

SANDY PARKER Reports

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Dear Subscriber:

GREECE'S IMPORTANT FUR MANUFACTURING INDUSTRY WAS EFFECTIVELY SHUT DOWN LAST WEEK, AS THE DEBT-RIDDEN COUNTRY CONTINUED TO STRUGGLE TO GET BACK ON TRACK WITH ITS MANY CREDITORS. With its banks ordered closed by the government, all business transactions – including consumer purchases – were forced to go on a cash-only basis. The big fur manufacturing operations in Kastoria, Siastista and other fur-oriented cities in the country's northern regions had little or no cash on hand to pay their workers in lieu of customary paychecks that could not be cashed at banks.

UNABLE TO TRANSFER FUNDS OUT OF THE COUNTRY THROUGH THEIR BANKS, GREEK PURCHASES OF MINK AND WILD FURS AT THE RECENT AUCTIONS IN COPENHAGEN, HELSINKI AND TORONTO ARE STILL AWAITING SHIPMENT. As a

result, even though workers may be willing to stay at their jobs without pay for the time being, they may not have the material to work with. As previously reported, Greek buyers were surprisingly active at the sales, under the circumstances, but the goods are not likely to be shipped unless at least deposits are made by prompt date, which is usually two to three weeks after the sale. Although the auction houses may consider the buyers to be solid accounts and good credit risks, these are unusual circumstances because of the involvement of the Greek government and the uncertainty of its future. Unless it reaches agreement with its creditors, Greece could be ousted from the euro currency union and have to return to a much devalued drachma, which could be disastrous in international transactions, such as fur purchases at the auctions.

PROMPT DATE FOR THE RECENT NAFA SALE, FOR EXAMPLE, IS JULY 24, WHEN AT LEAST A DEPOSIT ON PURCHASES MUST BE MADE. The usual practice is for the purchases to be fully paid for before they are shipped. Prompt day for the recent American Legend sale in Helsinki was July 2 and a Legend spokesman told SPR last week that clearances to date have been running around 85% and that there didn't appear to be any difficulties.

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UNDER CURRENT CIRCUMSTANCES IN WHICH FUNDS CANNOT BE TRANSFERRED OUT OF GREECE, MUCH WILL DEPEND ON THE PURCHASER'S SIZE AND PAYMENT HISTORY. However, it is also understood that more than a few Greek manufacturers who do substantial business in Dubai have funds in banks there from which they can draw to cover their obligations.

DUBAI MAY SEEM LIKE AN UNUSUAL PLACE FOR FUR MARKETING, BUT ABOUT 15 YEARS AGO, SOME GREEK MANUFACTURERS SET UP SHOPS CATERING TO AN INCREASING STREAM OF RUSSIAN TOURISTS. Today, there are 167 retail fur shops in that United Arab Emirates desert city, about 90% of them Greek-owned. The Dubai Fur Trade Association was formed last year (SPR, Dec. 12, 2014) to attract more fur-buying customers. The vast majority of fur-buying tourists are from Russia, but 5% to 7% of the sales are to other Europeans and 3% to 5% is sold to Chinese customers. A key purpose of the new association is to offset the effects of the current crisis involving Russia and the West. Its members represent about 120 of the fur shops there. Mellios Papapterpos is chairman. How to attract new customers to Dubai has yet to be decided, but marketing campaigns aimed at the Russian market are on the agenda.

FURTHER COMPLICATING THE CURRENT SITUATION IS THE LARGE ROLE THAT RUSSIA PLAYS IN THE GREEK FUR TRADE AND THAT COUNTRY'S OWN ECONOMIC PROBLEMS. Russia has been Greece's largest fur customer, but strict curbs have been placed on the movement of funds out of Russia, especially hard currencies such as euros or dollars. Russian buying at this year's international fairs in Hong Kong and elsewhere has been cut drastically and it remains to be seen how their purchasing in Greece plays out in the next few months.

MEANWHILE, THE GREEK DRAMA APPEARED TO BE COMING TO A HEAD LAST WEEK, WHEN THE EUROPEAN UNION SET SUNDAY AS THE DEADLINE FOR AN AGREEMENT. Athens said it would immediately implement a set of measures as early as the beginning of this week. Greece was told it had to deliver details of the reforms by last Thursday night so a deal can be agreed at a summit of the EU's leaders by Sunday. Without a deal, the country faces an almost inevitable collapse of its banking system and its chance to remain in the euro.

NOW, THERE'S ANOTHER SITUATION THAT BEARS WATCHING: CHINA'S STOCK MARKETS HAVE FALLEN ABOUT 40% IN THE PAST FEW WEEKS, POSSIBLY A REFLECTION OF THE SLOWING OF ECONOMIC GROWTH. Tens of millions of middle-class Chinese investors were said to have bought stocks in the past year and now face devastating losses. This could have a major impact on retail sales in general and luxuries such as furs in particular. Considering the immensity of China's purchases at the international fur auctions in recent years – and the main engine driving skin prices – there could be major ripple effects ahead.

THE INTERNATIONAL FUR FEDERATION IS FINALIZING DETAILS OF A RETAIL SUPPORT PROGRAM, AN EDUCATIONAL SERVICE FOR FUR BOUTIQUES AND MULTI-BRAND RETAILERS AROUND THE WORLD. The program will explain the popularity of furs among consumers and instill confidence into the retail staff who will be selling the garments. The project will concentrate on major cities such as Moscow, St. Petersburg, Shanghai, London, Paris, New York and Milan. The main tools will be videos on the making of fur garments, the labeling systems, fur types and how to recognize them. An International Retailers Association will be formed to focus on specific needs of retailers and the supply chain, providing valuable experience, opinions and advice for IFF and, subsequently, for its members.

KARL LAGERFELD PRESENTED HIS WIDELY ANTICIPATED HAUTE FOURRURE COLLECTION FOR FENDI IN PARIS LAST WEEK AND IT BROUGHT MOSTLY RAVE REVIEWS FROM THE FASHION PRESS. It was believed to be the first all-fur collection by a leading designer and was staged in the Theatre de Champs Elysees. It marked Fendi's first couture catwalk run in Paris, as well as Lagerfeld's 50th year with the Italian label. One reviewer described it "as a summation of everywhere fur has been during his tenure, from the lady mink coat to a technical feat that turns fur into one more fabric in a designer's repertoire. Without a detailed guide, it was all but impossible to nail what it was we were looking at. The cape at the very end may have been feathers devolving into a silver-tipped skirt which set one's mind on a cross-species category search. But Fendi inevitably draws one to the incontrovertible conclusion that nothing is what it seems, so conjecture was futile. And if that casts Karl as a master of illusion, then you can color him perfectly content."

SECURITY IN FRONT OF THE THEATER WAS TIGHT; A GROUP OF ABOUT 20 DEMONSTRATORS CARRYING BANNERS WERE QUICKLY INTERCEPTED AND LED AWAY. Animal rights group la Fondation Brigitte Bardot said it was behind the protest. Lagerfeld told the *New York Times* earlier this year he was very sympathetic to the anti-fur cause, but that getting rid of the industry would lead to workers losing jobs.

PEOPLE, PLACES & THINGS: IOANNIS KORENTSIDIS has been elected president of the **KASTORIAN FUR ASSOCIATION**. He succeeds Iraklis Kallesthenis, who has held the post for several years. Also elected were **IORDANIS MICHAILIDIS** as deputy president; **APOSTOLOS TSOUKAS**, vice-president; **NICK KATSANOS**, general secretary; **LAZAROS SAVVIDIS**, deputy secretary, and **STRATOS KAPOULIS**, treasurer. Named to the board were **ANTONIOS DISIOS**, **PHEDON GIATAS**, **ARGYRIOS KRANIAS**, **MICHAIL KONSTANTINOU** and **PAVLOS SISKOS**.

OPPOSITION TO THE HUMANE SOCIETY OF THE UNITED STATES CONTINUES TO MOUNT. Indiana Sen. Brent Steele and five other Republican lawmakers are asking the state's attorney general to open a consumer protection investigation of the HSUS, accusing that organization of deceptive fund-raising practices and saying its advertisements mislead people into believing that donations will benefit abandoned pets at local humane society shelters, which are not affiliated with the national organization.

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ANOTHER CANADIAN MINK RANCH WAS HIT BY VANDALS LAST WEEK AND ABOUT 6,000 ANIMALS – MOSTLY RECENTLY-BORN KITS – WERE RELEASED. The ranch was RBR Fur Farm near St. Marys, Ont., owned by Kirk Rankin, president of the Canadian Mink Breeders Association. Rankin told SPR the animals were all between nine and ten weeks old and very vulnerable to the elements. They were mostly demis, he said, and most were rounded up, but all the pedigrees were lost. About a month ago, 1,600 nursing females were released from the nearby Glenwood Fur Farm, leaving 7,000 to 8,000 kits without mothers (SPR, June 8). No organization has taken credit for either crime, but CMBA has posted a \$75,000 reward for information leading to the arrest of the Glenwood perpetrators and is considering a separate reward in the latest case.

NEW YORK MANUFACTURER POLOGEORGIS FURS IS LAUNCHING AN E-COMMERCE WEBSITE IN SEPTEMBER. It will coincide with the release of the firm's new fall/winter collection and will be a user-friendly site featuring outerwear and accessories for women and men along with a selection of home goods, with merchandise sorted by style, color, sizes and price points. The collection will include mink, sable, broadtail, chinchilla, swakara and shearling. The site will be reachable at www.pologeorgis.com.

AUCTION NOTES: North American Fur Auctions has listed its selling dates for 2016 as follows: Jan. 31 to Feb. 4; April 5-11; May 31 to June 5, and Sept. 13-15.

CONSERVATION DEPT.: The State of Washington's Fish & Wildlife Commission is being asked to rethink its decision to allow more cougars to be killed during the hunting season. The recommended quota, based on in-state university research, has been 12% to 16% of the cougar population, but the commission increased the quota to 17% to 21% in some hunting management units. HSUS claims there's no scientific justification for it. Dan Paul, the society's Washington director, says cougars often inhabit wold country and, since wolves are off-limits to hunters in the state, he suspects cougars are paying the price.

FUNERAL SERVICES FOR TODD LANGENFELD, 66, retired mink rancher, were held June 30 in Manitowoc, Wis. He died June 22 after a brief battle with cancer. He worked for many years with his late father, Robert, at Associated Fur Farms in New Holstein, also as a fur grader for Seattle Fur Exchange and North American Fur Auctions before retiring to Red River, NM. Surviving are two sons, Shaw and Max; two sisters, Emmy White and Jane Pfeffer, and two grandchildren....**WORD WAS RECEIVED OF THE DEATH OF WILLIAM M. MADIGAN**, 89, on June 16 in Salt Lake City. Madigan was senior vice-president and an auctioneer for Hudson's Bay Co. Fur Sales in New York for 32 years until he retired. He also managed the company's Northwestern U.S. and European regions. Surviving are his wife, Mary Jane; two sons, Richard and Kevin; two stepsons, Richard and Ken; three stepdaughters, Kallie Sill, Sherri Morgan and Vicki VanAlstine; 15 grandchildren and 18 great grandchildren. A mass will be held July 20 at 10:45 a.m. at St. Mary's Nativity Church in Flushing, N.Y. Interment was in Flushing, where he was born.

Very truly yours,



