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SPECIAL DOUBLE ISSUE

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U.S. freshwater mussel shell resources

A DIFFERENT PERSPECTIVE

By Tim Parrott

The demand for large pearl nuclei is very substantial and growing in response to the increased profitability of cultured pearls in both the South Sea and Akoya varieties. Yet the supply of mussel shells thick enough to meet this demand is dwindling as the resource nears depletion. At the present rate of consumption, the freshwater mussel resources of the United States are insufficient to supply the existing SSP industry beyond the end of the 1990s. This conclusion is supported by a number of facts and trends that are little known outside the shell export trade, where information is closely held. The following data were collected from a variety of sources: shell harvest records and reports from various state agencies, academic research papers, interviews with shell divers and bead makers, and from the author's personal experience.

THAT WAS THEN

For the last thirty years a select few Americans have reaped substantial rewards for their efforts as mussel shell exporters. Their profits were dependent upon shell harvesting and marketing opportunities that no longer exist. The following is a brief description of the unique and fleeting circumstances that have supported the shell export industry to date:

In the past, shell resources were abundant. Shell stocks had not been substantially harvested since the demise of the pearl button industry after World War II. Rivers and lakes across the southeastern U.S. contained substantial populations of mussels representing a wide variety of species and age groups. Dam construction in the 1920s and 1930s formed large reservoirs throughout the Mississippi Valley drainage, resulting in a great expansion of favorable mussel habitat. Until the late 1960s these stocks of mussels were virtually untouched and unknown.

Mussel harvesting was practically, if not entirely, unregulated. All waters were open to harvest. There were no endangered species concerns, no sanctuaries and no

size limits. Mussel harvesters and shell exporters faced minimal licensing requirements or seasonal restrictions. Since the states imposed no reporting requirements, the actual catch (in terms of total harvest and species distribution) was undocumented.

Catch rates and profits were very high. Competent divers, with the aid of a helper, routinely harvested 3,000 pounds of live shell per 6-to-7 hour day. The daily catch of shells was limited only by the diver's stamina, the distance from the mussel bed to the boat ramp, the carrying capacity of the boat and the buyer's willingness to purchase the shells. Even larger 20-to-22 foot plate boats could easily be

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CHINESE FWP REPORT – 1998

By Lois H. Berger, G.G.

This year at the Tucson show we had our first viewing of fine quality Chinese freshwater pearls. We know they existed in the Japanese marketplace but the United States was never part of the higher end freshwater pearl market. Without a doubt, the cost factor is what took so long to bring in the higher end pearls.

With a strand of absolutely magnificent rice pearls, 9 x 11mm in size, the price ranges from

\$3,800 to \$4,000. Off rounds, from 9 x 11.43mm in size, are priced from \$4,000 to \$4,500 I was told by Fred and Son, Ltd, Inner Circle, and C. West Gems and Minerals. It will be interesting to see if these pearls become part of the inventory of our local gem shows.

The overall views of the Chinese freshwater pearl market seem to be positive. The quality is generally high, without too much dumping that we saw last year. I

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BOOK REVIEWS

Here are some recent publications of interest to those who love pearls which have come to our attention of late:

Pearls by Fred Ward.

A just-released revision of Fred Ward's popular book, *Pearls*, both updates material and introduces new color photographs.

Long recognized for its beauty and global coverage of the world of pearls, the original edition was praised for its concise coverage of pearl history and today's modern farming techniques. This revision brings new information from Australia, Japan, China, and the USA. Forty of its 64 all-color pages have new text, pictures, or both.

Some of Australia's great South Sea pearls appear loose and in new jewelry to reveal why these fine pearls are so popular now. Abalone culturing is covered by including pictures from a California abalone farm and finished mabés from New Zealand. Larger, rounder, and more colorful Chinese freshwater pearls show how far and fast Chinese pearl culturing has come. And Japan's current woes as well as future plans

are updated here.

Numerous new photographs extend the appeal of this colorful edition. And several of the book's original photographs have been res-canned and printed to make the finished work even more beautiful. All in all, this is a welcome revision that is a "must-have" book for pearl lovers. And it is still only US\$14.95 plus shipping and handling.

[Ed: To order directly, please refer to advertisement on page 12.]

Wish Gems

by Jewelry Institute of America,
Lucoral and Lupearl Museum

We recently received a shipment of materials from Johnson Lu, Managing Director of Lucoral, The Lupearl Group and the New York Jewelry Mart Corporation. He is also the recently-appointed Chairman of the National Chinese American Jewelry Association which celebrated its tenth anniversary on December 17th last year, and which has grown from 12 founding members in 1987 to 200 today. Among its accomplishments, this group raised some US\$80,000 for Chinese flood

relief in 1991, and was instrumental in successfully lobbying to have the tariff reduced in 1992-1993 from 21% to 2.1% for the importation of semi-precious jewelry from Asian locales such as Taiwan, Hong Kong, Thailand, India and China.

The accompanying Lucoral/Lupearl book, *Wish Gems*, is a 120-page hard-cover edition in both English and Chinese which covers not only the world of pearls, but also 29 gems from agate and amber to tourmaline and turquoise.

In this book, many fascinating aspects of jewelry (besides pearls) are covered: Myth, Spirit and Design; Bead Designing; Facts About Gems; The Twelve Symbolic Animals and Their Representative Gems; Gemstone Identification, Wedding Anniversaries; and Zodiacal Talisman Gemstones, among others.

Along with the book came an assortment of goods, including *Wish Pearl* and *Collezione Giubileo 2000* samples which are also featured in the *Wish Gems* book (the former, a pearl oyster sealed in a can that has been cultivated for 3-5 years which the recipient opens by him/herself and then inserts the pearl in an accompanying ring or pendant-with-chain setting; the latter, religious design creations in cultivated pearls, precious and semiprecious stones, gold and silver), a compact disc, videotapes and print materials... including a picture of Johnny Lu himself being received by Pope John Paul II while visiting Vatican City, displaying to the Pontiff some of the Lucoral / Lupearl religious motifs.

For more information on Lucoral or Lupearl offerings, including a variety of *Wish Pearl* goods and packaging, or *Wish Gems*, contact Johnson Lu at their offices at 26 West 46th Street, New York NY 10036, USA. Tel: XXX-(212) 575-9701 / 1-800-342-0026. Fax: XXX-(212) 302-5885 / 575-9683. ♦



**PEARL
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sunk by the weight of a full day's catch.

Divers were earning a very good living. Shell prices were in the US\$0.30 per-pound range for river run. With catch rates of 3,000 pounds per day, it was perfectly common to make US\$4,000 or more per week. In the early 1970s that was quite an income. Several of the divers I interviewed reported to have caught 200,000 pounds of shell in the best of years.

For the shell exporters it was a buyer's market. They were in total control of the prices and grading criteria. The divers, who knew nothing of the ultimate use of the shells, were discouraged from becoming knowledgeable by both strong-arm tactics and the buyer's refusal to answer questions. Divers who tried to bargain for higher prices or hold their ground on grade issues were told to eat their shells, and were blacklisted.

The primary demand was for small shells. Consequently, the buyers were looking for small, high grade shells with no cracks and no stains... primarily for use in the Akoya industry. The species of

choice was originally the Pig Toe, but other species gained acceptance as the full extent of the species diversity was realized and exploited. Ironically, the large shells were considered undesirable due to their relatively low quality and high waste factor when used to make small beads.

THIS IS NOW

Musseling is now strictly regulated. Shell harvests are now closely monitored by state agencies through harvest reports submitted by both divers and shell buyers under the rules of their state-issued licenses.

Some states have imposed seasonal restrictions on musseling activity, and in some areas musseling is limited to weekdays only... and for a limited number of hours per day. Minimum size limits have been designated for the various commercial species in order to insure continued reproduction.

The geographic range of mussel fishery is now strictly limited, and is continuing to shrink. Only 16 states currently allow musseling... and only in designated waters. Sanctuaries have been established in each of these areas

in order to promote reproduction and to protect endangered species. In the last several years, new sanctuaries have been established here in Kentucky, and other areas have been recommended for sanctuary designation.

The state of Tennessee has recommended the expansion of two sanctuaries, further reducing the size of the fishery area. The Upper Mississippi River Resource Conservation Committee has recommended the closure of the washboard mussel harvest from the entire upper Mississippi River along the borders of Wisconsin, Minnesota, Iowa, Illinois, and Missouri. These states allow musseling only in the Mississippi River; so this amounts to a complete closure of mussel fishery in 5 out of 16 states.

Of the 297 freshwater mussel species native to North America, 213 taxa (71.7%) are considered endangered, threatened or of special concern (1994 figures). Just a few months ago five more species were added to the list of federally-endangered species. Mussel beds that contain population of these animals automatically become sanctuaries.

Shell harvest rates have dramatically declined. Historically, when productivity of a shell harvest area began to dwindle, buyers would simply move on to the next river or lake to maintain their export volumes. Each year there was a new "hot spot" to provide a large infusion of shell to support the more stable harvests from the backbone of the shell export trade: the lakes on the Tennessee River.

Today nearly all productive waters are known and have received continual harvest pressure over the last 10-20 years. As the stocks of high quality shells became increasingly depleted, the grading standards were relaxed to allow the harvest of shells that had previously been considered undesirable. Mussel beds with abundant populations of low quality shells have received substantial harvest pressure in the 1990s,

STATES OPEN TO SHELL HARVEST

	<u>1990</u>	<u>1993</u>	<u>1997</u>
Alabama	open	open	open
Arkansas	open	open	open
Georgia	open	open	open
Indiana	open	closed	closed
Illinois	open*	open	**
Iowa	open*	open	**
Kansas	open	open	open
Kentucky	open	open	open
Louisiana	closed	closed	open
Minnesota	open*	open	**
Missouri	open*	open	**
Oklahoma	open	open	open
Tennessee	open	open	open
Texas	open	open	closed
Wisconsin	open*	open	**

* Open for the Mississippi River only.

** The Upper Mississippi River Mussel Resource Conservation Committee has recommended closure of the Washboard harvest in these states.

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eliminating the last high volume sources of shell.

Diving for shell is no longer profitable. Divers must work harder, longer and in more dangerous waters to collect even smaller volumes of shell. In the last few years they have seen their catch rates drop regardless of their efforts, and the only positive note in their trade has been temporary increases in shell prices of certain sizes, species and grades.

The rise in popularity of South Sea Pearls has increased the demand for large mussel shells... just as small ones were becoming more scarce. Musselers were granted a stay of execution as the price for large shells grew, and relaxed grading standards supported the sale of previously unsaleable shell stocks.

Divers revisited the very mussel beds they had previously avoided, those with mostly large, stained shells, to sustain their production. Consequently, the stocks of large shell in the US have received substantial harvest pressure for the last several years, and are now severely limited.

The shell business has always been a boom and bust affair. Due to reduced demand, this year's shell export volume is reportedly off by more than 60%... with the price of most small shells, at least at the harvester level, dramatically reduced.

For the musselers, having personally seen their catch rates fall for the last several years, these are lean times. Many of the shell harvesters I interviewed, some 20-year veterans, believe it's time to move on... and are (see musseling license sales chart to right).

"MUSSEL BOAT FOR SALE"

These days, in Western Kentucky, this notice is a fairly common sight. For many shell harvesters, musseling for a living is no longer a viable option as the shell resources become both increasingly depleted and regulated. The

combination of weak shell markets and increased catch efforts has resulted in a record low number of musseling license sales. Let's look at the numbers.

In spite of high shell prices in 1996, many shell harvesters chose not to renew their licenses in 1997. The divers and brailers that I interviewed reported that a paucity of shells and unstable prices drove them to pursue their fortunes elsewhere. With the parttime musselers out of the way, one would expect the catch rates of the remaining shell harvesters to improve, particularly in view of consistently high shell prices.

Unfortunately, that is not the case. The bottom table on this page uses the shell harvest figures from Alabama to illustrate the relationship between shell prices, shell

production and license sales.

As you can see, from 1994 to 1996 the shell production in Alabama fell by more than 50% in spite of rising prices and stable license sales.

Given these trends in declining shell availability, the future of shell exports looks pretty grim. Is it as bad as it looks? The answer must be an unequivocal YES. ♦

Ed: Tim Parrot is President of Aquila International. With extensive experience in the shell buying trade, and as a bead manufacturer since 1993, he brings a unique perspective to the continuing freshwater mussel crisis in the United States. Look for future reports. For direct contact, please write him c/o P.O. Box 24866, Lexington, Kentucky 40524-4866, USA. Phone/fax: XXX-606-276-4566.

MUSSELING LICENSE SALES

	<u>ALABAMA</u>	<u>IOWA</u>	<u>KENTUCKY</u>	<u>TENNESSEE</u>	<u>TOTAL</u>
1986	202	?	?	1,206	7
1987	213	135	400	1,054	1,802
1988	258	124	387	1,136	1,905
1989	358	271	459	1,351	2,439
1990	1,383	469	815	2,355	5,022
1991	2,356	328	775	1,431	4,890
1992	1,739	116	488	962	3,305
1993	651	35	317	1,361	2,364
1994	261	43	?	1,133	?
1995	269	79	500	1,397	2,245
1996	264	103	500	1,263	2,130
1997	*265	*22	*437	*392	*1,116

* as of July 1997

ALABAMA SHELL HARVEST

	<u>AVERAGE PRICE</u>	<u>TOTAL LBS.</u>	<u># LICENSEES</u>
1992	\$1.94	2,592,797	1,739
1993	\$1.08	1,444,756	651
1994	\$1.02	1,643,081	261
1995	\$2.08	1,109,336	269
1996	\$2.40	717,128	264

The changing face of production and consumption '95-'96 CULTURED PEARL EXPORTS AND IMPORTS

Ed: An article in the February 1998 issue of *Asia Precious* summarized the changes in world rankings of cultured pearl exports and imports from 1995 to 1996. As they are signposts of 1997 activity (for which statistics have not yet been publicized), and bear upon this year's expected volume and that of the immediate future, we thought it might be enlightening to reprint the entire article verbatim.

"Australia remained the world's number one exporter of loose pearls in 1996; its exports were 30% of the world market and had a value of about US\$117 million. This was US\$12 million ahead of Tahiti, which strengthened its number two position by increasing its market share and exporting US\$105 million worth of black cultured pearls.

"Tahiti's export value was just short of 1994, its best year, which produced exports worth US\$107 million. But while the 1994 value represented 26.8% of world pearl exports, the 1996 market share was slightly better at 27% with a smaller value. Japan moved from number five to number three, with exports to the value of US\$60 million, representing 15.5% of the world market.

"World rankings are based on the value of pearl exports only. And those exports include all types of cultured pearls—black pearls from Tahiti and the Cook Islands, Akoya pearls from Japan, South Sea pearls from Australia, the Philippines and Indonesia and Chinese pearls including freshwater and Akoya.

"The 1996 figures were the second best since 1989 in terms of worldwide loose cultured pearl exports and imports which each had a total value of US\$388 million. The best year was 1994, when total world exports and imports

were each worth US\$401 million.

"Regarding imports in 1996, Japan remained the number one importer of loose cultured pearls, with 66% of the world market. That share was represented by US\$257 million in imported pearls. That was up from 1995's US\$217 million in imported pearls which accounted for 58% of the

**In 1996,
US\$978.6 million
worth of loose
and worked
cultured pearls
were exported
and imported.**

world market. But in 1996 Japan still had a way to go to catch up with 1994's total of US\$303 million in imported loose pearls, which represented nearly 74% of the world market. Hong Kong remained the number two importer of loose pearls, even though the value of those imports dropped from US\$93 million in 1995 to US\$58 million in 1996.

"In 1996, Japan remained the number one exporter of worked cultured pearls, mainly consisting of strung necklaces. The value of those exports increased from US\$186 million in 1995 to US\$305 million in 1996, which increased Japan's world market share from 47% in 1995 to 51.6% in 1996. China dropped from the number two export market in 1995 to number four in 1996, its market share falling from 24.8% to 7.2%.

Australia moved from number four to number two in 1996 with 12.8% of the world market, compared with only 6.9% of the market the previous year.

"Tahiti improved its world standing as an exporter of worked cultured pearls in 1996. The previous year, Tahiti had ranked number nine with US\$4 million in exports but, a year on, exports had increased to US\$29 million, bringing it to fifth position with 4.9% of the world market.

"Meanwhile, the U.S. moved from number two to number one in the world ranking for worked cultured pearl importers. The value of those imports increased from US\$59.5 million in 1995 to US\$197.8 million in 1996, increasing the U.S. world market share from 15% to 33.5%. Germany moved from number three to number two among world importers of worked cultured pearls, although Germany's market share dropped from 11.8% to 9.5%.

"The world value of exported and imported worked cultured pearls increased from US\$396 million in 1995 to nearly US\$590.6 million in 1996, the highest level over the eight year period dating back to 1989." ♦

Source: *Asia Precious*, February 1998, Volume 6 Issue 2.

Ed: From these figures, what can one conjecture? It must be obvious that the cultured pearl industry is on a roll. Demand continues to outstrip supply in many important categories, and consumption remains strong (particularly in the affluent United States where volume-oriented producers have found a ready mass market for their goods). So expect the trend of quality cultured pearls continuing to be in short supply, and their prices remaining high. Look for even greater volumes and lowering prices of lesser quality goods. The major question is: when will the world market become saturated? In our opinion, not for some time to come.

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can recognize some of the old strands that are now selling with a discount.

The waxing and bleaching of the pearls is evident, yielding very saleable strands.

Several of the dealers had signs posted giving 50% off if you purchased by the hank.

Some dealers use a grading system as noted for specific strands.

I have listed some of the more interesting FWP strands according to the individual dealers in the

charts below, and to the right.

I have presented a cross-section of the Chinese freshwater pearls to facilitate comparison of price and grading of pearls.

The method used for grading is from *The Guide*. ♦

[charts continue on next page]

FRED & SON LTD.

	A	B	C	D	E	F	G	H
	Size-mm	Color	Shape	Luster	Blemishes	Matching	Price	Comment
1	9-10	Lt Silver	Baroque-Keshi	V High	St-Blemished	VV Good	\$700	Beautiful- Looks like Blk Tahitian
2	9-12	White	Off-Rd to Rd	V High	St-Vsi	Excellent	3000	Beautiful-23 strands shown in Off Rd-Rd
3	9-11.3	Lt Grey	Off-Rd	High	Med	Excellent	2000	
4	9-11.5	White	Off-Rd to Rd	Med High	V sl	Excellent	4000	Beautiful, even w/mixed luster, well matched
5	9.5-11.5	Lt Yellow-Lt Orange	Off-Rd to Rd	V High	SI	Excellent	4000	Very Beautiful-three strands alike
6	9-11	White	Off Rd to Rd	Med-High	SI	Size-Excellent	4000	Color match-Very good
7	10-10.5	VV Lt Orange-Yellow	Off-Rd to Rd	V High	SI to V SI	Excellent	4000	Beautiful
8	9mm	Lt Peach Lt Bronze	Off-Rd to Rd	High	V SI	Excellent	4000	
9	9-11	White V SI Yellow	Off-Rd to Rd	High	V SI	Excellent	4000	
10	9-11	Lt Yellow	Off-Rd	High	V SI	Excellent	3000	
11	9.5-11.5	Lt Yellow	Off-Rd	High	SI	Excellent	4000	
12	10.5-12.5	White	Baroque	Med High	Heavy Circles	Mix-Shapes	1000	
13	10-11	V SI Lt Yellow White	V Off-Rd	Med High	V Blemished	Good	650	V-S Baroque-Heavy circles
14	9-11	Lt Yellow Lt Brown	V Off-Rd	Med High	SI Blemished	Good	400	
15	9-11	White	Off-Rd	High	V SI Circles	Excellent	250	V good buy-29 strands to pick from
16	9-11	SI Dull White	Off-Rd	Med High	SI	Good	250	
17	9-11	Lt Silver	Off-Rd	V High	SI Blemished	Mixed Shapes	500	Circles V SI Baroque
18	9-10	Med Grey	Off-Rd	Med	Blemished	Fair	300	Drill hole off center
19	10-11.5	VV Lt Cream	Potato	High	VV SI	Excellent	3000	
20	9-13.5	Lt Green	Rice	Med High	V Blemished	Excellent	2000	
21	9-12	White	Rice	High	SI to V SI	V good	1300	Slight Baroque
22	9-11	White	Rice	Good	SI	Poor	1000	Uneven luster, mixed rice shapes
23	9-10	Lt Cream	Rice	VV High	VV SI	Excellent	1000	Beautiful
24	9-10	Lt Lavender	Rice	VV High	VV SI	Excellent	1000	
25	9-10	White	Rice	High	SI Blemished	Excellent	600	
26	9-11	V Lt O Y White	Rice	V High	SI Blemished	Excellent	600	Great size, very beautiful
27	9.5-10	White	Rice	Med	SI	Excellent	400	No luster banding around pearl
28	9.5-10	Lt Yellow	Rice	High	V SI Blemished	V Good	400	
29	9.5-10	Lt Yellow	Rice	High	V SI Blemished	V Good	400	Slight circles
30	9-11	White	Rice	High to V High	SI	V Good	400	Well matched w/mixed rice shapes
31	9.5-10.5	V Lt Lavender	Rice	Med to High	SI	V Good	400	The Five \$400 strands represent the 29 shown
32	9.5-10	V Lt OY	Rice	VV High	V SI	Excellent	600	
33	9.5-10	Lt Yellow	Rice	VV High	V SI	Excellent	600	
34	9-9.5	Med Lavender	Rice	VV High	V SI	Excellent	600	
35	9-10	White	Rice	V High	V SI	Excellent	600	The \$600 rice all very high luster & very beautiful
36	7-9	White	Rice	Med High	SI Blemished	V Good to Ex	100	Chalky Feel, not waxed
37	7-9	White	Rice	Dull	Blemished	V Good	100	The hank is very poor. Not waxed. 25 strands
38	7-9	Apricot	Rice	VV High	V SI	V Good	100	
39	7-9	Lavender	Rice	VV High	V SI	V Good	100	Last two strands are good buys pick carefully

C. WEST GEMS AND MINERALS

	A	B	C	D	E	F	G	H
	Size-mm	Color	Shape	Luster	Blemishes	Matching	Price	Comment
1	9-13-10.07	Off Rd-Rd	White	V High	SI to V SI	VV Good	\$3690	Original price, \$4100. Beautiful
2	9.05-11.20	Rice to Off Rd	White	Med High	V SI	Not Matched	2350	Strands may not be matched, but very attractive
3	9.06-10.48	Rice to Off Rd	White	High	V SI	Not Matched	1850	
4	9.05-10.61	Rice to Off Rd	White	Med High	Blemished	Not Matched	1200	
5	9.05-11.45	Rice to Off Rd	White	Med	Blemished	Not Matched	1500	

INNER CIRCLE GEM, LTD

	A	B	C	D	E	F	G	H
	Size-mm	Color	Shape	Luster	Blemishes	Matching	Price	Comment
1	8.83-10.88	Rice	Lt Pink	VV High	VV SI	Excellent	\$3500	Slight Orange Overtones, Beautiful
2	9.04-11.26	Rice	Pink	VV High	VV SI	Excellent	4000	
3	8.98-10.56	Rice	Pink	VV High	VV SI	Excellent	3800	VV SI circles
4	9.75-10.80	Rice	V Lt Pink	VV High	VV SI	Excellent	3500	Absolutely Beautiful
5	8.82-10.73	Rice	Lt Pink	VV High	VV SI	Excellent	3500	
6	9.15-11.34	Off Rd	White	VV High	VV SI	Excellent	4400	
7	9.13-11.41	Off Rd	White	VV High	VV SI	Excellent	4400	
8	9.04-11.43	Off Rd	White	VV High	VV SI	Excellent	4500	

Ed: Lois Berger regularly reports on freshwater pearls for Pearl World, and many readers comment on her great attention to detail. In this post-Tucson Show report, she provided a wealth of data about her perambulations amongst FWP dealers, and their many offerings. "I was in seventh heaven with these high luster, high end freshwater pearls... so happy to see them!" she says. Unfortunately, in this issue we only had room to report on strands; her loose FWP analyses were even more detailed. Contact Lois at 1302 Midwood Place, Silver Spring MD 20910-1645 USA. Phone: XXX-301-589-7374. Fax: XXX-301-608-8001.



Here is a charming oil painting depicting the myth of the pearl's creation together with the birth of Venus. This study for the *Venus Anadyomene*, by Henri Lehmann (French, 1814-1882), showed at the Paris Salon of 1855. Among those enchanted by the exhibited version were Theophile Gautier and Edmond About, the latter saluting "the perfect beauty... of Venus's torso: fresh, blond, tender and appetising." Lehmann has embellished the traditional myth of the goddess's birth—among putti, standing nude beside the ocean, she emerges from her shell—so as to incorporate the creation of the pearl. Drops of foam falling from her tresses are transformed into these precious objects, caught and squabbled over by the attendant *amours*. Given the symbolic association of the pearl with femininity, eroticism, love and water, Lehmann's design represents an apposite and highly imaginative reworking of an ancient myth.

This lot will be sold with a copy of Madame Aubrun's catalogue raisonné on Lehmann, exhibition catalogues, correspondence and other related documents at Sotheby's New York on May 7th, 1998: 1334 York Avenue, New York, NY 10021 USA/ Telephone: XXX-212-606-7140. Attention: Nancy Harrison or Benjamin Doller. Pre-sale estimate: US\$30,000-\$40,000. ♦

SCANNING THE PEARL WORLD

PHILIPPINES Extreme optimism is being quietly expressed over the crops due here for the next two years. Thus, promotional efforts mirroring those of Tahiti and Australia are being stepped up on behalf of Philippine cultured pearls, according to Jacques Branellec, President of the Philippine Association of Pearl Producers and Exporters (PAPPE), an organization formed in 1996 to represent the growing number of farmers in the region and their product.

"Each pearl producing country has a specific marketing strategy," said Branellec. "Worldwide promotions of Tahitian black pearls and Australian South Sea pearls have successfully increased awareness and sales of these pearls. To gain international recognition of the Philippines as a source of quality SSPs, it is important for [our] pearl industry to improve its production, develop a specific marketing strategy and work closely with jewellery manufacturers to upgrade pearl jewellery designs," he continued.

A major point of differentiation for Philippine SSPs is to emphasize their strong iridescence. "Pearls with the ultimate orient" is planned to be a major catch phrase of the promotion. Another element will be that of the region's unpolluted environment. "Pearl farming in the Philippines is environmentally friendly," Branellec adds. "Contrary to some belief, pearl farming does not deplete oyster beds. Hatchery methods are widely employed in [our] pearl farms, which are assured of an adequate supply of oysters for pearl cultivation."

To help keep Philippine waters in optimum condition for pearl farming, PAPPE has prepared and disseminated educational pamphlets to pearl farming

areas in the northern and southern Philippines which explain the importance of environmental preservation and the hazards of pollution, deforestation and illegal fishing. PAPPE is also considering inaugurating and operating a Philippine Pearl Information Center

TAHITI Tahitian black pearl exports continue their growth, seemingly unabated. For 1997, the 10-month average price per exported gram ran US\$28.29, 19% above the average price of last year. In terms of weight for the same period: 3,804kg (a gain of 4%); in terms of value: US\$109.5 million (plus 23%). Martin Coeroli, General Manager of Perles de Tahiti, attributes these increases to Tahiti opening new export markets.

Some 75,000 Tahitian pearls will be offered at the Third Annual Tahiti Pearl Producers (TPP) International Auction to be held in early April in Papeete. This year's number of pearls for sale is some 12.8% less than the 86,047 pearls offered last year. As for results: 55,308 pearls were sold at the first TPP auction in 1996, and 65,087 were sold in 1997. TPP GIE was formed in 1995 to allow farm owners to market their goods directly. The organization is comprised of 50 small-to-medium size pearl farmers, which produce roughly 20% of French Polynesia's pearl production, and its traditional April auction complements the Poe Rava Nui Auction—Tahiti's major pearl event—held each October.

CHINA Supply of Akoya pearls below 6mm produced in China will continue to remain limited in 1998, and prices in these sizes are expected to rise 10-15% if demand increases. The supply of 5mm-to-6mm goods was not enough in 1997 to meet large orders from chain stores in the U.S. As a result, goods in this smaller range were more expensive than in the 6mm-to-6.5mm range.

Suppliers are trying to encourage Chinese farmers to produce more of the smaller sizes, but as long as the market is strong for pearls 6mm and larger, no significant increase in smaller sizes is expected as farmer motivation is negligible.

Early this year, strand prices and volumes quoted by Hong Kong suppliers were as follows: 5mm-to-5.5mm, US\$20 to US\$180 (5%); 5.5mm-to-6mm, US\$25 to US\$250 (30%); 6mm-to-6.5mm, US\$30 to US\$450 (40%); 6.5mm-to-7mm, US\$60 to US\$600 (20%). These substantial price variations reflect qualitative differentiations, naturally. And the percentile figures in parentheses represent a typical Hong Kong supplier's stock (above 7mm was 5%).

SEEKING EMPLOYMENT

American, 56, 2 years' experience as a site manager / farmer of a small *Pinctada margaritifera* farm. 13 years' experience as a commercial abalone diver. Extensive marine and manual skills background. University business degree.

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MARSHALL ISLANDS

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In an attempt to garner a better supply of Chinese Akoya goods, one Hong Kong dealer has decided to become a partner in a Chinese mainland farm. Man Sang International Ltd's investment of US\$613,720 has given it a 19.5% stake in a farm in Shantau, Guangdong Province, operated by Nan'ao Shaohe Pearl Seawater Culture Co Ltd. The operation has a sea area of some 500 hectares, and can cultivate up to 18.5 million oysters. First production in November, 1998, is expected to reach about 250kg, and to quadruple within two years.

Sales of Tahitian black pearls in China are increasing, and demand is primarily for fine quality goods. Rounds and drops with smooth coatings and good lustre are in favor, and cognizant buyers seem to be willing to pay higher prices than in other countries.

"Black pearls sold to wholesalers in China range from US\$400 to US\$1,000 apiece, whereas buyers in Taiwan, Hong Kong and South Korea tend to buy commercial to good quality black pearls in the US\$100 to US\$200 range," a major supplier advises. "Lower quality pearls in irregular shapes and with spotting are mainly exported to Malaysia and the Philippines, and average US\$50 and below. The United States has an increasing demand for black pearl necklaces wholesaling for around US\$4,000. The necklace market is important as it helps to clear a large volume of medium to low quality pearls, which is about 60% of the pearls [we receive]... fine quality pearls are less than 10%," he added.

INDONESIA Here, all commercial wild oyster fishing licenses have been suspended, and producers will now have to depend 100% on hatchery-produced shell.

"Good pearls are in very short supply, as they are sold immediately after harvest. Prices are good—and increasing—as we are current-

ly unable to meet our customers' demands [because] we are simply running at very low stock levels," a Jakarta-based marketing expert was quoted as saying. The future of Indonesian pearling, he added, "is going to be quite a promising, healthy one in the course of 1998 and most probably in 1999 also, judging from the on-going availability of matured and baby oyster stocks [on hand]."

Other factors affecting the

maturation of Indonesian pearling are weather conditions, keeping the environment clean and pollution-free, and producers exercising self-control by not overselling at reduced prices when they reap good harvests; keeping back some pearl stocks in inventory so as not to jeopardize price levels is recommended by the Indonesian Pearl Culture Association.

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But, as elsewhere, smaller farms find themselves unable to withhold stocks due to lack of financial resources, thus having to pre-sell harvests cheaply to financially strong pearl traders in exchange for fresh infusions of cash with which to keep operating.

Japan's poor Akoya production is also seen as having an effect upon the Indonesian market. "Many traders have switched or increased their portfolio into SSPs, hoping to obtain direct supply sources more easily," a veteran industry watcher commented. "Because [Indonesian] pearls have been bought directly by traders and never entered the open market, this may have created the impression that Indonesian production [has been low], but this is certainly not the case," he added.

Atlas Pacific Ltd reports on progress in their March shareholder update that another marine biologist has been brought on board to bring their Kupang expatriate staff to eight; formal authority from the Indonesian government has been issued for extension of company activities to Irian Jaya, and the installation there is being rapidly developed; transport of some 250,000 shell by sea from Kupang to Irian Jaya has proven highly successful: mortalities in this move have amounted to less than 1%; some 750,000 healthy spat and mature oysters are presently being held at various locations; x-raying oysters that were nucleated last year show extremely encouraging survival and retention rates... a tremendous improvement over 1996 operations; spawning has begun once again, and approximately nine million spat are now settled.

With share prices having appreciated by about 50% on the Australian exchange, and virtually the same gain in the U.S. on the NASDAQ market, indications are that there is growing business community and private investor confidence in the long term future

of Atlas Pacific.

AUSTRALIA Rosario Autore advises that the name of the company has changed from Rosario Autore Pty Limited to Pearlautore International Pty Limited as of March 9th, 1998, and that apart from the name change and new office address, there will be no changes to the company's operation, and that "it is business as usual." Pearlautore International's office: Level 4, 125 York Street, Sydney NSW 2000, Australia. Phone: (02) 9283-3998. Fax: (02) 9283-3992.

USA The recent 1998 American Gem Trade Association GemFair in Tucson experienced a 7% increase in overall attendance compared to the year prior. Nearly 8,000 buyers attended.

The AGTA also plans to establish a colored gemstone laboratory in New York City. Kenneth Scarratt, well-known throughout the industry for his expertise, will head up the laboratory, which will focus on colored gemstones and will issue reports that include enhancement information and statement of origins where appropriate.

"AGTA has received overwhelming support from its members as well as a strong commitment from the retail community," AGTA President Nanette Forester remarked. "Other industry organizations have applauded this new effort. We are responding to the growth of the colored stone gemstone industry and the laboratory plans to be pro-active in addressing colored gemstone issues," she concluded.

The American Pearl Company has announced its Fourth Annual Vision Award Pearl Jewelry Design Competition. Designers using American pearls as unique design elements are invited to participate. Awards include cash prizes and gift certificates from American Pearl Company. Entries must be received by May 8, 1998. Judging and award presentations

will take place at the JCK Show in Las Vegas in June. For information and official entry forms, rules and regulations, contact Anne Smith at American Pearl Company, telephone: XXX-(615) 350-6600.

CANADA Jewellery World Expo '98 is scheduled for Sunday, August 9th, through Tuesday, August 11th, at the Metro Toronto Convention Centre, running along with the Canadian Gift & Tableware Association's Gift Show (August 10th-14th), so that buyers may continue to have the advantage of visiting the top two buying shows in Canada in just one trip. Free shuttle buses will be available to transport buyers between the two venues. Free seminars include How to Stock Your Store, How To Pass On The Family Business, Hiring Successful Sales Personnel, and Successful Sales Events.

The price for a 10' x 10' booth is US\$1,650 (includes blue pipe, drape if needed, carpeting, material handling, 24-hour security, and guarded lockup area). There is a 7% Goods and Services tax, plus a US\$200 administration fee. Canadian Customs has streamlined procedures for display merchandise, making it as simple as listing inventory. Mendelssohn-Commercial Customs brokers will facilitate importation, posting of bonds, customs clearance of materials and cross-border transportation of goods via Brinks Security.

Great deals are available on accommodations via Golgers Travel, phone 1-800-268-7193. For full details, contact the Canadian Jewellers Association, 27 Queen Street East, Suite 600, Toronto, Ontario M5C 2M6, CANADA. Phone: XXX-416-368-7616, ext. 229. Toll Free: 1-800-580-0942. Fax: XXX-416-368-1986, E-mail: cja.karen@sympatico.ca. Website: cja@polygon.net. ♦

Sources: Philippine Association of Pearl Producers/Exporters, Asia Precious Jewellery News Asia, G.I.E. Perles de Tahiti, Atlas Pacific Ltd, Pearlautore International Pty Ltd, American Gem Trade Association, American Pearl Company, Jewellery World Expo '98.

JAPAN'S VAUNTED NEW QUALITY INSPECTION SYSTEM

The Japan Pearl Exporters' Association and the Japan Pearl Promotion Society are slated to take over a new, privatized inspection system as of January 1, 1999. Under the new proposed guidelines... as of the moment nicknamed *The Cultured Pearl Quality Inspection and Tag System*... the following criteria and rationales will be in force, according to a two-page infomercial run on behalf of the JPEA's U.S.-based self-promotion-and-aggrandizing group in the March 16th issue of *National Jeweler*:

- (a) "All pearls will be inspected for nacre thickness. Pearls with nacre so thin that the core nuclei can be seen through the nacre will be rejected."
- (b) "Pearls with low intensity of lustre will be rejected. Pearls that are strongly permeated by calcite and organic matter, resulting in muddy grey, brown or blue colors, will be rejected."
- (c) "Pearls that exhibit excessive amounts of blemishes, such as bumps and pits, will be rejected."
- (d) "Pearls that exhibit visible cracks in the nacre or on the nuclei will be rejected. Pearls that display any signs of nacre peeling or chipping will be rejected."
- (e) "Pearls exhibiting signs of damage from bleaching or dyeing or are judged to be unstable in terms of permanency of appearance and quality, will be rejected. Pearls which display characteristics of uneven dye methods or over-dyeing resulting in excess dye residue on the surface of the pearl, will be rejected."
- (f) "Under the present system it is mandatory by law for all exported pearls from Japan to undertake government inspection. The new system will be entirely voluntary."
- (g) "It will be up to the importer to request that his Japanese pearl supplier pass his pearls through the new privatized system in order to obtain pearls with quality assurance tags. In turn, retailers who want to obtain tagged pearls must specifically request inspected pearls from their local suppliers."
- (h) "The JPEA will launch... worldwide... publicity

and advertising campaigns [to] boost consumer demand for tagged pearl jewelry by highlighting the benefits of quality inspection... and to easily explain the importance and benefits of the quality assurance tag... those retailers who carry tagged pearl jewelry will enjoy a distinct marketing advantage over those retailers who do not carry officially inspected pearl jewelry... the JPEA will thereby earn the trust of consumers around the world."

WHAT CRITICS AND SKEPTICS ARE SAYING

The point of all this balderdash is an attempt to supply each strand in a hank, or each bag of undrilled or half-drilled pearls, with its own individual inspection tag... as in the past only one tag per hank was necessitated for exporting.

This means several things. Good for the Japanese in that Japanese printing companies will be grinding out gazillions more tags, and getting rich on the increase in their print runs of meaningless product pamphlets. The JPEA and JPPS will earn countless additional amounts of yen in labor charges to affix these tags to everything that comes within their reach. This on top of the ¥30 million a year the government is rumored to be paying the JPEA a year for three years after privatization.

From this income, both organizations can now continue their ubiquitous Pearl Princess travels, 1920s-era advertising and promotion ventures, meaningless world conferences and gaudy, sparsely-attended self-entertainment spectacles.

But bad for just about everyone else. What's going to be on this "official quality assurance tag"? And what assurance of quality is there, in the light of the criteria above? According to (a) above, who's going to establish minimum nacre thickness standards?

Also, one can well guess that the plethora of current bleaching, dyeing, silconing, etc., industry practices will

"Inspection" to pg. 12

FOR SALE

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South Pacific Nucleus, founded in 1990, operates two shops: a 1,000 square foot cube cutting factory in Tijuana, Mexico (with 6 employees); and a 1,400 square foot finishing, polishing and grading factory in Costa Mesa, California (5 employees). Price: \$150,000 for all equipment and fixtures, on-site training included. Shops can be easily moved, and terms are negotiable. Principals and serious buyers only: fax (714) 645-7110 for more details. **Please contact South Pacific Nucleus for discounted prices on all remaining inventories of nuclei.**

"Inspection" from pg. 11

continue to cover up many of these obvious pearl defects in (b) above.

Items (c) (d) and (e) above are idiotic. Surely no producer would try to export such *kuzu*... nor would any importer in his/her right mind accept such junk.

As for (f) above, dear reader, you must understand the Japanese when they tell you things will be "voluntary". If this system were truly voluntary, who would willingly submit to it? What exporter wants to add cost to an already costly product?

Don't ask members of the JPEA or JPPS: they are in lockstep to their leaders' dictates. Ask importers: are they going to voluntarily pony up money for this stamp of approval... pass on the costs to their customers... and hope the buyer swallows this unnecessary increase in the cost of his/her pearls?

Isn't this really just another thinly-disguised tax being assessed and passed on to the importer so that the sponsoring organizations can continue squandering funds as they have in the past ... the same taxation scheme that the JPEA has tried to impose several times before, and which was vociferously opposed by so many overseas interests?

As for (g), this smacks of highly restrictive practices, outlawed by overseeing organizations such as the FTC, which essentially create a monopoly. Does the term "request" soften this implicit hammer being held over importers or retailers? A class action suit should clear this

question up.

And as for (h), one can only think that any enterprising retailer could produce his own look-alike quality assurance tags, and who would be the wiser... if, indeed, a mere tag eventually comes to mean anything to the consumer?

Other questions remain. Will the "Product of Japan" nomenclature likely remain on all exported goods? This label is currently slapped on pearls shipped to Japan for processing, whether their origin was Japanese or not. Will this deception be continued? Probably so.

One more thing. Certain people in the industry feel that *Pearl World* is anti-Akoya. This is not the case. It is a lovely pearl, when cultivated and marketed correctly... which, these days, is obviously not happening: the inmates are currently in charge of the asylum.

What we are against is needless bureaucracy, boundless egoism, unfettered greed, and the underhanded treatment of importers, wholesalers, retailers and consumers (it must be admitted, however, that these practices are not limited solely to the Akoya).

But, in short: this highly-touted-in-the-press (and paid for by you-know-who) new Japanese inspection system seems incredibly inept and riddled with faults.

Our Swiftian solution is throw the babies out with the bathwater: abolish the inspection system altogether, let there be absolutely free trade without favor or duplicity, dismantle both the officious JPEA and the witless JPPS, and let's get on with the show.

The consumer deserves far, far better. ♦

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