



No business in fur: economic decline in the global fur trade

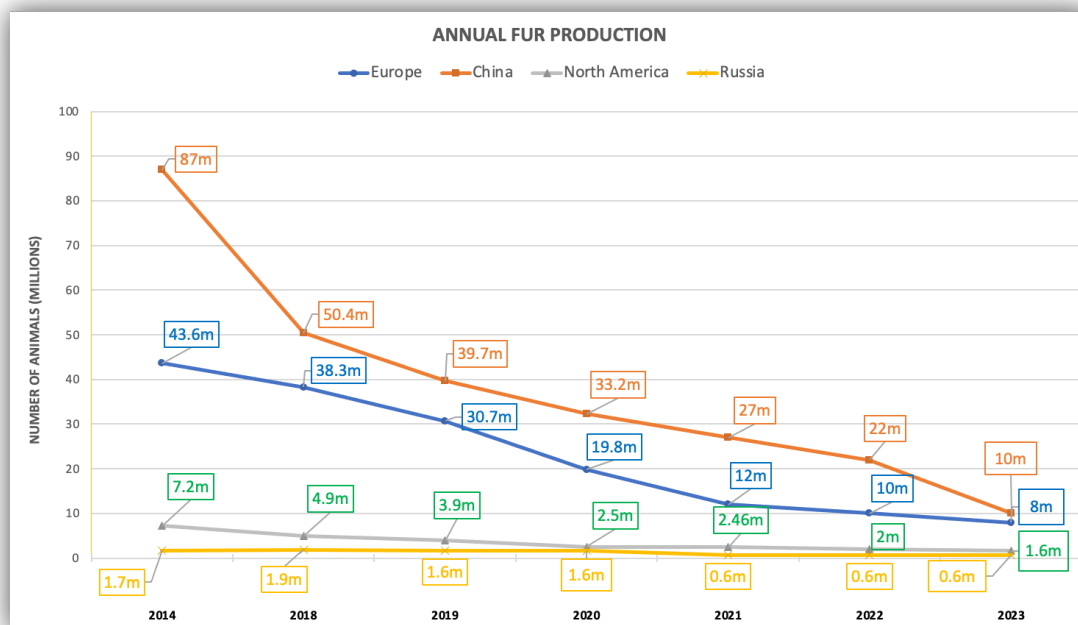
The UK led the way in banning fur farming twenty years ago, a move that has now been replicated in eighteen European countries. We now need to lead the way again, by banning the import and sale of fur: if fur is too cruel to be produced here, it should be too cruel to sell here. Seventy-seven percent of the British public back a ban on the importation of animal products, such as fur, where production methods are banned in the UK¹.

There is a strong ethical argument for the UK Government to extend the scope of existing fur trade bans (on cat and dog fur, and seal fur) to cover all species farmed, trapped and killed purely for their fur. This briefing presents evidence of significant downward economic trends that suggest an extremely poor financial outlook for the global fur trade, and which further support the case for a UK trade policy of disinvestment from this inhumane, unsustainable and socially unacceptable industry.

Market forces, production and profit trends

The fur industry is coming under increasing pressure as international designers and retailers turn their backs on cruel real fur², national production bans continue to be enacted in Europe, and politicians in Israel and the United States introduce fur sales bans³.

The industry's own data shows a story of decline in recent years, in both in the number of animals bred for fur and the financial return farmers receive for pelts. Since the height of mink production in 2014, when we estimate 140 million animals (excluding rabbits) were farmed for their fur, the number of animals bred into the industry has declined significantly, not only in Europe but in China too, with an estimated 20 million animals farmed for fur in 2023.



Figures for mink, foxes, raccoon dogs, chinchillas and sables (rabbits and animals trapped for their fur are excluded)⁴.

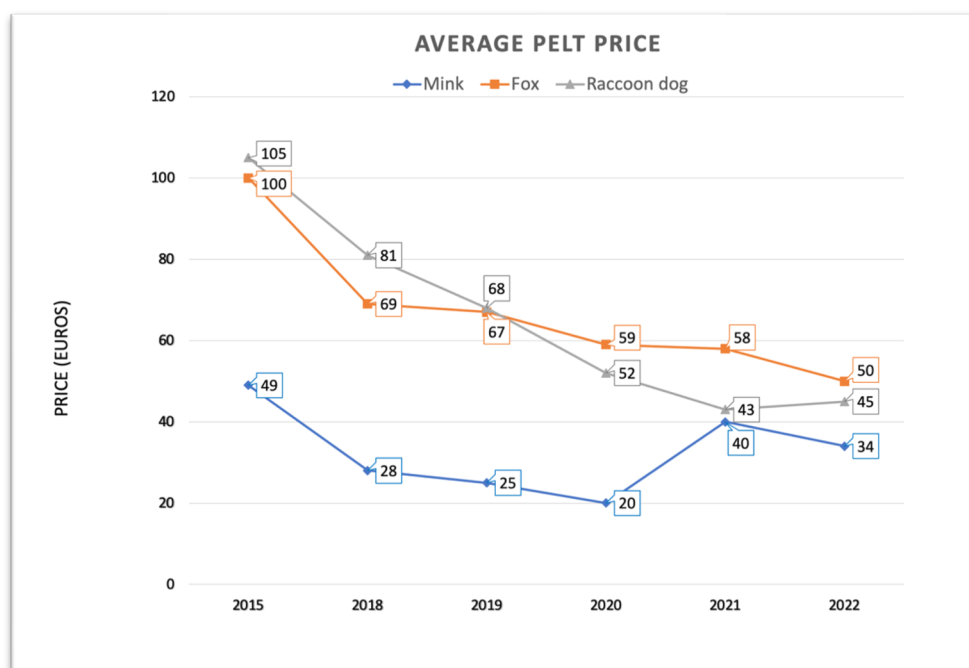
Stockpiles

China's production has fallen from 87 million in 2014 to 10 million in 2023. In 2021 the authorities there noted the decline of both domestic and export markets, advising against expanding production as "there is enough supply in storage". In 2022 they warned that the export market was "weak" and the country's fur inventory "still very high", advising breeding volume be "appropriately controlled" as "from the perspective of global supply and demand" numbers were "sufficient to meeting the market demand in 2022"⁵.

Pelts are being stockpiled in Europe too, with a trade press article reporting how auction house Copenhagen Fur had "a total of 20 million skins from Danish mink breeders in stock"⁶. In Finland, where only 38 per cent of blue (arctic) fox skins were sold at a 2022 auction, the remainder were "largely relegated back to the already overcrowded skin warehouse"⁷.

Profit and loss

While the industry has blamed both the COVID-19 pandemic and the war in Ukraine for declining figures, falling pelt prices at auction preceded both. While there has been some market fluctuation since the pandemic began in 2020 (most auctions continued online, some were cancelled), average fox and raccoon dog prices have continued to fall below 2019 prices. Fewer mink pelts have been offered for sale in Denmark since 2020 and although the average price appeared to rally a little in 2021 it declined again in 2022.



Note: figures quoted show an annual average of the average pelt prices obtained at auctions⁸ held in the given year.

The Financial Times reported in 2020 that “average [mink] pelt prices are less than half the levels of February 2014 [and] recent auctions have seen as much as 40-odd per cent of pelts go unsold.” As prices have declined it has become clear that many farmers will be receiving less for their pelts than the cost of production⁹, believed to be in the region of 80 euros for a raccoon dog¹⁰, between 70-80 euros for a fox¹¹ and 37 euros for a Danish mink¹².

Finland and blue foxes

Blue (arctic) foxes are regarded as ‘the backbone of the Finnish fur industry’. In 2012-13, their pelts were achieving an average price of 189 euros, by 2018-19 it was 64 euros¹³. In September 2022, only 38 per cent of blue fox pelts were sold at auction, at an average of 49 euros, a price described as “just about enough” to pay for the feed a blue fox eats, and one that “dives deeper and deeper below the profitability level”¹⁴.

Denmark – 99% of mink farmers opt to exit industry

Denmark culled all farmed mink and suspended mink farming in November 2020 due to COVID-19 public health concerns. Only 13 out of more than 1,200 mink farmers opted for temporary closure compensation, with the remaining 99% choosing compensation to leave the industry for good¹⁵. A nationwide job transition scheme manager recently stated: “Today, virtually no one who was a mink farmer does not have a job of some kind or has set up another business.”¹⁶ and there are plenty of examples of former mink farmers setting-up new businesses, including a bakery, a brewery and a solar park¹⁷.

¹ Polling by Focaldata, May 2022. <https://www.hsi.org/news-media/over-three-quarters-77-of-uk-voters-want-to-see-the-government-ban-fur-imports/>

² Fur-free fashion designers. https://www.hsi.org/wp-content/uploads/2022/09/Graphic_Marq_HSI_Fur_Free_Companies_09_22-smaller.jpg

³ Fur production and sales bans, Fur Free Alliance 2022. <https://www.furfreealliance.com/fur-bans/>

⁴ Statistics Canada, USDA, EMISS Russia, Fur Europe, FiFUR, China Leather Industry Association

⁵ <https://www.chinaleather.org/front/article/115158> & <https://www.chinaleather.org/front/article/120214/4>

⁶ Under one tenth of the skins were sold at the summer’s fur auction. July 2022. <https://agriwatch.dk/Nyheder/Landbrug/article14215740.ece>

⁷ Finnish fur industry in free fall - majority of fox farmers in acute liquidity crisis. September 2022. <https://www.vasabladet.fi/Artikel/Visa/618366>

⁸ Auction prices: Mink (Kopenhagen Fur, Denmark). Fox and raccoon dog (Saga Furs, Finland)

⁹ Mink/fur prices: cull of the wild, November 2020. <https://www.ft.com/content/e29bb125-1263-4d70-b881-9e8eb6f8e395> & World sales of mink fur have halved by 2020, September 2020.

¹⁰ <https://agriwatch.dk/Nyheder/Industrien/article12452447.ece>

¹¹ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/1066-Commission-Implementing-Act-updating-the-List-of-invasive-alien-species-IAS-of-Union-concern/F1476_en

¹² The crisis in the fur industry is deepening - profitability is very weak. Animalia. September 2020. <https://animaliamedia.fi/turkisalan-kriisi-svoneee/>

¹³ DKK 275 (37 euros) per pelt. <https://agriwatch.dk/Nyheder/Industrien/article12246787.ece>

¹⁴ FiFUR. Statistics 2021. https://fifur.fi/sites/default/files/fifur_statistics_2021_-_web.pdf

¹⁵ <https://www.vasabladet.fi/Artikel/Visa/618366>

¹⁶ Danish Veterinary and Food Administration. <https://www.foedevarestyrelsen.dk/Dyr/Dyr-og-Covid-19/Mink-og-COVID-19/betaling/Sider/default.aspx>

¹⁷ From Mink to Drink. December 2022. <https://www.euronews.com/2022/12/28/from-mink-to-drink-the-danish-farmers-who-are-moving-into-brewing>

¹⁸ Former mink breeder wants to install solar cells on his farm. August 2022. <https://agriwatch.dk/Nyheder/Landbrug/article14311596.ece>

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