Summary of the Fur Advisory Council Meeting March 25, 2014 Baton Rouge, Louisiana

Council Present

Archie Domangue Frank Ellender Charles Pettefer, Jr. James Gallaspy Steve Hughes Tony Howard John Linzay

LDWF Presence

Tanya Sturman Edmond Mouton Buddy Baker Bob Love Jennifer Manuel

Council Absent

Allan Ensminger

Tony motioned to approve the minutes from the February meeting. Charlie seconded. Motion carried unanimously.

Fur Marketing

Frank said he would like to look at where we are going with the fur marketing. Michael said that his main focus from the beginning was to sell Louisiana raw skins. He connects buyers with dealers to create sales. He assists with shipping and shipping documents. He studies the market and advises Louisiana dealers. Originally he did more marketing and less sales. Now he acts more like a salesman. Greg Linscombe came to fur shows in the beginning with one chair and a handful of fur. Greg approached Michael, and Michael began working with the Department. He created the logo that is still used today, created a marketing program for a traditional industry and Louisiana fur sold. The North American fur industry is gone. There are only a few manufacturers left in North America. Now fur is an accessory. It is used in trim and accents. The market is bigger than ever. Now even teenagers wear fur.

Jimmy said that there is no longer money in fur. Archie said that the anti-campaigns hurt the fur industry. Michael said that when we think about what we want to do in the future, we have to think out of the box, because the industry is no longer structured in the traditional way.

Michael talked about the co-op they tried in the past. Argentina is doing very little in the nutria industry now. The market is dominated by the Chinese and the Russians. Turkey is important in the leather industry. This is a good match for fur, because fur is mostly used as trim now. Turkey and Russia have a good trade agreement with open borders.

Michael said that the key is bringing in money. Hatem put well over \$100,000 in the Louisiana nutria market. Then he got caught up in the international financial crisis. Everyone stopped or tremendously slowed down buying. The Chinese had stock built up already, so they slowed down

on buying as well. The tax in China is 34% on imports. They are trying to negotiate with the government to bring the tax down.

Buddy asked what happened to the European furriers. They had been family run business, handed down from generation to generation. Michael said that they had dissolved. The antis really hurt them. The labor had already moved to Greece. Buddy asked about Fur New York. Michael said it still existed, but there are only a couple of dozen furriers left in New York. Buddy asked where the production is taking place now. Michael said Russia does not produce. Greece and Turkey still has some production in Europe. There is a lot of production in China.

Judge asked if there are any tanneries in North America. Michael said there is one in the U.S., Moyles, and one in Canada, East-West.

Tony asked Michael about setting the prices. Michael said that Quincy asked for advice. Jimmy asks Michael what is going on in the market and sets his price accordingly. Tab and Danny buy and sell at their own prices. Michael said that he brings the buyer to the dealer and they discuss the prices. Jimmy said that buyers and dealers cannot set the prices. He said you buy and hope you can get rid of it. Prices change quickly, according to Jimmy, and he said there is nothing Michael can do about it.

Nutria Grade

Tony said that this started with a complaint from Hatem about the variations in the nutria. Tony asked about a standard when he returned from China. He and Archie had many discussions since then. They pulled the old standards out of the archives. The standards have not been utilized in years. Tony went over the grading and stretching standards. Everyone got a copy of the two page document.

Archie said he understands why Hatem was upset. With an 80/20 size split, some got stretched long and thin to make the size grade. It is unfortunate that this happened. Archie said Hatem may have lost interest in Louisiana nutria over this issue. Michael said that Hatem is still interested. Archie said that we need to get away from this 80% large/20% medium split and sell larges and mediums directly at their own price.

Quincy said he was using the standard mold, but his buyer squeezed his molds down to 4 inches. Charlie said in the old days every buyer would tell you how they wanted the fur dried. Many were not following the traditional standards.

Tony motioned to accept the grading system handed out today as the Council recommended nutria grading standard for Louisiana nutria. Charlie seconded. Motion carried unanimously.

Turkish Fur Fair

Michael said that Turkey is a gateway to Eastern Europe. Michael said that he sees it as a big opportunity for Louisiana. Turkey attracts a lot of Russian buyers. We would share a booth with the same groups that we share the Beijing booth.

Frank led a discussion about who to send to Turkey. They talked about Archie, Tony and or Tanya attending. Steve asked if the Council could afford to send three. They discussed how Don

Aycock and Sam Smith used to travel. It worked well with two Council members. When they retired, a gap was left. Judge suggested that if the Council wanted to send two members and Tanya, then we should have an alternative member willing to go in case Tony or Archie can't make it. Frank said he'd like to push for three just this once, because we are trying to move forward in a rocky industry and this would be a winning combination of a younger guy with vision and enthusiasm, a more experienced man with decades of experience in the fur industry, the contractor and the state employee. They could all learn from each other. Edmond said we should be very thorough in writing a justification.

Tony motioned to contract with Michael to attend the Turkish Fair in November 2014. Archie seconded. Motion carried unanimously.

Judge motioned to send Tanya and two additional attendees appointed by the Chairman to the Turkish Fair. Tony seconded. Motion carried unanimously.

Judge suggested to Frank that once travel is approved for all three that Frank find an alternate in case someone can't go.

Fur Coats for Marketing

Tony said two people on ESPN were wearing fur coats at the Super Bowl. Tony suggested that we do some sample coats for marketing. The fur could have logos lasered into them. If we bought a couple of women's coats, they could be shown at the fur shows and then donated to the Cameron fur festival. Tony wants to illustrate that logos can be engraved onto the back of the coats Frank and Judge both said they thought of New Orleans Saints fans as Tony was talking.

Edmond said Tanya should work with Michael to get some prices from Hatem.

Judge motioned to have Michael get prices and pictures on four or five coats that the Council can choose from. John seconded. Motion carried unanimously.

Jennifer said that there are a lot of older coats in the New Iberia office that are out of style. She suggested that the Council consider cleaning and refashioning some of the better quality coats with a modern style. The Council asked her to inventory the coats with digital pictures. Edmond said that she could pick out a few of the better quality ones and get an estimate on redoing them.

Fur Inventory

Archie said that he originally requested this information. He wanted to know how much was bought last year and how much has not yet been sold. Michael said that Hatem is getting ready to collect the furs he bought.

Coastwide Nutria Control Program

Jennifer said that there are 400 people registered. We are right on track with previous seasons with the amount of nutria coming in. Allan Ensminger had said that it was costing his trappers more in gas than they were getting for the tails. Jennifer said that this is good news, because it means the population is not as dense. CWPPR is spending \$2 million in tail payouts. This is leaving 360,000 dead animals in the marsh. We are wasting a lot of flesh.

Judge asked if CWPPR could recycle that money by banking it out to the fur dealer. Edmond said that CWPPR is limited to coastal restoration. They would not do anything to supplement the fur industry.

Other Business

Wesley Blanchard had asked for trapping kits for Trappers Association.

Tony motioned to approve \$1,900 for trapping kits for the convention. John seconded. Motion carried unanimously.

Tony said that the NTA is coming up in August. He would like to send someone from the council. He said that it is important to meet other people in the industry face to face. He met the owner of Moyles tannery there, and he can call and get reliable, quality service from them. John said that it is also a good learning experience. They are introduced to new equipment and techniques, which they can pass on to people in the state.

Tony motioned to send two Council members to the NTA. Archie seconded. Motion carried unanimously.

Tony asked how to request a 48 hour trap check. Jimmy said that you don't want to do this. Edmond cautioned that changing regulations to trapping would allow for a public comment period that could open the door for other changes as well. Tony asked how the Council felt about it. Jimmy and Charlie are not for it. John is in favor of extending it. Tony said he wasn't asking the Council to take action right now. He just wanted to get the Council's opinion.

Michael said that he is short \$800 to \$1,000 in shipping costs for some samples that are going to China for a Russian buyer. Charlie asked if we could do that. Edmond said that the bill could come to LDWF and the chairman could authorize that. Tony said he is against it, because it is related to sales. Michael said these samples promote Louisiana skins. Frank said he'd like to digitally poll the Council after Michael gets a firm price. Tony said that he wants it on record that he is against the Council paying \$5 on shipping on a \$5 nutria. Michael said the \$5 nutria is old business. We will move forward with a new plan with the grading system.

Jimmy motioned to adjourn. John seconded. Motion carried unanimously.