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Entrepreneurs

Golden Fleece

Susan Adams 04.23.07



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 Getting their goat: Ajamu and Talibah Al-Rafiq.

Ajamu and Talibah Al-Rafiq fled the corporate grind to make a living off cashmere goats. Their former life looks cushy by comparison.

On a stretch of 280 rolling acres in Mokelumne Hill, Calif. Ajamu Al-Rafiq races toward one of his 400 cashmere goats. The curled horns of a buck are caught in a black oak. Butting and shaking, the animal, covered with shaggy black wool, looks as if he is either going to rip the tree from the ground or sacrifice a piece of his head. Just as Al-Rafiq arrives, the goat twists free and wanders off to join his herd.

Raising cashmere goats in the U.S. is a challenge, given how much cheap fiber is available from China. But time, tenacity and a few fierce llamas have rescued California Cashmere, the company Al-Rafiq, 63, runs with his wife, Talibah, 56. It appears to be the only one of 500 cashmere-producing goat ranches in the country to eke out more than a meager profit. This debt-free operation netted the couple \$157,000 pretax on revenue of \$475,000 last year. That's enough to allow the Al-Rafiqs to live off their goats in a beautiful spot made famous by Mark Twain's 1865 short story, "The Celebrated Jumping Frog of Calaveras County."

The Al-Rafiqs bought their first 15 goats with \$30,000 in 1990 when they were looking for an interesting venture that would eventually let them quit their day jobs and live on 10 acres they owned 160 miles northeast of San Francisco. At the time Ajamu was a freelance software engineer for **Hewlett-Packard** (nyse: [HPQ](#) - [news](#) - [people](#)), IBM and other companies; Talibah was a project manager at the life insurance subsidiary of Blue Shield of California in San Francisco.



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The idea of raising cashmere goats came to the Al-Rafiqs, who had also considered growing grapes for wine and raising miniature horses, after Ajamu heard a promotion for a National Public Radio spot about the subject. He admits now it sounds crazy--"Who would invest in a goat business? We knew nothing about goats!"--but this couple, who grew up in the South, doesn't balk at change. In 1984 they ditched the names on their birth certificates (which they refuse to disclose) and picked new ones. Ajamu suggests the Yoruba word for "persistence," Talibah "student" and Al-Rafiq "rightly guided."

Initially the Al-Rafiqs sold raw fleece. For a year's work revenue from their goats came to just \$300. The buyer was Ann Dooling, their goat source and one of the first American cashmere goat ranchers.

(Dooling says that over 15 years she lost \$400,000 on her goat operation. She sold her herd in 2004.) That revenue didn't even cover the hay the Al-Rafiqs had to buy for their herd in winter.

As the Al-Rafiqs' goats bore kids, their herd expanded, and they bought more land. Where did they get the money? From real estate profits. They owned rental houses in and around San Francisco and cleaned up in the real estate boom. In 1992 they started selling their animals, known for the quality of their cashmere, as breeding stock for as much as \$1,000 each. They created a database that tracks five bloodlines and monitors the genetic characteristics of each goat and the wool it produces, enabling them to command more than the \$100 to \$300 most ranchers charge per goat. "I can see by looking at my herd which goats are from the Al-Rafiqs," says rancher Mary Prantil of Colfax, Calif. "They're just woollier."

For a few years breeding goats and selling raw fiber was a break-even enterprise for the Al-Rafiqs, who supported the operation by keeping their day jobs. In 1996 Talibah quit her job and the couple decided to bring in more money by starting a dehairing operation and selling processed wool, which goes for up to \$320 a pound. That means separating the unwanted coarse outer hair of the goats from the valuable ultrafine cashmere underfleece, which measures just 12 to 18 microns in width (one sheep wool fiber is more like 25 microns wide).

The Al-Rafiqs flew to Shandong Province in eastern China and spent \$150,000 buying a dehairing machine from Qingdao Textile Machinery Works. They paid a Chinese engineer and a translator to spend three months teaching them how to use the contraption, which is the size of a sport utility vehicle. As soon as they could operate the machine they offered to process other ranchers' wool for between \$15 and \$40 per pound. "We had a backlog of six months when we first started," says Talibah.

By 2000 the couple was about to move into the black when mountain lions killed six of their goats. Because the lions struck just after kidding season in spring, some baby goats were left without mothers. Six didn't make it. The Al-Rafiqs paid \$1,200 for two enormous dogs--half Great Pyrenees, half Akbash--bred to ward off mountain lions. They also bought three llamas, for \$700 each, to protect their herd from wild dogs and coyotes.

Until 2004 the Al-Rafiqs depended primarily on breeding-stock sales and processing and selling yarn and fiber for revenue. Then they moved farther downstream, investing in four knitting machines at \$3,000 each in order to produce cashmere hats, scarves, sweaters and throws in white, brown and black. They supplement their own supply of finished wool with cashmere from China. Prices for their garments range from \$65 for a hat to \$650 for a custom-knit sweater. California Cashmere sold 400 knitwear items last year from its ranch and its Web site, for \$95,000 in revenue. Sales of yarn, fleece and knitwear now represent 60% of its revenue, goat sales a third. The Al-Rafiqs plan to double the size of their herd, to 1,000 goats, by 2010.

Ajamu gave up software consulting two years ago. Now he's busy building fences. "I enjoyed sitting in air-conditioning, typing programs," says Ajamu, "but I wasn't as fulfilled as I am out here with my goats."