

Published based on [How Diamond Prices Are Determined](#)

How Diamond Prices Are Determined

Pricing different products is usually simple. Determine how much it costs to make the item, how much it costs to market that item, and then mark it up by 15-30% or more. Simple, right? Well, pricing [diamonds is not quite that easy. There are many factors that are considered when diamonds are priced.](#)

A diamond's price is determined first by adding the cost of the natural diamond, the cost to cut the diamond, and any other costs necessary to make the rough diamond a marketable diamond. Dependent upon the significance of the diamond, an independent company should be considered to certify the grade of the diamonds based on color, cut, clarity, and weight.

From there, the diamonds become more expensive every time it has to change hands, until it eventually reaches the retailer, wherein the prices are raised a little more, especially for [diamond rings. However, before they reach the retailer, the diamonds must travel from the mine to be cut and polished, to an independent grading company, and then to the main market. Once it has reached the primary market, it will be purchased by diamond dealers and wholesalers, and from there it will be sold to retailers.](#)

As you can see, the earlier you can buy a diamond in this process, the lower your cost will be. The value is based on what the diamond will sell for in the market place through a retailer.

If you own a diamond, and you have no idea how much it is worth, you can have it appraised, but the appraisal may not be accurate. You will be better off obtaining a certificate through GIA Gemological Institute of America. Using the information on the certificate, you will be able to use a cutter's guide to accurately determine your diamond's worth.

There are also many diamond price calculators available. Many can be found on the Internet, and most diamond dealers use these as well.

Again, you will be better off if you get a Diamond Grading Report on the diamond, and use that information to look up the price in one of the guides that the diamond cutting industry uses. This will give you the most accurate value of the diamond in your possession, or of the diamond you are considering purchasing.

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