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Fur Animals and Products

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Agricultural Situation

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Report Highlights:

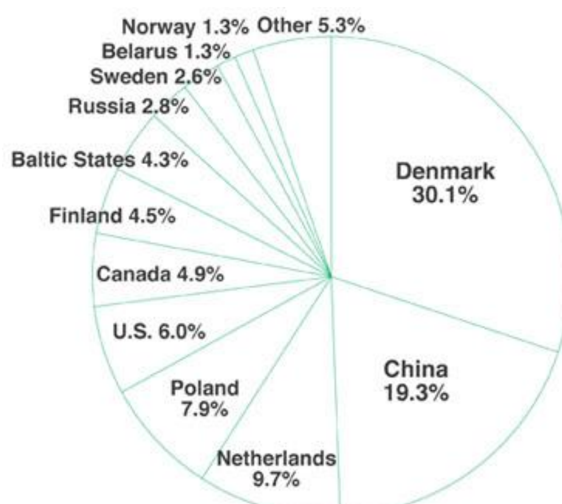
China's mink, fox and raccoon dog inventories are forecast at 70 million head in 2010, up from 55 million head the previous year due to recovery in the fur industry. The production of mink, fox and raccoon dog raw skins is forecast at 51 million pieces, an increase of 28 percent compared to the previous year's fur skin output (40 million pieces). Total fur animal feed is forecast at 5.06 MMT in 2010. The dry feed component is forecast at 1.74 MMT, up from an estimated 1.2 MMT in 2009. Utilization of fur skins is forecast at 66.2 million pieces in 2010. China's fur imports are mainly high quality raw mink and fox skins, valued at US$ 463 million in 2009, while its major fur exports are garments and processed fur products. The fur product export value in 2009 was US$ 1.3 billion and is forecast to expand in 2010 due to the fur market and overall economy recovery.

Executive Summary:

The Chinese fur industry is important because it is a competitor to U.S. fur exports, uses U.S. imported inputs, and is a significant user of domestic feeds. Understanding the developments in this industry can provide important information about the fur and garment market and Chinese feed utilization. From 2000 to 2010, the fur industry's growth will account for the additional use of 1.5 million metric tons (MMT) of animal feed in China. While U.S. feed products are not used in this feed production, it displaces as much as 348,000 MT per year of Chinese soybean production and a significant amount of corn. China's expected growth in 2010 will also increase the competition for U.S. furs in the China marketplace.

General Information:

Most Chinese fur farms were built during the past fifteen years. After a decade's development, small and mid-size fur farms account for 90 percent of China's farming operations, which raise from a few dozen to thousands of fur animals. There are only a very few large-scale fur farm raising over 10,000 animals. Species bred for fur include Arctic (blue) fox, Wusuli raccoon dog, Colorful and Black mink, and Standard Rex Rabbit. Mink, fox and raccoon dog production, fur skin utilization, feed utilization and trade are the focus areas of this report. A growing number of international fur traders, processors and fashion designers have gradually shifted their business to China, where inexpensive labor and the absence of restrictive regulations make production easier and profit margins bigger. As mentioned earlier, most fur farms in China are a family businesses and this makes it difficult to obtain accurate fur production and trade statistics for China. The data included in this report were obtained by visiting of mink farms in Jilin, Dalian and Heilongjiang, the Institute of Special Wild Economic Animals & Plants of China's Academy of Agriculture Science and feed mills.



World Farmed Mink Production, 2009
Source: Oslo Fur Auctions

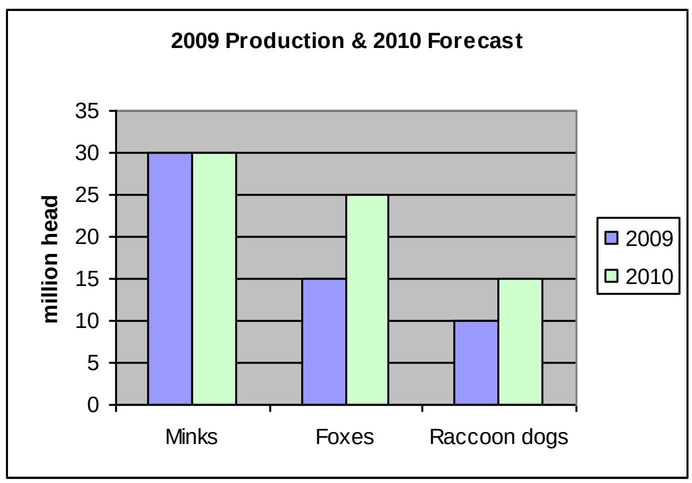
According to academic experts from the Institute of Special Wild Economic Animals & Plants of China's Academy of Agriculture Science (CAAS), Chinese fur farmers hold an estimated 30 to 35 million minks, 15 million foxes and 10 million raccoon dogs. However, according to contradictory statistics released by the Oslo Fur Auctions, China's mink production for 2009 dropped to nine million after peaking in 2006. The statistical difference is thought to arise from China's fur marketing situation. Chinese furskins are frequently sold on the free market rather than auctions and there is no official statistical record kept for fur production or for general fur markets. Post believes that a reliable statistical proxy is the sales of certain annual vaccines for fur animal use. This production estimate method suggests that the CAAS production number is more accurate and that China has become the biggest fur production and processing center in the world. China is now the world's leading producer of fox and raccoon dog pelts and the second or possibly largest producer of mink pelts.

Chinese farmed fur animal production is high, however many fur farms are facing inbreeding related problems, which lead to a gradually deterioration of fur quality. The expansion of mink production in recent years has been based mostly on breeding stock acquired in North America and Europe. European, especially Finnish, fox breeders have been imported for breeding purposes in this sector. With the rapid expansion of fur farming, fur production exceeded utilization in 2007, which led the cost of mink and fox raw skins to drop. Additionally, feeding costs continue to rise, including fish meal and meat meal. These factors negatively affected farmers' net profit. After record fur production in 2006, many small fur farms and processing plants went bankrupt between 2007 and 2008.

China's exports of fur and related products for 2009 were about US$ 1.3 billion. Fur garments accounted for 76.9 percent of total fur exports, while Tanned and Not Assembled furskins were the second largest exported fur product, accounting for 18.6 percent. China's main imports of fur and products are raw materials, which account for 97.5 percent of the value. Scandinavia is the biggest fur animal production region in the world and also the main origin of China's fur material imports. More than a half of all furskins are imported from Northern Europe. In 2009, Demark remained China's largest supplier of fur materials. China's fur material imports from Demark were US$164 million and imports from Finland were US$76 million. North America also plays the role of important supplier of raw mink skins and breeding minks to China. From 2000 to 2009, China's fur materials imports increased twofold. The rapid growth of fur material imports was accompanied by an upsurge of companies dealing in all manner of fur products, pelts, trimmings, garments and other related products and services. China Chamber of Commerce of Import and Export of Foodstuffs, Native Produces and Animal By-Products (CCCFNA) states that China's fur processing capability is much better than China's fur farming. While there is no doubt that China is already the biggest fur processor in the world, Chinese fur farming industry is relatively backward and lagging behind the development of Chinese fur manufacturing industry. Higher input prices and the low quality of domestic fur pelts are all challenging the Chinese fur farming industry's ability to meet growing domestic and foreign market requirements.

Production

China's main fur animal species are mink, fox and raccoon dog. According to industry sources, by the end of 2009, China held an inventory of 30 million minks, 15 million foxes and 10 million raccoon dogs. In 2010, mink stocks are estimated to be stable at 30 million, while fox stocks are forecast to increase to 25 million and raccoon dogs increase by five million to 15 million. Among the mink, fox, and raccoon dog stocks in 2009, five million fur animals were for breeding use. Post forecasts the mink, fox and raccoon dog pelts will increase by 11 million pieces to 51 million pieces in 2010.



The major mink farming areas are located in Jilin, Liaoning, Heilongjiang, Shandong Hebei, Henan and Jiangsu provinces.

Minks

China's main mink species are "colorful" mink imported from Demark and American black mink with shot nap hair imported in 2003 from the United States.

China's mink farming boomed in the 1990s after China's Reform and Opening-up. With the rapid Chinese economy growth in the past decade, fur farming development also grew. However, many farms are facing inbreeding related problems, which leads to a gradual deterioration of fur quality. In addition, most of the mink farms are family businesses, with decentralized distribution, small scale, single feed formulas and backward technology and management. In the past, domestic mink and fox skins were generally 50 percent lower in value than the same type of imported products due to lower fur quality. Under the pressure of feed cost growth, producers began to adjust the traditional trash fish-based diet. This diet resulted in a lack of nutrition, including protein, fat, and necessary amino acids. Those poor dietary factors caused the mink pelts to be of lower quality, smaller size, and less competitive compared with high-end imported mink pelts.

Unlike the United States, China doesn't have a specific association to organize and educate farmers to run and manage mink farms. Chinese family businesses are responsible for farm building, cage design, species introduction, feed purchase and diet, disease prevention, and preliminary skin processing. Mechanized equipment is seldom used on mink farms. Every step of feed preparation is usually operated by the mink farmer. Each farm generally keeps its own breeding stock and the average number of breeding mink per farm is 200 – 300 mink.

According to the China Leather Industry Association, China's supply of mink pelts shrank in 2009, marking the second year of decreased production after reaching an all-time high in 2007. Though most operations are small, there are also some large scale mink farms operating as vertically oriented enterprises incorporating artificial insemination, breeding, slaughtering, pelt-processing, tanning, and post-production facilities. These large scale husbandry enterprises normally use imported breeders to improve fur quality. By using western fur animal feed formulas, such as adding necessary animal and plant protein at different mink growing periods, the fur quality is able to reach imported quality levels and the feed costs also closely resemble foreign levels.

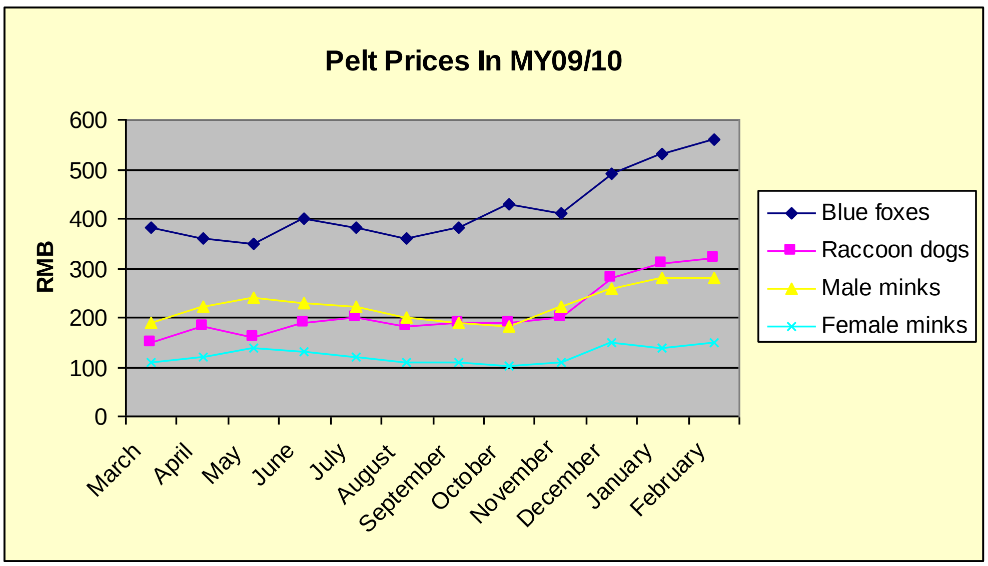
Foxes and Raccoon dogs
China's main fox species are blue fox (arctic fox), using breeders imported from Finland, and silver fox. Wusuli raccoon dogs remain Chinese farmers' favorable fur animal because of the lower feeds costs and comparatively low housing requirements.

Many farms are facing inbreeding related problems, which leads to a gradual deterioration of fur quality. In 2005-06, Finnish fur breeders exported 10,000 foxes to China for breeding purposes. Heilongjiang Province now has one fox farm which specializes solely in breeding. Another farm owner stated that similar enterprises would soon also be opened in Hebei. Other fur related business ventures include the sale of Finnish blue fox sperm and instruction in artificial insemination techniques.

Fur Animals Feed
China's fur animal feeds are made with fresh feed and dry feed. Fresh feed is composed of ocean fish, fresh water fish, poultry and by-products (head, bones, offal), extruded corn, vegetables and

premix feed. Dry feed is composed of fish meal, meat and bone meal, feather meal, extruded corn and extruded soybeans. Fresh/wet feed is often mixed on farm, while dry feed is processed by feed mills.

Post visited several feed mills during a February 2010 field survey. According to industry resources, mink, fox and raccoon dog dry feed (industrial compound feed) consumption was 1.2 million tons in 2009. Post forecasts that dry feed consumption will increase 40 percent and reach 1.68 million tons in 2010. Fur animal feed (minks, foxes and raccoon dogs) use is closely linked to changes in fur skins supply and demand. The latest industry estimates indicate that China's mink, fox and raccoon dog inventory in 2010 increased 45 percent over the previous year. At end of the 2009 and beginning of 2010, the fur pelts sector recovered from the previous 3-year down market and is the reason for the quick increase in stocking. The price of each piece of high quality blue fox skin in northern China increased from RMB 300 per piece to RMB 600 - 700 the previous year due to increased demand of fur skins in the winter of 2009. The fur recovery in 2009 has stimulated the growth of breeding stocks in this sector in 2010.



Traditionally, fox and raccoon dog farmers in northern China make fresh feed on their own by adding trash fish, poultry and by-products, and also corn into a feed mix. Combined with the impact of high prices for trash fish, meat and low profit margins, the depressed market drove small household mink, fox and raccoon dog farms out of business in 2008 and 2009, while large scale farms maintained their market. Among those household farms that survived, farmers tend to exclusively purchase concentrates and premix feeds (essential nutrients) to blend with corn. In Heilongjiang Province, about 60 percent of fur animal farms only use industrial compound feeds to increase feed efficiency and meet the nutrient requirements at different stages of fur animals' growth cycle. At a national fur animal farming level, on average about 30 percent of farms, including both commercial and household farms, purchase processed formula feed. About 60 percent of feed mills have also begun to use extruded-full-fat-soybean meal to substitute for fish meal as a result of American Soybean Association (ASA-IM) cooperative research with Chinese fur animal producers. By using extruded full-fat soybean meal (FFSBM) to replace a portion of the trash fish, the fur animals had less diarrhea problems in the summer and similar growth performance and fur quality compared to those fed trash fish-based diets. In 2010, extruded full-fat soybean meal use for fur animals is estimated at 348,000 tons.

China: Estimated Mink, Fox and Raccoon dogs Feed Consumption (1,000 tons)

	Total	Fresh	Dry	Animal resource protein	Plant ingredient	
					Corns	Soybeans
2009	3,490	2,290	1,200	600	1,047	240
2010	5,060	3,320	1,740	870	1,518	348
Source: Industry resource and post's estimate						

Consumption/Utilization

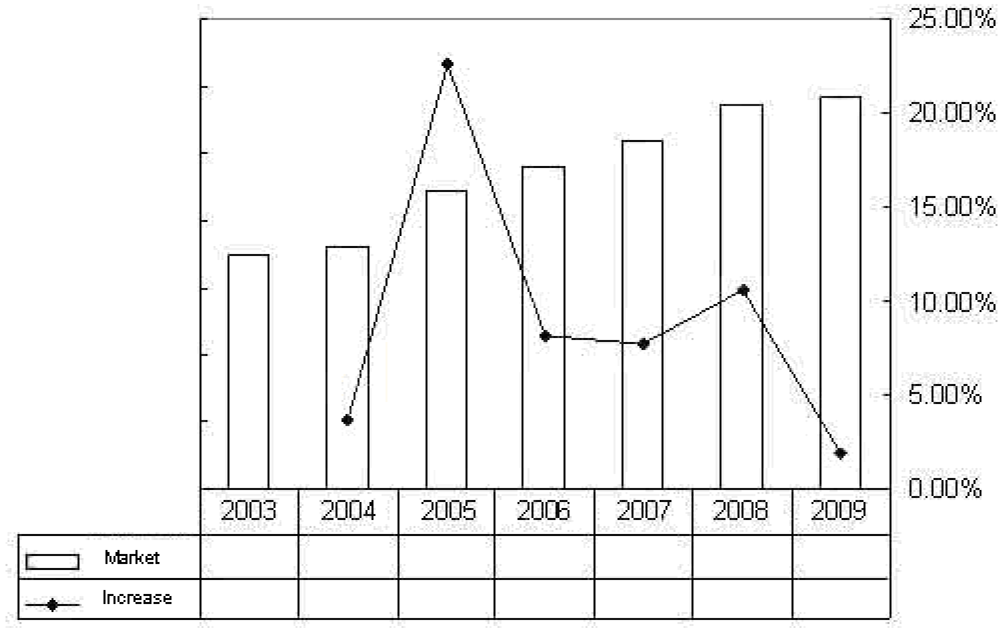
China's total mink, fox and raccoon dog utilization is forecast at 66.2 million pieces in 2010, up from an estimated mink fur at 31 million pieces, fox fur at 13.6 million pieces, and raccoon fog fur at 7.3 million pieces in 2009. As mentioned in the following trade section, the central government released the Eleventh Five-Year Plan in 2005, which indicated that high pollution, high energy-consumption, and resource-intensive exporting oriented industries would be restricted in order to optimize and upgrade industrial structure. After being targeted in this policy, fur manufacturing and tanning industry development has slowed since 2006. The fur market experienced a moderate recovery in 2009 and will rebound in 2010 due to favorable government VAT policies and increased international and domestic demand.

Experiencing rapid production growth from 2004 and 2007, fur raw materials exceeded the local demand for processing. Since 2006, the domestic fur market weakened and prices trended downward. The sluggish market has driven the higher quality and high environmental protection standard practices as a way for Chinese fur producers and processors to gain additional value. In addition, improving the environmental protection standard and reducing management costs are the direction that tanning and deep processing manufacturing are beginning to follow.

On October 21 2008, the Ministry of Finance and State Administration of Taxation jointly issued the notice "About the Adjustment of Export Rebate Rates for Partial Merchandise", which announced that the export rebate rate will be increased from five percent to 11 percent for processed leather and furskin products (tariff codes: Leather apparel 4203100090; Apparel made of furskins – 4303101090; Furskin clothing accessories – 4303102090; and Other articles of furskins - 4303900090). With the worldwide economic recovery and a supportive trade policy, China's furskin products exports recovered and exceeded 2006's total exports. In addition, below average temperatures in 2009 also drove higher demand for fur clothing and accessories. Despite the stagnant global economy in 2009, China's fur exports by value in 2009 increased 46.5 percent in comparison with 2008, ending the three-year consecutive decline. Due to the impact of GOC policy of increasing the export rebate for fur products, China's fur industry recovered in 2009 and is forecast to expand rapidly in 2010.

According to China Leather Industry Association's statistics through November of 2009, China holds 421 large tanning and fur manufacturing industrial enterprises (not including farming enterprises) with yearly sales value above RMB 2 million (US$ 292,826). The yearly total industrial output value is RMB 24.2 billion (US$ 3.6 billion) and 27.9 billion (US$ 4.1 billion) in 2007 and 2008, respectively. From January to November 2009, the total output of fur tanning and products processing industrial value was RMB 34.3 billion (US$ 5.0 billion). Private enterprises account for 90 percent of the industry, whereas state owned enterprises have a relatively small role. Employees involved in this sector are estimated to reach 80,000. In 2008, the tanning and fur processing industry accounted for 8.8 percent of the total value of production in national economy, though the majority is leather tanning and working.

Fox Manufacturing Industry Scale and Increase Speed 2003-2009



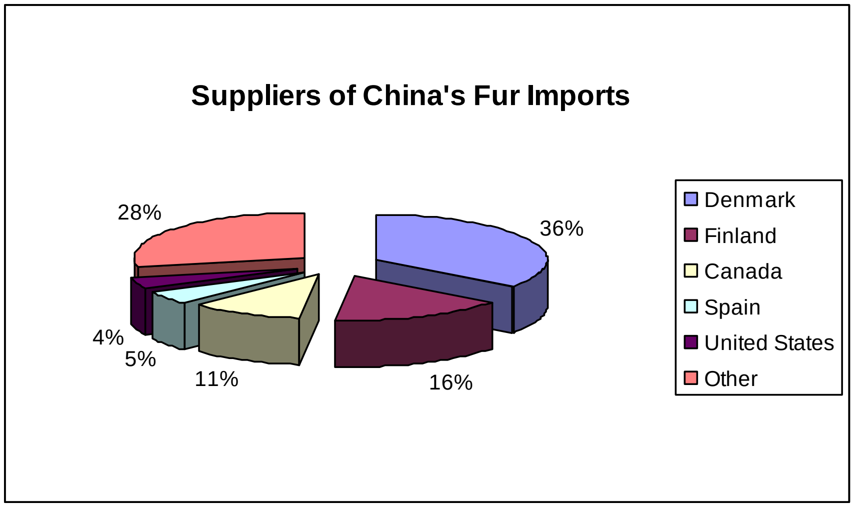
Trade

Fur markets and trade centers continue to mushroom, accompanied by an upsurge of companies dealing in all manner of fur, pelts, trimmings, garments and other relevant products and services.

With only a decade of development, Chinese Fur Processing Industry became the largest in the world. According to European industry sources, 80 percent of world's pelts are processed and manufactured in China. China is the major buyer at most worldwide fur pelt auctions. In 2009, China's fur apparel exports reached US$ 998 million, accounting for 77 percent of China's total fur product exports, valued at US$ 1.3 billion. China's fur manufacturing is clearly more developed than Chinese fur farming. Half of the fur products "Made in China" for export to overseas are using foreign fur materials.

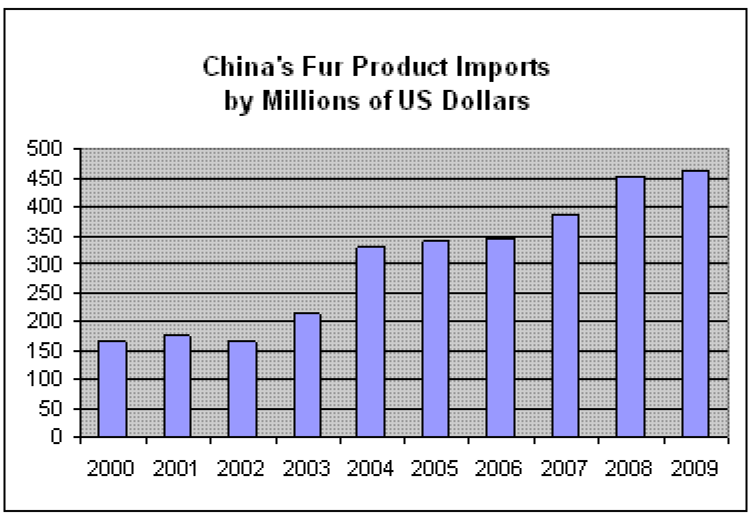
In 2009, according to U.S. Customs data, China and Hong Kong imported US$ 101.81 million worth of furskins which accounted for 49 percent of total exports of U.S. fur products. Driven by the fast growing economy, China has become the largest consumer of high-end U.S. fur, especially mink products. More and more Chinese fur garment manufactures are attracted to and participate in U.S. fur auctions. The two most popular are the American Legend Cooperative and North American Fur Auctions (NAFA). Most of U.S. mink and fox pelts are shipped through Hong Kong to be manufactured in South China's Guangdong Province. Processed fur garments are transported back to Hong Kong, banded, and then exported to the overseas market.

Imports



Chinese fur product imports reached record US$ 463 million in 2009. Mink and fox pelts accounts for 89.2 percent of all fur pelt imports. Scandinavia is the world's largest producer of fur animals and is also the major origin of China's imports. Over half of the fur pelts are imported from Scandinavia. Demark is China's largest supplier of fur pelts, accounting for one third of China's fur pelt total imports.

China's fur material imports have risen in the past ten years. In 2000, China's fur materials imports by value were US$ 165 million and reached US$ 463 million in 2010, up by 180 percent. Increasing imports indicate that China's processing capacity has been raised comparably; on the other side, it also shows a connection to the boom of domestic fur farming. Domestic fur farmers lack the techniques, production, and quality needed by the international fur garment marketplace and imports have played a vital role in filling the gap.



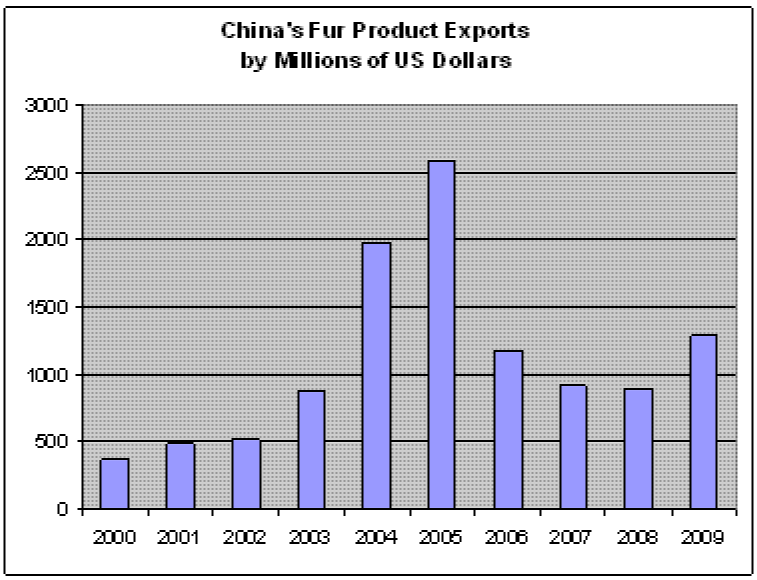
The Chinese general import tariff of raw fur skins related products' (under HS code 43.01) is 90 to 100 percent, while the most-favored-nation (MFN) import tariff applicable to most countries is also high at 15 to 20 percent.

Exports

From January to December 2009, China's fur product total exports by value reached US$ 1.3 billion, increasing 46.5 percent compared to 2008. With five-years of consecutive growth, Hong Kong exceeded Russia to becomes the largest importer for Chinese fur products. While Hong Kong is a transshipment point, Russia is largely importing fur garments for internal sale. The relative stable growth of fur exports to Hong Kong shows stability and maturity of the mainstream of international fur market. Hong Kong is the world's fur trade and distribution center; about 70 percent of the world's fur materials are transshipped from Hong Kong to other countries. Processed fur product exports through Hong Kong account for 70 – 80 percent of the world total, of which 30 percent are famous brands. The United States is Hong Kong's biggest export market for fur products, following by Japan, South Korea, Italy and Germany.

Russia is the most important single buyer of Chinese fur products. In 2005, Russia's fur imports from China reached a record high of US$ 1.7 billion. However, the number dropped to US$ 233 million in the following year, down 86 percent. There are two reasons for the four years of consecutive drops in exports to Russia, including: warmer winters resulting in lower demand and Russia passed a law in 2006 to limit and eventually prohibit foreign expatriates from operating in the retail business in Russia.

Total Chinese Fur Product Exports By Millions of US Dollars				
Rank	Country	2007	2008	2009
	Total	921.18	886.29	1298.27
1	Hong Kong	350.73	421.00	454.97
2	Russia	104.65	49.44	436.49
3	Japan	93.29	81.94	59.95
4	Korea, South	48.83	33.40	51.96
5	Italy	62.99	58.42	50.74
Source: China Customs				



Internal factors also contributed to the fall in exports. First, the central government released the Eleventh Five-Year Plan in 2005, which restricted highly polluting industries, high energy-consuming, and resource export-oriented industries in order to reduce dependence on these "undesirable" industries for export-led growth. With the "two-high-one-resource guideline", the central government enhanced the environmental protection requirements of the fur processing industry, while fur processing was moved into the "prohibited" processing trade catalog that significantly decreased government incentives. The fur processing industry was dramatically impacted by this policy change. Secondly, since 2006, the State Administration of Taxation made a concerted effort to combat tax evasion. Zaoqiang County and Suning County of Hebei Province, places that the press reported had severe tax evasion problems existed and were also fur farming locations, became a focus of the Administration of Taxation. Third, in 2006, Russia passed a law to limit and eventually prohibit foreign expatriates from operating in the retail business in Russia (essentially market stalls in small retail malls). This policy has dramatically decreased fur apparel exports from China because Chinese nationals had been the importers and sellers. Last, concerns about the ethical treatment of the animals have also dampened consumers' interest for fur products. All the factors above made a significant impact on the fur industry, especially fur processing. Many uncompetitive manufacturers went bankrupt after the fur industry peaked in 2005.

Major Trade and Processing Areas

China's domestically produced fur materials are mostly traded outside the common international auction-style format. Many manufacturers purchase pelts directly from farmers by visiting the fur farms. However, the majority of fur skins and semi-finished products are traded through wholesale markets but not auctions. Nonetheless, Chinese garment manufacturers buy additional raw materials through the world's biggest auction houses in Denmark, Finland, Norway, Russia, the United States, and Canada.

Haining County in Zhejiang Province and Liushi County in Hebei Province house the biggest China's raw fur skins wholesale and retail markets. As the attached picture shows, these tend to be open air markets or pavilions where smaller producers bring their furskins to sell to clothing manufacturer representatives.

Suning Market in Hebei Province

Shangcun Town, Sunning County in Hebei Province recently established the Shangcun Furskins Auction Company to specialize in fur processing, targeting exports to Russia, South Korean and Japan. At the Suning market, a total value at five billion RMB (US$ 732 million) is traded each year and daily attendance can reach up to 50,000 people. Shangcun County and Liushi County, both in Hebei Province, are the biggest and most important tanning centers for mink, blue fox, rabbit, weasel, raccoon dog and other fur skins. According to industry statistics, this area is a key tanning area which has an output of 90 percent of the nation's total tanned mink pelts, 85 percent of tanned blue fox skins, above 90 percent of Rex Rabbit skins, and more than 90 percent of raccoon dog skins. Yabaolu Market in Beijing is the biggest mink fur trading center in China, where more than 40 percent of China's processed mink skins are traded. About 80 percent of trade in this area is with Russia.

Guangdong Province area is the important base for Hong Kong companies, mainly dealing in imported mink and fox clothing manufacturing. Largely composed of Hong Kong companies, the Guangdong area mainly engages in the production, processing and distribution of mink and blue fox clothing, shawls, scarves and other garments. About 90 percent of imported fur skins go through this channel to arrive at Chinese market. Except tanning, processing techniques change frequently up to follow international fashion trends, including dyeing, dressing, cut and style. Guangdong Province also contains lot of plants that tan raw imported fox skins.

Zhejiang Province concentrates on dyeing of rabbit, blue fox and raccoon dog furs for domestic consumer tastes. However, there is little tanning in Zhejiang. Zongfu County and Haining County in Zhejiang Province mainly process traditional mixed pelts, by using the raw materials of sheep and rabbit skins for fur collars and hat manufacturing.

Tables

Production, Supply and Demand (PSD)

Table1. China's Mink, Fox and Raccoon Dog Production, Supply and Consumption

	2009			**2010**		
	Mink	**Fox**	**Raccoon dog**	**Mink**	**Fox**	**Raccoon Dog**
Production						
Inventory (thousand head)	30,000	15,000	10,000	30,000	25,000	15,000

Breeders (thousand head)	5,000			6,500
Skins Supply (thousand pieces)	22,000	12,400	7,300	51,000
Consumption				
Skins demand (thousand pieces)	31,000	13,600	7,300	66,200

Table2. China's Fur animal feeds consumption

China: Mink, Fox and Raccoon Dog Feed Consumption (1,000 tons)						
	Total	**Fresh**	**Dry**	**Animal resource protein***	**Plant ingredients**	
					Corn	**Soybeans**
2009	3,490	2,290	1,200	600	1,047	240
2010	5,060	3,320	1,740	870	1,518	348
Source: Industry resource and post's estimate *Animal protein does not include non-meat animal components such as bones.						

Table3. China's Major Fur Products Yearly Imports by Origin

China's Mink and Fox Furskins Imports from the World by Origin
Top 15 by ($Million)

Rank	Country	2005	2006	2007	2008	2009
0	--World-- -	337.12	344.66	386.99	452.56	462.86
1	Denmark	147.90	138.30	132.77	163.84	163.77
2	Finland	65.83	54.70	57.64	63.85	76.10
3	China	26.21	31.66	32.58	60.29	67.26
4	Canada	22.97	30.19	35.52	42.91	49.64
5	Spain	9.62	8.72	19.58	26.68	22.65
6	United States	11.47	14.57	19.13	18.49	19.59
7	Italy	8.23	7.80	12.54	16.29	14.96
8	France	4.66	4.17	10.74	10.72	12.99
9	New Zealand	2.32	5.27	21.08	23.11	11.98
10	Hong Kong	8.09	6.22	8.80	5.62	4.72
11	Korea, South	6.48	6.55	5.31	5.53	3.81
12	Belgium	5.41	2.91	5.47	2.74	2.82
13	Russia	6.80	5.80	7.21	3.85	2.04
14	Hungary	0.08	0.21	0.24	0.83	1.71
15	Argentina	1.48	0.88	0.74	0.33	1.57

Table4. China’s Major Fur Product Imports by HS Code

China’s Mink and Fox Furskin Imports from the World by HTS 6 Digits by ($Million)

HS	Description	2005	2006	2007	2008	2009
	--World--	307.28	314.36	337.13	411.26	413.76
Group 48	Mink and Fox Products	307.28	314.36	337.13	411.26	413.76
430110	Mink Furskins, Raw, Whole	112.50	122.84	136.64	165.92	192.70
430211	Mink Furskins, Whole, Tanned/Dressed Not Assembled	108.74	94.80	93.46	109.62	100.82
430219	Furskins Nesoi, Whole Tanned/Dressed Not Assemble	43.77	53.37	72.37	104.69	82.33
430160	Fox Furskins, Raw, Whole	21.26	17.02	14.66	12.56	18.86
4303	Articles Of Apparel Etc. Of Furskin	8.39	11.07	13.29	13.43	10.54
430230	Furskins, Whole And Pieces, Tanned, Assembled	8.66	10.96	3.85	3.44	6.76
430220	Furskin Pieces/Cuttings Tanned/Dressed Nt Assembld	3.97	4.29	2.86	1.61	1.74

Table5. China’s Mink and Fox Furskin Product Exports by Origin

China’s Mink and Fox Furskin Exports by Origin Top 15 by ($Million)

Rank	Country	2005	2006	2007	2008	2009
0	--World--	2565.88	1138.21	898.80	864.21	1297.94
1	Hong Kong	357.96	368.48	350.73	421.00	454.97
2	Russia	1658.15	233.29	104.65	49.44	436.49
3	Japan	122.46	121.15	71.19	60.17	59.65
4	Korea, South	54.36	59.93	48.83	33.40	51.96
5	Italy	57.63	76.59	62.97	58.42	50.74
6	Germany	45.05	55.99	44.83	44.47	42.58
7	Australia	14.43	15.27	19.88	21.75	20.99
8	United States	63.57	40.62	34.84	26.38	20.51
9	France	20.80	18.82	13.34	17.99	19.39
10	Turkey	3.92	9.07	15.43	13.91	16.17
11	Spain	12.16	19.52	14.21	13.12	15.36

12	Belgium	27.87	13.81	12.74	16.22	12.38
13	Sweden	2.28	7.23	5.30	7.87	10.40
14	United Kingdom	9.59	12.77	11.13	7.98	8.17
15	Netherlands	4.11	5.25	3.27	3.36	7.99

Table6. China's Fur Product Exports by HS Code

HS	Description	2005	2006	2007	2008	2009
	--World--	2565.88	1138.21	898.80	864.21	1297.94
Group 49	Mink and Fox Products	2565.88	1138.21	898.80	864.21	1297.94
4303	Articles Of Apparel Etc. Of Furskin	2295.63	837.02	636.53	579.29	998.04
430211	Mink Furskins, Whole, Tanned/Dressed Not Assembled	162.95	167.07	161.27	207.81	241.57
430219	Furskins Nesoi, Whole Tanned/Dressed Not Assemble	69.01	72.70	72.84	52.05	49.36
430230	Furskins, Whole And Pieces, Tanned, Assembled	36.83	60.36	27.30	24.28	8.08
430220	Furskin Pieces/Cuttings Tanned/Dressed Nt Assembld	0.98	0.94	0.86	0.49	0.72
430110	Mink Furskins, Raw, Whole	0.47	0.10	0.00	0.30	0.17
430160	Fox Furskins, Raw, Whole	0.00	0.02	0.00	0.00	0.00

Table7. Fur Products Tariff as of January 1, 2010

Description	HS Code	M.F.N.(%)	Gen	VAT	ED	Unit
Raw furskins of mink, whole, with or without head, tail or paw	4301-1000	15	100	13		Kg
Raw furskins of fox, whole, with or without head, tail or paw	4301-6000	20	100	13		Kg/piece
Raw furskins of endangered fox	4301-6000 10	20	100	13		Kg/piece
Other raw furskins of fox	4301-6000 90	20	100	13		Kg/piece
Tanned or dressed furskins of mink	4302-1100	12	130	17	5	Kg/piece
Tanned or dressed furskins of	4302-	10	130	17		Kg/piece

fox	1910					
Tanned or dressed furskins of fox, unassembled	4302-1910 10	10	130	17		Kg/piece
Tanned or dressed furskins of blue fox, endangered silver fox	4302-1910 20	10	130	17	5	Kg/piece
Tanned or dressed whole skins and pieces or cuttings thereof of marten, fox, other than whole skins and pieces or cuttings of blue fox, silver fox, mink, perwitsky, assembled	4302-3010 10	20	130	17	5	Kg
Articles of apparel	4303-1010	23	150	17		Kg/piece
Clothing accessories	4303-1020	18	150	17		Kg
Source: PRC Customs Import & Export Tariff, 2010						