

SANDY PARKER Reports

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Dear Subscriber:

MINK PRICES EASED FURTHER AT KOPENHAGEN FUR LAST WEEK, AS RUSSIAN BUYERS AND THEIR GREEK SUPPLIERS AGAIN TOOK A BACK SEAT AS THEY HAVE AT ALL OF THIS SEASON'S AUCTIONS SO FAR.

Although Hong Kong/China continued to dominate the action with increased numbers of buyers, the reduced competition led to price declines of up to 15% and more in nearly all categories. But the result was virtually a 100% turnover in the face of this year's record supply of mink, indicating the Chinese consumers' appetite for furs has continued to grow despite the country's economic slowdown.

THE AUCTION WAS STILL IN PROGRESS AT PRESSTIME, BUT THE RECORD OFFERING OF 8 MILLION MINK WAS MOVING AT CLOSE TO A 100% CLIP, INDICATING PRICES MAY HAVE SETTLED AT A LEVEL FOR THE REST OF THE SEASON. The

strong buying by the Chinese also is in anticipation of an increase in import duties scheduled to go into effect in June (SPR, Feb. 23). As previously reported, the duty increase is attributed to widespread abuses of the cut, make and trim (CMT) system that allows manufacturers in general to import raw materials, like furs, free of duty and taxes for the production and re-export of finished garments. But abuses of the system (SPR, Nov. 3, 2014) have become widespread. Skins imported tax-free for manufacture would simply disappear, but matching garment exports would be made, reportedly of local inferior skins, including lamb or rabbit. Some manufacturers were said to have gone even further, submitting claims for export rebates that are normally available for locally-produced garments of domestic materials.

LAST WEEK'S PRICE SOFTENING ROUGHLY OFFSETS THE INCREASES THAT TOOK PLACE IN THIS YEAR'S EARLIER AUCTIONS, SO RETAILERS ATTENDING THIS WEEK'S ILOE EVENT IN CHICAGO ARE NOT LIKELY TO FIND MUCH CHANGE FROM THE SEASON'S OPENING WHOLESALE PRICES. A recent poll of U.S. fur retailers indicated virtually all those interviewed plan to attend this fair which is, after only two years in operation, showing signs of taking root as a major marketing event for American retailers.

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THE STRONG PREFERENCE FOR SHORT-NAPPED MINK, OR VELVET, TYPES CONTINUES AND DANISH FARMERS HAVE RESPONDED ACCORDINGLY, AS HAVE MINK RANCHERS ELSEWHERE. Although the classic types are still in demand, mainly for trimmings and such accessories as hats, their production is now exceeded by the velvets. In some cases, velvet production now is more than double that of the classics and bringing solid premiums. And, in last week's auction, although both types showed declines, the velvet skins performed better in virtually every case.

FOLLOWING IS THE OFFICIAL REPORT AVAILABLE AT PRESSTIME (regular qualities): 35,000 classic black males averaged \$49.30 and topped at \$69 and 121,000 velvet \$64.20/\$83.30, the 38,000 females \$33.30/\$50.30 and 128,000 velvet \$48.50/\$64.60; 344,000 brown males \$49.30/\$69 and 492,000 velvet \$69.10/\$89.60, the 358,000 females \$32.20/\$54.70 and 629,000 velvet \$51.30/\$66.20; 465,000 glow males \$49.40/\$79 and 564,000 velvet \$66.80/\$84.80, the 302,000 females \$33.70/\$54.70 and 447,000 velvet \$47.80/\$63.30; 113,000 mahogany males \$44/\$70.80 and 283,000 velvet \$69.30/\$86.70, the 138,000 females \$29.90/\$57.80 and 297,000 velvet \$51.70/\$66.40; 131,000 pearl males \$62.60/\$96.70 and 125,000 velvet \$80.50/\$99.60, the 133,000 females \$47.90/\$63.50 and 180,000 velvet \$57.80/\$73.60; 36,000 sapphire males \$79.50/\$112.70 and 32,000 velvet \$96.80/\$132.90, the 35,000 females \$54.60/\$79.40 and 31,000 velvet \$63.90/\$82.30.

ALSO: 219,000 silverblue males \$71/\$101.10 and 269,000 velvet \$88.80/\$109.80, the 244,000 females \$44.90/\$75.10 and 188,000 velvet \$59/\$79.40; 155,000 while males \$71.20/\$104.10 and 237,000 velvet \$84.30/\$109.90, the 140,000 females \$48.60/\$72.20 and 209,000 velvet \$60.10/\$79.50; 5,000 golden pearl males \$71/\$85.20 and 10,000 velvet \$81.30/\$93.80, the 8,000 females \$45.50/\$60.60 and 10,000 velvet \$55.30/\$65; 28,000 silverblue cross males \$129.10/\$153.10, the 30,000 females \$75.20/\$245.50; 11000 sapphire cross males \$129.20/\$164.70, the 12,000 females \$79.10/\$112.70; 739 moon dust males \$84.10/\$99.70, the 738 females \$64.30/\$78.10; 39,000 palomino males \$83.40/\$109.10 and 87,000 velvet \$99.40/\$132.10, the 46,000 females \$55.50/\$73.20 and 68,000 velvet \$68.50/\$86.20; 38,000 black cross males \$92.40/\$132.10, the 25,000 females \$53.60/\$94.80; 4,000 brown cross males \$73.20/\$112, the 3,000 females \$38.50/\$70.40; 2,000 sprinkler males \$59.90/\$86.20, the 2,000 females \$38.40/\$48.10.

OF THE OTHER FURS SOLD AT KOPENHAGEN: 5,000 bluefox sold 93% at \$99.30/\$137.30; 1,000 shadow fox 100% at \$84.80/\$137.30; 5,000 dressed chinchilla 100% at \$73.90/\$101; 47,000 black swakara 92% at \$35.30/\$158.90; 3,000 white swakara 100% at \$25.70/\$41.20; 3,000 Greenland harp seal 100% at \$47.30/\$106.80.

THIS WAS A RECORD SALE FOR KOPENHAGEN AND THE INDUSTRY, HAVING SOLD 8 MILLION MINKS IN SEVEN DAYS. According to chief auctioneer Per Knudsen, prices in Danish kroner were down only 3% from February levels. In dollars, the males averaged \$67.50 and the females \$46.70, for an overall average of \$56.90. The February sale brought an overall average of \$63.50, a decline of 10%, the difference accounted for by the stronger dollar.

PEOPLE, PLACES & THINGS: KASPER REINBACHER has been named marketing manager of **KOPENHAGEN FUR**, effective May 1. He succeeds Ditte Sorknæs, who is leaving the company after 10 years. Reinbacher continues as an auctioneer and responsible for the company's seal project in conjunction with Great Greenland.

THIS YEAR'S SEAL HARVEST IS GOING VERY SLOWLY, THIS TIME NOT DUE SO MUCH TO WEATHER CONDITIONS AS IT IS TO MARKET DEMAND. About 20,000 harp seals were reported taken off the coasts of Newfoundland and Labrador so far, about half the quantity harvested a year ago, when the hunters had to buck adverse weather conditions. The quota set by the Canadian Government is unchanged at 450,000, which hasn't been reached in years, mainly due to lack of demand. In the meantime, the exploding seal population, estimated at about 7.4 million – more than three times what it was in the 1970's – is said to be having a devastating effect on many fish species, notably cod. The government is keeping the quota high, but the hunters have been losing interest because they can't sell the pelts. The U.S., the European Union, Taiwan, Switzerland, Mexico, Russia, Belarus, Kazakhstan and Armenia have all stopped trade in some or all products of commercial seal hunts.

BUT THERE'S A NEW PLAYER IN THE SEAL PROCESSING SECTOR WITH PLANS THAT COULD TURN THE SITUATION AROUND. PhocaLux International, Inc., has been formed by Bernie Halloran in partnership with, among others, the Northeast Coast Sealers Co-Op, to purchase up to 30,000 seals this spring and process them at a facility in Fleur de Lys on Newfoundland's Baie Verte Peninsula. Halloran owns Always in Vogue, a retail operation in downtown St. John's, Newfoundland, and in Moncton, N.B., specializing in high-end outerwear, including sealskin products such as boots. His company also is said to be involved with a factory in China producing a variety of sealskin products for the domestic market. PhocaLux reportedly has purchased the Fleur de Lys plant from the co-op and expects to hire up to 30 year-round employees.

AUCTION NOTES: Saga Furs will offer 6 million mink and 750,000 foxes at its next sale, June 3-12, of which 2 million will be offered by **American Legend**. The Saga collection will consist of 300,000 black; 300,000 mahogany; 850,000 brown; 850,000 glow; 50,000 pastel; 80,000 sapphire; 300,000 silverblue; 300,000 pearl; 80,000 palomino; 300,000 white; 170,000 black cross; 100,000 various crosses, and 20,000 various mutations, plus 300,000 East European mink. The fox collection will consist of 550,000 blue; 45,000 blue shadow; 65,000 blue frost; 70,000 silver, and 15,000 various foxes. There also will be 35,000 finnraccoon and 250,000 Afghan karakul. Legend will detail its offer shortly, as will **Fur Harvesters Auction** list its 270,000 wild furs.

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THE HUMANE SOCIETY OF THE U.S. HAS FILED A COMPLAINT WITH THE FEDERAL TRADE COMMISSION ACCUSING NEIMAN-MARCUS OF SELLING BOOTS WITH REAL FUR LABELED AS FAKE. This is the second time it has filed such a complaint, the last one two years ago, which resulted in the FTC prohibiting the retailer from violating the Fur Products Labeling Act for 20 years. It has not yet ruled on the latest complaint. N-M did not respond to a request for comment.

PETA HAS LAUNCHED ITS LATEST ANTI-FUR CAMPAIGN WITH THE AID OF A POPULAR CHALLENGE-BASED APP, FIGHTME. The thought-provoking video game challenges players to make a stand instead of wearing fur. The online video protest will feature a well-known vegan and free-runner, Tim Shieff, who is seen plunging into a freezing reservoir to demonstrate the lengths to which he'll go for animal rights. Participants will then be tasked with uploading a video of themselves showing what they'd rather wear, or do, than wear fur. The app is integrated with Facebook and Twitter, meaning anyone anywhere can join the challenge and invite others into the protest.

MORE AUCTION NOTES: Kopenhagen Fur has pushed back its September sale two weeks to Sept. 24 - Oct. 2, with inspection to start Sept. 17. It expects to offer approximately 6 million mink.

CORRECTION: The number of exhibitors at the upcoming Greek Fur Fair in Kastoria was stated incorrectly in a previous story. There will be about 100, the board reports.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Sandy Parker". The signature is written in black ink and is positioned below the typed name "Sandy Parker" in the original document.