatar. We are lucky to have a brilliant team of experts in certification standards, rangeland management and social-ecological systems that come from operational and academic backgrounds and have a deep understanding of the Mongolian context. We also have steady partnerships with industry and brand consultants and strong relationships with local and national governments. We started our work in Mongolia in 2015 and formally established our UB office in 2018. At the request of our members, we are now looking to expand our activities into Inner Mongolia so we can help influence the sustainable production of cashmere on a global scale.

## **How is the COVID-19 outbreak affecting the cashmere industry?**

Unsurprisingly, the coronavirus is having a major impact on the cashmere industry at every level. Europe, and in particular Italy and the UK, are the main buyers of cashmere in addition to China. The drop in demand and orders has created uncertainty regarding the collection of cashmere among national producers. It is likely that this year we will see a surplus of cashmere fibre and finished products on the global market.

Herders are especially vulnerable as the majority of their income comes from cashmere. If the virus continues to disrupt the market, herders could be significantly impacted and therefore the Mongolian government's measures to address this are timely. However, we must account for the fact that international demand for cashmere has fallen sharply and this will affect the value of our fibre. We have been hearing from processors that they are really concerned about what's happening with the international market. So far there has been no demand from international buyers and they're worried if they buy fibre at the high price set by the government, they could be left with fibre they cannot sell.

International brands and retailers are in a really difficult position too. Production mills have shut across Italy and the UK, high street retail shops are shut, consumer demand is low and many of these businesses are wondering whether they are going to survive financially. It's a really unprecedented situation. The cashmere market has always been volatile, but we've never seen anything like this before and there really is no way of predicting how it is going to develop.

We need effective communication between everyone in the supply chain and decisive, innovative steps to protect our herders, maintain sales and secure the future of the Mongolian cashmere sector.

### **How do you view the future of Mongolian herder cooperatives and national producers?**

I am confident that the future of Mongolia's herders and national producers lies in producing cashmere in a way that minimises its environmental impact, is welfare friendly and protects herder livelihoods.

A shift to responsible production, combined with our unique cultural heritage and nomadic lifestyle, Mongolia will have a competitive edge to overcome the technical barriers to international trade and contribute to prolonged economic growth.