

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 nearly 38,056 pelts annually. The average annual production of nutria during the past 10 years has been, 22,197 and raccoon 8,185 . 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

The Fur Advisory Council (FAC) contracts with an educator in Washington D.C., who continues to provide the definitive voice for the Louisiana fur industry and management program to Washington policymakers. There is a brutal fiscal and political climate on Capitol Hill, which has presented some real challenges to the FAC in moving its legislative and regulatory agenda forward. Congress has banned its longstanding practice of funding state-specific initiatives through ‘earmarks’ and has further adopted a policy which requires any legislation that even authorizes spending for such FAC priorities as nutria and feral swine research and control programs to also include specific ‘budget offset’ provisions to reduce spending or raise revenue. Many fiscally-conservative Members of Congress, even within the Louisiana Delegation, have refused to cosponsor spending authorization bills that do not include such budget offsets.

Still, working with Senators Landrieu and Vitter and the Senate Committee on Environment and Public Works, the FAC saw two legislative priorities-- the Feral Swine Eradication and Control Pilot Program Act of 2011 (S. 893) and the Nutria Eradication and Control Act of 2011 (S. 899)-- through the Committee process and placed onto the Senate Calendar where they now remain ready for final action. Over on the House side, the FAC has expressed its deep appreciation to Congressman Charles Boustany for championing the House companion bills (H.R. 1828 and H.R. 1829, respectively), and to LA Congressman Rodney Alexander for cosponsoring both bills and to LA Congressman Bill Cassidy for cosponsoring H.R. 1829. Given the current political environment, however, the future of this legislation along with literally thousands of other bills remains very uncertain in both the House and the Senate until at least after the November elections.

With this reality in mind, the FAC has responded with some creative alternative strategies for moving its legislative and regulatory agenda forward. Working with the LA Delegation most notably Senator Landrieu and Congressman Boustany, the FAC continues to explore every potential legislative vehicle to carry the nutria and feral swine bills through the process and some of these initiatives have begun to pay-off. While efforts to secure Louisiana-specific funding in the various appropriations bills have been repeatedly rejected, five of Louisiana’s National Wildlife Refuges did receive a significant portion of a multi-state appropriation for feral swine control championed by Senator Landrieu. Further, the Farm bill pending in the Senate includes what is effectively the text of the FAC’s feral swine bill (S. 893) applied on a national level, and S. 3525; the “Sportsmen Act of 2012”, includes the text of the FAC’s nutria bill (S. 899).

While the climate for enacting any legislation will likely deteriorate even further as we approach the November elections, persistence is central to success on Capitol Hill, and there may be more favorable opportunities during the post-election “Lame-Duck” session when political tensions can sometimes subside. Fortunately, the FAC has an exceptional Louisiana Congressional Delegation on its side.



Education on the Hill

Fur Market Overview

International Fur-Market:

The International market ended 2011 with furs in high demand despite prices rising to record levels. These prices carried through at the first auction in December of 2011 but warm weather around the world slowed sales. In North America, the outerwear market was hit hard as retailers cancelled orders, leaving manufacturers with over-stock.

By January, the weather broke and skin sales at the Beijing Fur Fair picked up. In February, the Copenhagen Fur Auction in Denmark and the NAFA Auction in Toronto welcomed an increased number of Chinese buyers.

The driving sector in fashion continues to be the trimming trade and other non-traditional venues for fur. While China continues to dominate sales, Turkey and Greece for the Russian market and Russia itself are showing themselves to be strong markets and are contributing to the raw fur demand.

At NAFA's Wild Fur Auction, nearly every type of fur sold and at very high prices. In February 2011, Otter's average auction price per skin went from \$50.00 to \$70.00 dollars. In February 2012, the Otter sold at the auction for an average price of \$102.00 per skin. Beavers went from \$40.00 - \$50.00 to \$60.00 - \$80.00 dollars for the higher end beavers. But the average for our smaller southern Beaver was around \$20.00. The average Wild mink went up to \$23.14. Muskrats were also up to an average of \$10.19.

Both the Hong Kong Fur Fair, in February and the Milan Fur Fair, in March were very successful despite these increased prices in almost all categories of furs. Designers have started increasing their use of furs in non-traditional ways, as was seen on the catwalks of both shows.

While prices continued to be high, the market will only bear so much. This was evident at the June auction at Fur Harvesters' in North Bay, Ontario where the prices on wild fur continued to adjust downwards slightly by an additional 10% to 15%. The price of Otter increased since June 2011, and while the percentage of skins sold at Fur Harvesters was lower than last year, the number of skins offered in June 2012 was higher which resulted in the number of skins sold rose from approximately 350 skins to approximately 460 skins. At the NAFA Auction in Toronto at the end of May, The higher end Otter was withdrawn due to the increase in prices but commercial grade and lower end quality skins sold well.

Raccoon and Coyote were withdrawn from the auction in North Bay as were the higher priced Fisher and Lynx. But 80% of the 100,000 Coyote sold at the NAFA Auction in Toronto at the end of May; most of these being those used specifically for trim in China, Europe and North America. This has created a backlog in dressing production which resulted in manufacturers' reluctance to purchase more Coyote at Fur Harvesters. Raccoons sold very well in Toronto as they had the largest quantity of fresh skins on offer. These higher quantities fit into the Chinese production schedules and as a result, Chinese manufacturers bought most of the skins.

Fur Market Overview Continued

The mink, which is the important factor, adjusted down at the May auctions in Seattle by about 5% and again in Toronto. But manufacturers who rely on mink continue to have a difficult time. Those who have diversified into wild furs fare better as consumer spending continues to recover.

The good news for Louisiana is that all local types of skins are now in demand. Buyers are now seeking nutria because it is very inexpensive at \$5.00 raw FOB –Louisiana.

The Fur Advisory Council has contracted with Michael Consiglio to promote Louisiana furs. Mr. Consiglio travels into Louisiana with international buyers, such as Hatem Yavuz, who bought up everything that was available at the end of the current season. Mr. Yavuz's July 2012 tour of Louisiana and meet with Louisiana dealers was a huge success and he has begun to set up a full program for next year.

The Beijing Fur Fair in January 2012 was the most productive best Chinese fair for Louisiana business. Even with the 10% to 15% reduction in traffic, the furriers / buyers who were at the fair were very active. The Louisiana booth was very attractive, clean and simple. The Council had samples of every Louisiana skin there except bobcat. Nick Shao, who is under contract with the Fur Advisory Council, was there one day before the fair started and he helped set up the booth. Louisiana fur dealers succeeded in getting orders for beaver, wild mink, muskrats, otter, and raccoon.

Conclusion:

No one can predict hurricanes, floods or other acts of nature, and but short of a natural disaster, Louisiana should have a successful season. Louisiana has the attention of substantial buyers for the coming year beginning with an order from Turkey for 100,000 nutria skins.

Louisiana's client base is growing. Peter Li, Haixing and Derek Yin have been buying Louisiana Furs for the Chinese market for the last three years. And now there is a nutria buyer from Turkey. There is currently a program of repeat buyers so that Louisiana dealers can create purchasing targets.

The prices may be lower but, as seen, these customers are interested in quantities of all types of fur and China especially, requires high volumes to meet their production needs. As things stand at this moment, Louisiana fur dealers in a perfect position to create sales.

*Fur Advisory Council Booth at the
Beijing Fur Show,
January 2011.*



General Education



The Fur Advisory Council's education program coordinated with other educators around the state. The Council presented at schools, libraries, and public events. This year the Council's educator gave 23 school presentations, 16 library presentations, and a half of dozen other school and scout related presentations. Non-school events included National Hunting and Fishing Day at the Tensas National Wildlife Refuge, "AgMagic" at the Sate Fair, Louisiana Trappers And Alligator Hunters Association Convention, Bayou Vermillion Festival, "Wild Things" in LaCombe, "Ocean Commotion" in Baton Rouge, Camp "Roughin' It" at Gum Springs, 4-H Day in Tangipoa Parish, and Career Day at Red River Elementary School.

School Presentation— Explaining Anatomy

The presentations can vary in length but usually are roughly an hour long and revolve around the four points of trapping. First, the beaver, raccoon, otter, and coyote are discussed as each of these animals encompass strong examples of some of the points. With the beaver, the educator shows the beaver skull, pelt, beaver chewed sticks, and beaver wood chips. These items are discussed in the context of beaver damage to forests. The importance of the forest as a habitat for wildlife and an economic resource for man is emphasized with the point being that beavers can be a problem if their numbers are too high. Additionally, beaver induced flooding of private property and croplands is discussed. Raccoons are discussed in a similar manner, emphasizing the problems that their depredation of the eggs of endangered species can cause, as well as the problems that arise, such as disease and unsanitary conditions, when they live around urban features such as restaurants. The coyote is discussed in terms of Sarcoptic Mange, and its migration from the western to the eastern United States is occasionally mentioned. Otters are discussed as an example of the practice of live-trapping, where a species is trapped in one locality in order to be reintroduced to a place where it has been extirpated.

Next, the different traps are discussed. In particular, the long-spring live-catch leg-hold trap and the coon cuff trap are explained. Sometimes, one of the long-spring traps is brought to the school set and then sprung for the class. The students always enjoy this. Audiences are also shown the variations in the long-spring traps, such as the fact that some have rubber lining the jaws.

Finally, trapping is compared to hunting and fishing in that it is a regulated form of animal harvest that requires a license. The fact that trapping is regulated by LDWF and is overseen by biologists and conservation officers is also mentioned. Audiences are told that a license for someone under 15 years of age is only \$5.00, but once someone turns 15, the license fee is \$25.00. During the appropriate time of year, audience members are invited to attend the LTAHA convention at Woodworth.

China Market

The Council contracted with both Michael Consiglio and Nick Shao to promote Louisiana furs in both China Mainland and Hong Kong SAR. Mr. Consiglio manages the full range of international promotions for Louisiana furs, and Nick Shao focuses on China and Hong Kong. Mr. Shao worked with Mr. Consiglio to create a Louisiana booth at the China Fur & Leather Product Fair in January in Beijing. Mr. Shao also attended the Hong Kong International Fur & Fashion Fair in February in Hong Kong to exhibit products and meet potential clients.

Mr. Shao has kept a close relationship with the Chinese clients in the region through client visits, phone calls and emails. He offered skins available to the potential buyers and at the same time passed the needs of local clients to Mr. Michael Consiglio. During the China Fur & Leather Products Fair in January, he and Mr. Consiglio successfully connected Chinese buyers to Louisiana-based suppliers.



Hong Kong: 'Asia's World City'

2011 - 2012 Expenditures

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

Rockefeller Trust Funds	
Budgeted	\$138,551.00
Salaries	\$0
Related Benefits	\$0
Travel	\$0
Operating Services- <i>i.e. cell phone, newspaper ads</i>	\$772.39
Supplies- <i>i.e. sample furs, sample products</i>	\$0
Professional Services- <i>i.e. fur promotion contract, D.C. education</i>	\$116,331.96
Capital Outlay	\$0
Rockefeller Trust Funds Expended	\$117,104.35
Education and Marketing Fund	
Budgeted	\$90,250.00
Salaries	\$30,024.00
Related Benefits	\$11,062.08
Travel	\$5,364.66
Operating Services- <i>i.e. cell phone, internet service</i>	\$7,340.98
Supplies- <i>i.e. printing supplies, office supplies, sample furs</i>	\$2,223.06
Acquisitions	\$1,751.39
Education and Marketing Funds Expended	\$57,776.17
Total FAC Funds Budgeted	\$228,801.00
Total Expended	\$174,880.52

F A C M e m b e r s

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