

May 2004

Report on cashmere, camel hair and coarse wool production and marketing in Kazakhstan

By Murat Otyنشiev

Consultant to CRSP project

“Developing institutions and capacity for sheep and fiber marketing in Central Asia”

Almaty

Email: asutormo@rambler.ru

Translated by Aidos Smailov

Edited by Carol Kerven

1. Goat fiber and cashmere

Characteristics in Kazakhstan

Goat fiber consists of coarse outer guard hair and inner down. The down (cashmere) is not very warm but soft and solid and very light. The average characteristics of goat down produced in Kazakhstan is 55-65 mm in length, with fineness of 15-16 micron diameter. Down with 12-14 micron fineness has a high value. Central Asian down is mainly 19 microns.

The quality of goat fiber is also defined according to the proportion of down in the whole fiber. Goat down harvesting is of two types: combed and shorn. Dehairing by hand is quite a labor-intensive and ineffective process if goats are shorn. Downy goats start moulting at the end of winter. If goats are not shorn in time all down will fall off from goats by the time of shearing. There are different colors of goat down: white, dark grey, white-grey, dark brown, black etc.

Depending on combing time and presence of coarse hair in down we classify down into three categories, within the Kazakhstan marketing industry. First category: there are almost no coarse hairs or no more than 10%. Second category down has 10 to 20 % of coarse hair in the total weight. Third category is down that is combed in spring at moulting time or shorn, containing from 20-60% of coarse hair.

Marketing in and from Kazakhstan

There is no precise data. Large quantities of goat fiber is smuggled into Kazakhstan from Uzbekistan (Karakalpakstan) and then re-exported to China. There were no active goat fiber buyers in 2003 except for buyers from China who came only one time. There is no special equipment to assess the quality of down in the country. Chinese buyers do not pay attention to down quality when they purchase in Kazakhstan therefore they face some difficulties when re-selling in China. This explains why buyers from China come only one time. There is no statistical data on goat down export due to the illegal ways of exporting from Kazakhstan.

The price of exported goat fiber fell to \$2/kg in 2003 compared to \$4-5 in 2001. Chinese buyers organized the boom in 2001, and as a result many intermediate Kazak buyers became bankrupt because they bought too much fiber of low or mixed quality, at high prices.

There was a plan to set up a cashmere dehairing plant in Kazakstan by immigrants from China called Tak and Shake. They planned to buy dehairing machines from China for \$100, 000 but now their plans have changed. Any plans to set up a dehairing plants in Kazakstan will fail unless there is a equipped laboratory which could provide objective assessment of down. Having taken samples in 1998-1999 we revealed that goat down diameter varies from 14 to 19 microns. Samples were assessed with help of microscope and sent to Forte company in the USA. However Forte company has refused any further collaboration.

The large variation in down diameter produced by Kazak goats and the lack of a specially-equipped laboratory prevents stable commercial production of cashmere. A small hand-sorting factory in Turkestan faced a lot of difficulties selling their down in China. A warehouse was established by Chinese and all the down was exported to China.

List of main goat fiber buyers in Kazakstan

1. Toleubai Nigirbai tel:
2. Daniar tel: 8-300 7149234 (Last season he exported about 200 tonnes of goat fiber to China)
3. Kasen Siyrbaev

2. Camel hair

Camel breeding is mainly in Kazakstan, Uzbekistan and Turkmenistan among the CIS countries. 40% of all camels are double humped, represented by the Kazakh Bactrian breed, which produce more hair. Single humped dromedaries are mainly kept for their high milk production. It is quite economical to raise both types of camels in the dry rangelands of Kazakstan, since camels are kept on natural pastures all the year round. Due to this, in the post-Soviet period camel numbers in Kazakstan decreased only by 2-3% while numbers of other types of livestock dropped significantly until several years ago. Western and Southern regions of Kazakstan are the main areas for camel breeding.

Characteristics of main camel breeds in Kazakstan

Kazakh Bactrian hair annual hair production: Males 10.5-11.5 kg, females 5.4-5.7, young animals aged four years- 4.6-5.5 and three year old- 4.7-4.9, two years old – 4.3-4.8 and one year old animals produce 3.2-4.1 kg. Down length is 7.3 to 9.24 cm. Yield is 68-95 %.

Turkmen dromedary Arvana. Wool harvest from one animal is 3.5 to 4 kg. This breed of camels have crimped wool similar to Karakul sheep wool. Colors differ from light to dark brown.

Over 1,000 tonnes of camel hair is produced in Kazakstan each year, mainly in Southern and Western oblasts of Kazakstan. There are no precise data on camel hair production. This hair used to be exported to Russia and the Baltic states in the past. Camel wool was used to make quilts in Kazakstan factories as well. Nowadays camel hair mainly stays with farmers due to the lack of demand from processing factories. At the same time there is a big boom in camel hair goods abroad, especially in Asian countries of Japan and Southern Korea. Camel

hair in these countries is used for making coats and very light and warm quilts. Specific characteristics of camel hair contribute special traits to cloth, being very warm and less heavy compared to sheep wool products.

Main camel hair buyers are:

- Mal Onimderi JSC: 70 tons purchased and washed in POSH factory in Taraz.
- Asatur Ltd. (Almaty): Did not buy camel wool in the last year.
- Arkhar Ltd.: 15-20 tonnes. The wool was washed and processed into scarves in China.
- Private buyer Nigmat (tel 8 300 544 04 28)- he has bought 100 tonnes and exported to China and Russia. His company is not registered, most of wool was smuggled.
- Kazakstan Wool Processors Ltd. 20 tonnes, washed in Kazakstan and part exported to Kyrgyzstan.
- Private buyer Siyrbaev K. (tel: 8 300 318 99 17): 18 tonnes exported to China and Russia.
- Toleubai Nigirbai (Almaty Mamir village).

3. Coarse and semi-coarse sheep wool

Local breeds of Kazak sheep produce coarse and semi-coarse wool. These breeds of sheep are found mainly in central, eastern and western Kazakstan. Fine-wool merino-type breeds are found in southeast and northern Kazakstan. There are currently no precise statistics for meat breeds of sheep in Kazakstan but an approximate number is about 7 million. One sheep produces on average 1.5-1.7 kg of wool. 11 to 12 thousand tonnes of coarse and semi-coarse wool is produced annually. On average one sheep produces 50 tenge value therefore there is not close attention paid to coarse wool production. Farmers get 30-35 tenge per kg of this type of wool.

Prices for colored coarse and wool have been increasing every year. Average price for this kind of wool in 2003 was 40-45 tenge and then there was a quick increase to 60-70 tenge for coarse and semi-coarse wool of white color.

Characteristics of coarse sheep wool

The specific peculiarity of coarse and semi-coarse wool of Kazak meat and Karakul breeds of sheep is the presence of downy fibers. Coarse and semi-coarse sheep wool comprises 40 to 60% of downy fibers. Maximum yarn-making properties are characteristic to fibers with 30 micron of fineness. Presence of dead fibers in wool with fineness over 30microns make its quality worse because coarse fibers will be located on the surface of the manufactured goods and this complicates the processes of dyeing.

Non-uniform wool could be processed into textile goods using available equipment. At present there is no de-hairing machine. Coarse and semi-coarse wool is not purchased from farmers by processors due to exactly this reason. Consequently, large amounts of this kind of wool is being accumulated in POSH wool-washing factories in Kazakstan. According to different sources of information, nowadays we have 30,000 to 50,000 tonnes of this kind of wool in Kazakstan.

Solving the coarse wool processing problems has political significance in Kazakstan, as adding value to coarse wool output could provide a lot of support to the local population. The

main reason is that the dry areas of the country are not suitable for any other kind of sheep breeds apart from coarse-wooled. Several enactments by the Cabinet of Ministers were issued on processing of coarse and semi coarse wool. However the problem remains unsolved.

Coarse wool has natural colors, which could contribute to economizing dyes and decrease of harmful chemicals production, and at the same time we would be able to produce ecologically-pure textile commodities.

The main Kazakhstan coarse wool buyers and processors mainly buy once a year in large amounts. The following processors bought a total of 9,600 tonnes of coarse wool in 2003.

Semteks Ltd, Semipalatinsk city, Mir street: 2000 tons
POSH Factory in Taraz, Sapitai Batir Street: 500 tons.
Mal Onimderi Cooperation , Astana, Abai street 149a : 1000tons
Ayaz Ltf (Uralsk town): 800 tons
Semipalatinsk enterprise: 500 tons
Talkyiz Ltd (Talgar, Almaty oblast): 300 tons
Kargaly OJSC (Almaty Oblast): 400 tons
Arkhar wool Ltd (Almaty Oblast, Raimbek region): 350 tons
Almaty Klem Ltd: 3350 tons
Kazakhstan Wool processors Ltd, Taraz: 400 tons

There are also several large Russian companies that export wool from Kazakhstan. These companies mainly try to bypass official channels for exporting and use intermediate small companies to provide service for them. The largest ones are: commercial company from Kazan: 3,000 tons; Omsk, Novosibirsk, Barnaul: 7000 tons each; Bashkir factory: 200 tons, Grozint company: 400 tonnes. Average amount of exported coarse wool to Russia is 7,000 tonnes. Wool is not washed before it is exported.

4. Wool/goat fiber export regulations in Kazakhstan

List of papers necessary for Customs.

1. Contract
2. Veterinary certificate
3. Phyto-sanitary certificate
4. Customs declaration
5. Invoice with detailed specifications
6. Treaty passport
7. General invoice
8. Quality certificate
9. Certificate of origin of the product

Explanations:

1. Contract: name of the item and its characteristics, conditions and its value, payment type, destination, agreement of both sides, fines for sides in case of neglecting their responsibilities, type of transport, border check point location, force majeure situations.

2. Vet certificate: issued by oblast/ city vet committee in correspondence with Republican committee that provides the certificate with special code. The code is used at crossing the border. It takes 7 days to prepare certificate. Certificate is free of charge, however wool must be taken to a laboratory to be checked and the cost depends on amount of exported wool.

Exporters give bribes of \$200 for 50 tonnes of wool to accelerate the process and get the certificate faster. Certificate is valid from 3 to 10 days.

3. *Phyto sanitary certificate*: costs 5,000 tenge and every item produced by animal should have this certificate.

4. *Customs declaration*: customs broker issues customs declaration. It costs 11,000 tenge. Every change made afterwards is fee paying, extra 3,500 tenge.

5. *Treaty passport*: issued by customs officer and operates through banks. The aim of this paper is to control financial income from exported goods. After the deal is completed the exporter has to make a certain amount of payment. If payment is not done this is considered to be illegal. It takes 2-5 days to issue the bargain passport. It costs \$50-100 to accelerate the process.

6 and 7. *Invoices*: prepared by exporters therefore no expense.

8 and 9. *Standard quality and origin certificate*: The paper is issued by accredited institutions. There are 3 institutions in Almaty: Government standard, Almaty Trade house and one daughter company. Their services cost 15,000 tenge. Wool laboratories have no updated equipment and assessment is done on microscopes. Lab service is 12,000 tenge. Customs define its cost for transport: 0.2% of customs and transport cost of the item. Customs duties 10%.

Total cost for transportation is \$650 or 3 cents for 1 kg of exported wool.