

FHA May Castoreum Report

May 29th & 30th, 2010 Auction

A record 3700lb of castoreum was auctioned to slightly weaker prices than FHA February levels. As with any commodity supply and demand factors play the main role in determining the price. On the supply side, beaver production was far higher than first anticipated. FHA's original offering was 35,000 beaver; the quantity quickly grew to over 60,000. Although not to the same extent, our competitor also revised their offering upwards. This increase obviously would produce a similar increase in the amount of castoreum and FHA offering grew to a record 3700 lbs.

Virtually all the castoreum is sold in two markets, Europe and Pakistan. Pakistan is dealing with many internal problems; this instability has created nervousness among some customers. European countries are dealing with a much weaker currency. In recent months the Euro has fallen, this, in turn makes it more expensive for them to purchase when they buy products that are priced US dollars.

Despite these three factors the price of castor held up well and FHA sold the 3728lbs 100% at an average of \$49.28 lb USA dollars.