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Wild Fur Market Update

As reported earlier, NAFA's new Northern Lights collection, which was created entirely out of Wild Fur, was a major success at the Beijing Fur Fair Gala Fashion Show. This year, for the first time ever, we decided to put all of our efforts into wild fur as it was obvious that we have to double our promotional efforts in order to substantially improve Wild Fur prices. We believe that with the right promotion, China is ready to take on a lot more wild fur in the upcoming marketing season.

Already we are seeing that an article like Muskrat is being dressed and manufactured in China, but now is also being consumed domestically. Other articles like Coyote, Marten, Fox, and even Fisher are making their way into the Chinese domestic market. With the NAFA Northern Lights campaign we will work closely with major Chinese manufacturers and retailers in the promotion of Wild Fur products. This is the biggest wild fur campaign ever and should produce the monetary rewards for our shippers. The NAFA special Northern Lights Wild Fur campaign is set up so that in order for a manufacturer or retailer to participate they must purchase all their Wild Fur product from NAFA, ensuring that the benefits will go to our producers first.

All Wild Fur varieties will see price increases over last May. Articles that were dominated by the Russian retail market will have lesser increases as the Russian economy continues to recover from last year's financial crisis.

Muskrat

We have already witnessed tremendous price increase in Muskrat and we are now selling this article to China for domestic use at the highest prices we have seen in the last 10 years. We expect continued strong demand for this article for the remainder of the season.

Wild Mink

Price levels will improve due to the sharp increase in Ranch Mink prices, but in general will still not be satisfactory.

Coyote

The trimming business has picked up in the last couple of months and we are expecting solid price increases for all heavier Western and Eastern sections. Commercial semi-heavy sections and flatter types will continue to be somewhat difficult.

Red & Grey Fox

We are seeing improved demand for both Red and Grey Fox, mainly from China. This will improve saleability for all sections and we are hopeful for 100% clearances.

Lynx & Lynx Cat

Because the Russian retail market is still soft and they are the largest taker of Lynx and Lynx Cat, we will need the weather in Russia to stay cold and to see improved retail sales.

Otter

We continue to hear positive news from both China and Russia in regard to this beautiful article, which should result in price increases for all sections and colours.

Beaver

Dressing problems still exist, especially for the shearing type. In the fashion show at the Beijing Fur Fair three designers used sheared Beaver. There will be a limited production and price levels will improve, but unfortunately may not yet reach satisfactory levels for most trappers.

Raccoon

We are receiving mixed messages from China and Russia in regards to Raccoon, however, we do believe that the price levels in our upcoming auctions will see increases over last May and that this important article will find its way into the marketplace. Clear colours, heavier sections and large sizes continue to be in most demand and we expect 100% clearances for all sections by the end of the 2010 marketing season, including the small quantity of trapper goods from last season.

Fisher

NAFA's assortment of Fisher, which paid off hugely for its producers in 2009, will continue to outperform in all markets. We expect 100% clearances at increased prices.

Marten/Sable

This very fashionable article is now finding good support from the Chinese domestic market, mainly for trimming of Mink jackets. It is still regarded as one of our most luxurious Wild Fur articles and we believe will be a pleasant surprise for all.

In conclusion, we are now more optimistic about our wild fur projections for the 2010 selling season and see increased demand, especially from China, where we believe that the NAFA Northern Lights promotional campaign will be a positive factor. Most articles will sell 100%.



Herman Jansen