

FAC Annual Report

F U R A D V I S O R Y C O U N C I L

From the early 1900's through the 1980's, Louisiana led the nation in the production of wild fur pelts.

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During the early 1900's the Louisiana fur industry involved over 20,000 trappers and 1,000 fur buyers and dealers. Muskrat populations exploded during that period with the harvest peaking at over 9 million pelts worth \$12 million in 1945. This production was larger than what occurred in all the other states combined.

A much larger rodent, the nutria, was placed in captivity in the state in the late 1930s and escaped and/or was released into the near perfect habitat of coastal Louisiana in the late 1930's. This South American native multiplied quickly and by 1962 surpassed the muskrat in numbers harvested. Between 1962 and 1982 coastal trappers averaged harvesting over 1.3 million nutria each year, representing over 64% of the total catch and 60% of the total value of the industry.

Louisiana produces 11 different species of furbearers (beaver, bobcat, coyote, gray fox, mink, muskrat, nutria, opossum, raccoon, red fox, river otter). During the past 10 years, the state has averaged producing 31,378 pelts annually. The average annual production of nutria during the past 10 years has been, 14,500 and raccoon 8,474 . These two species alone provided nearly 80% of the value of an industry worth over \$1.8 million annually to Louisiana trappers, including Coastwide Nutria Control Program (CNCP) incentive payment \$5.00 per tail to participating trapper.

The annual fur harvest of all species has historically been valued as high as \$25 million to the state's trappers.



Washington D.C. Education

Notwithstanding decades of demonstrated success in the US and globally, the need to defend the model of sustainable use wildlife management remains today, even within our own government. This model is, of course, the foundation of Louisiana's long history of successfully managing its fur and alligator resources with immeasurable benefit to countless species of fish and wildlife that share their habitat and provide industry and recreation so important to the economy and people of Louisiana. Given that this win-win success story has been repeated all over the country and all over the world, one might expect any opposition to have disappeared long ago. This is not always the case.

At the 2013 Conference of the Parties to the Convention on Trade in Endangered Species (CITES) in Thailand, a team of State wildlife managers found themselves fighting against a proposal that would threaten the sustainable use program for Polar Bears that has been vital to the culture and economy of the Inuit communities of the Arctic region. This team of state agency wildlife managers works collectively through the Association of Fish and Wildlife Agencies (AFWA), an umbrella organization which pools the resources of the 50 state fish and wildlife agencies to work towards causes that promote common state agency goals. The AFWA CITES team includes a state agency representative from each of the four regional wildlife agency associations in the country. Louisiana is represented through the Southeastern region whose representative is an employee of the Louisiana Department of Wildlife and Fisheries. In representing the interest of the 50 state wildlife agencies the AFWA CITES team stays vigilant on proposals with potential to undermine sustainable use wildlife management programs throughout the world.

The proposal to end the sustainable use of polar bears by the Inuits (many of which are US citizens) was strongly supported by the Humane Society of the US (HSUS) and other animal rights activists. Defending the sustainable-use of Polar Bears at CITES and within the US Government has become synonymous with defending the very model of sustainable-use worldwide. Thanks to AFWA's CITES team working with some of the biggest names in sustainable use wildlife conservation including Safari Club International, World Wildlife Fund, Traffic and the IUCN Polar Bear Specialist Group, the proposal was soundly defeated.

It appears that despite the failed attempt that threatened the sustainable-use model at CITES, already 21 Members of the US House of Representatives have sponsored House Resolution 220 which includes provisions encouraging CITES "to adopt stronger protections for Polar Bears, bluefin tuna, and other endangered species" at the next CITES meeting in 2016. We can only assume that the polar bear proposal will resurface. It's a pivotal



Education on the Hill

battle for sustainable use. In Louisiana, we have watched the polar bear issue closely because of the significance to our sustainable use programs for CITES listed species such as alligator, bobcat and river otter.

The AAC and FAC have a long history of working in close cooperation with the Association of Fish & Wildlife Agencies on the really big issues that either threaten or advance our interests. Defending the sustainable use model on all fronts is certainly one of them. We are not only working to make sure this legislation is never enacted but also to thwart efforts by the animal right community to use it as a centerpiece of a public relations campaign that will provide both a rallying point for their cause to launch yet another attack on sustainable use at the next CITES meeting in 2016.

Fur Market Overview

The International Market:

This year saw the prices of fur increase past last year's highs. The auction companies had record years. The North American Fur Auctions sold out their wild furs at the October 2012 auction, reporting it as the busiest month they had in years.

In February at NAFA in Toronto Wild Mink sold at 25% over expected prices while Muskrat sold at 10% over last year's already record levels. Raccoon, last year's slowest seller, opened the auction with an offering of nearly 440,000 raccoons which sold under strong competition from China at prices, once again, not seen in recent memory.

As Mark Downey, from Fur Harvester, said in an interview for the Financial Post, "China is driving the market. It is young people with money. They want fancy watches, cars and a Gucci coat – with a fox fur collar." (June 13, 2013)

The prices of furs will fluctuate on certain skins more than on others because of supply and demand. There are approximately 1.3 billion people in the Chinese market. They are hungry for all types of fur. Even harvesting enough Nutria to make Louisiana the largest supplier in North America, will only seem like a taste for that large appetite.

The Chinese buyers were in record attendance at all of this year's auctions and they continue to be the driving force of the market. China requires high volumes of almost all types of fur to meet their export needs and their new growing consumer market. They are seconded by Russia, and supported by Russia's largest suppliers, Greece and Turkey.

The Chinese market continues to expand as fur retailers' move into new territories within China. This expansion means that more stock is needed to fill more stores and this continues to drive up fur prices. The target market for these retailers is the newly-affluent Chinese and also the Russian tourist. The Chinese seem to be more interested in expensive trim, such as mink for the top of boots. They are less likely to display conspicuous wealth unlike the Russians and the younger generation of North Americans.

Fur Market Overview Continued

We are witnessing a fundamental change to the Fur Industry as the shift goes from the long –wearing garment to the semi-disposable accessory and trim. Even North American outerwear now has fur trimmed hoods, collars and cuffs. Generation Y uses fur trimmed garments and expensive accessories as a symbol of affluence and status; much in the same way previous generations used their choice of cars. Because it takes less skins to make accessories than to make a garment, the rise in price aren't as dangerous for the trim and accessory market as it would be for those making full garments.

Raw Skin Market:

Turkish business man and skin dealer, Hatem Yavuz toured through Louisiana in July of 2012 with Michael Consiglio, the fur contractor for the Council. Turkey is a major supplier to Russia, the world's second largest market of consuming furs in the world. Hatem Yavuz runs a completely vertical operation. He has a processing plant where he dyes and stencils furs. He manufactures garments which he sells wholesale to twenty or thirty retailers. He also owns nine retail shops and operates several duty free stores in the airports in Turkey. He's a one-man industrial complex. Our dealers worked hard but still fell short of the 100,000 nutria that Hatem ordered in 2012. After a successful visit to the state in April, Hatem is again willing to commit to a second order of 100,000 nutria.

Peter Lee of Fuhau is still ordering Louisiana skins, and Janet Han, of JJ Intertrade Ltd., wants to come to Louisiana so she can meet with our dealers and see what we have to offer her Chinese associates.

Beijing Fur Fair:

Michael Consiglio coordinated the design and construction of the North American Group Booth again in January 2013. There were less people in attendance, but those there were serious buyers. Hatem loaned the Council some of his specially dyed nutria samples. This allowed Louisiana to show Nutria to its full potential.

Trapper's Association:

Michael Consiglio and Helmut Rothe of ER Fur Trading attended the Louisiana Trapper's Association meeting in April 2013. Michael gave a small presentation explaining what he does to promote and sell Louisiana furs. Helmut Rothe showed the trappers how to present Louisiana Wild Furs and explained what international buyers expect.



*FAC Booth at the Beijing Fur Show,
January 2012.*

Conclusion:

The international fur industry shows no sign of slowing. Mark Downey of Fur Harvesters' confirmed my feelings when he said in the June 2013 Financial Post article, "I see the current boom lasting for the next five years, at least."

General Education

The Fur Advisory Council contracted with Quentin Morris to manage the education program. The Council's education program coordinated with other educators around the state and presented at schools, libraries, and public events. Mr. Morris presented at 30 schools, 21 libraries, at Scout events, and at several USF&W Service events. Traditional events included National Hunting and Fishing Day in 2012, LTAHA Spring Convention in 2013, "Ocean Commotion" in Baton Rouge, and the Cameron Fur & Wildlife Festival. Mr. Morris provided elementary school teachers with the Furbearer Coloring books.



High School Presentation

The presentations varied in length but were roughly an hour long and revolved around the four points of trapping. Mr. Morris discussed the relationships of furbearers to people. The gregarious feeding habits of beavers, for example, result in the reduction of harvestable timber. Beavers can cause flooding of property by their dam-building activities, their burrowing habits can damage levees that protect lowlands from storm flooding, and croplands can be destroyed. Mr. Morris also discussed the use of trapping as a way to control the spread of disease among animals and as a way to manage habitat damage due to over population. In addition we said that it is important to control the predation of one species on another. It can also be used to address the problem of raccoons eating the eggs of endangered birds and reptiles. Ecological trapping in order to test an animal's blood for toxins was also discussed. Finally, live trapping was explained and the usual example is that of the North American River Otter and how it has been reintroduced to different areas of the country where it was extirpated.

Next, the different traps were introduced and discussed. He also explained the use of the various types of lures available, showing audiences some examples such as bobcat and beaver scent lures, as well as some visual attractants. He discussed best trapping practices.

Finally, the practice of trapping was put into the context of animal harvest along with fishing and hunting. He explained that trapping is regulated by the Louisiana Department of Wildlife & Fisheries which is staffed with biologists and conservation officers. In addition, students were told that trapping requires a license. He also talked a little about the fur market.

China Market

The Council contracted with both Nick Shao and Micael Consiglio to promote Louisiana furs in Mainland China and Hong Kong. Mr. Consiglio manages the general international promotions for Louisiana furs, and Nick Shao focuses on China.

Mr. Shao and Mr. Consiglio managed the Louisiana booth at the China Fur & Leather Product Fair in January in Beijing. Nick Shao acted as the principle translator, showing Louisiana furs and collecting new contacts. Mr. Shao also attended the Hong Kong International Fur & Fashion Fair in February to meet potential clients.

Mr. Shao has kept a close relationship with the Chinese clients in the region through client visits, phone calls and emails. During the China Fur & Leather Products Fair in January, he and Mr. Consiglio successfully connected Chinese buyers to Louisiana-based suppliers. They created a joint promotions program with Peter Li, in which Peter Li would import in quantity from Louisiana and sell to smaller shops that don't have the facilities to receive large volumes of fur.



Nick Shao at the Beijing Fur Fair, January 2013

2012 - 2013 Expenditures

The Fur Advisory Council operates from two funding sources, Rockefeller Trust Funds and Education and Marketing Funds.

Rockefeller Trust Funds	
Budgeted	\$120,290.00
Salaries	\$0
Related Benefits	\$0
Travel	\$0
Operating Services- <i>i.e. cell phone, newspaper ads</i>	\$36.96
Supplies- <i>i.e. sample furs, sample products</i>	\$0
Professional Services- <i>i.e. fur promotion contract, D.C. education</i>	\$123,831.96
Capital Outlay	\$0
Rockefeller Trust Funds Expended	\$123,868.92
The overage was covered by the Conservation Fund.	(\$3,578.92)
Education and Marketing Fund	
Budgeted	\$90,250.00
Salaries	\$28,467.20
Related Benefits	\$11,509.37
Travel	\$8,371.06
Operating Services- <i>i.e. cell phone, internet service</i>	\$8,290.70
Supplies- <i>i.e. printing supplies, office supplies, sample furs</i>	\$1,049.98
Acquisitions	\$0
Education and Marketing Funds Expended	\$57,688.31
Total FAC Funds Budgeted	\$210,540.00
Total Expended	\$181,557.23

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