

November 20, 2006

Dear Trapper:

My apologies for the late fur market bulletin. There has been much confusion and uncertainty in the fur market over the past two months.

China the biggest wild fur buyer in the world, suddenly announced a 20% duty on all Ranch and Wild furs effective November 2006. This created much havoc and turmoil in the fur industry, making everything come to a sudden standstill affecting all manufacturers in the Orient. Recently this duty has been withdrawn with a possibility of it being enforced later in the year of 2007. This still creates much uncertainty to the fur trade in China.

The 2006 season ended up strong on certain items. Sable up 70%+, Fisher 90%+, Muskrat up 100%, Beaver up 20%+, and Lynx Cats very strong. Lynx were disappointing with only pale, heavy goods doing well. Wild Mink and Red Fox opened firm, however, declined considerably with a carry over for this coming year. Otter declined 50% from February sales with a large carry over.

This past week I have spoken to dealers and customers worldwide for present market conditions. London dealers and Chinese manufacturers still have large quantities of Sable on hand, many thousands. Business has been very slow; hopefully it will pick up over the next three months. If not, I feel there could be a drop in Sable prices of at least 15%. Muskrats are in strong demand in China, as inventories are cleaned out.

Russia in their December 8th sale will have 25,000 Ranch Sable and 20,000 Wild Sable; this should help clear up where sable prices are going. Pale Sable selling 25% cheaper than colored skins.

Ted Pappas
President