



65 Skyway Ave,
Toronto, ON M9W 6C7 Canada
tel: +1.416.675.9320
fax: +1.416.675.6865
www.nafa.ca

December 23, 2009

Wild Fur Market Update

The opening Scandinavian mink auctions have just concluded. The results were outstanding. Mink prices have gone up 30% to 45% over September 2009 levels. Blue Foxes were up 30%. China totally dominated these sales. This will have a positive affect on wild fur prices. Muskrats will feel the immediate effect. Often referred to as the poor man's mink, it will follow the mink price increases. Coyotes as a trimming article tend to follow the blue fox market.

The exceptionally cold weather in November and December in China has resulted in much better than expected mink garments sales, which created one of the largest season opening price increases we have ever seen. This bodes well for the remainder of the season. It reinforces our decision not to hold the January 2010 sale, with its limited quantities and unquestionably small buyer attendance, especially from China, Russia and Greece. Instead we made the decision to hold off for our much larger March 2010 sale, where we expect 400 to 500 buyers in attendance. We believe our trappers will benefit from this decision.

Retail sales of wild fur garments represent a much smaller portion of the Chinese retail business, but because wild fur prices are so low, manufacturers will recognize the attractiveness of wild fur, which will increase the demand and price of your product.

The disparity between mink and wild fur prices is now at an all time high and it obviously tells us that we have to drastically change the way our wild fur is marketed from the auction company all the way to the consumer. As the largest handlers of wild fur in the world, we recognize that we have to take immediate action. The NAFA Board, together with the Wild Fur Shippers Council, acknowledges that wild fur price levels need immediate improvement. We strongly believe that something new and innovative has to be done. We are in discussions with leading Chinese manufacturers and retailers regarding a new promotional program which will drastically change the profile of wild fur in China. China, which now consumes approximately 66% of the world's mink crop, is where we strongly believe we can succeed with this new program. Their economy is one of the few in the world that is still growing. Consumer spending increased by 16% in 2009 and consumers have cash with very little debt. Most importantly, we believe that the Chinese consumers are now ready to look at alternatives to their mink garments and wild fur is the most attractive choice.

We would like to take this opportunity to send our Season's Greetings to you all, and wish you Health, Happiness and Prosperity in the New Year.