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## ***Wild Fur Market Update***

**The fairs in Montreal and Kastoria have now concluded and, in general, there is a feeling of guarded optimism as business at both fairs improved over last year.**

In Kastoria, the attendance from Russia was up sharply and the dozen or so larger manufacturers were reporting increased business. We were very disappointed to see that our Greek manufacturers did not incorporate more wild fur in their collections. They were showing only two major wild fur articles, Marten and Lynx Cat, which were both used for trim on Mink coats. There were also some sheared Otter coats that received a very good reception, however other wild fur articles such as Raccoon, Beaver and Muskrat were not shown. Over the last number of years, most of our Greek manufacturers have concentrated more on mink and this trend seems to be continuing.

The Montreal Fur Fair also did much better than last year, but the overall size of the fair has reduced considerably compared to a few years ago. In general, manufacturers said that North American retailers are finding it more difficult to sell wild fur garments.

Diane Benedetti has just returned from the Far East. As you will remember, it was China and Hong Kong that dominated our March wild fur sale. It was the first year that we have seen such incredible strength throughout our wild fur auction from this important market. There is no doubt that our Northern Lights campaign, where we are working together with the manufacturers to promote wild fur at the retail level, is playing a hugely important role. This is the largest wild fur promotional campaign that we have ever undertaken in China.

We were very pleased with the final results in March and especially with the Chinese participation. However, there are ongoing problems in China relating to Chinese customs and tax issues that have not been resolved. These problems are slowing down the ability to import and get skins dressed. The dressing delays are affecting those species that come in larger quantities and/or require a lot of work. Beavers could very well be affected by this because they require extra knowledge, care and effort. As mentioned before, Beaver is a very delicate article for dressing and not every dressing plant has the proper expertise yet. Raccoons could also be affected because of the sheer quantity that has to be put through the dressing plants.

NAFA, as your auction company, is doing everything we possibly can to work with our Chinese customers to make the importation of wild fur into China easier. One of our latest projects has been the creation of a Wild Fur Species Booklet for use by Chinese authorities, which gives a picture and a description of all of our wild fur products, along with the English, Chinese and Latin names, as well as detailed instructions for obtaining permits, harmonized codes and regional offices.

As a result of our successful March wild fur sale, where we were able to put large quantities of wild fur into our Chinese manufacturers hands, we may very well have to allow these manufacturers time to put the garments into the retail system. We are working very closely with these large manufacturers and will do everything we possibly can to facilitate their requirements.

Recent financial problems in Greece have affected the Euro currency and obviously have not helped the international business. However, most manufacturers believe that with financial stability, the Russian fur retail market will begin ordering garments, but this most likely won't happen in any volume until later this year.

Presently, we can unequivocally state that our Northern Lights Campaign in the Far East, which includes Korea, has paid off. But going forward, it may well be that those who purchased heavily in March may not require additional skins until the Fall. There could potentially be a vacuum for us between now and later in the year. However, although we may have some timing problems, we are still confident that nearly all of our wild fur will be sold before the start of next season.



Herman Jansen  
*Managing Director*