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DO2312



Distr.
LIMITED

ID/WG 79/4
2 February 1971

ORIGINAL: ENGLISH

United Nations Industrial Development Organization

Seminar on the Development of
the Leather and Leather Products
Industries in Developing Countries,
Regional Project for Africa

Vienna, Austria, 22 February - 5 March 1971

THE ELABORATION AND IMPLEMENTATION OF A PROGRAMME
FOR HIDES AND SKINS IMPROVEMENT AND MARKETING
IN DEVELOPING COUNTRIES 1/

by

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	<u>Hides</u>	<u>Goat Skins</u>	<u>Sheep Skin</u>	<u>Dried Skins</u>	<u>Leather</u>
Livestock and Meat Board	17 cents per piece	6 cents per piece	6 cents per piece	Per	Per
Customs and Excise	5% on value	5% on value	5% on value	5% on value	5% on value

On the basis of the above quoted levies it is estimated that prior to the closure of the Suez Canal the Livestock and Meat Board collected Eth. \$ 650,000^{1/} annually, Customs Duty yielded a further Eth. \$ 1,500,000 resulting in a total "Impost" payable by the trade of Eth. \$ 2,150,000 or 7.01% of the total export value.

It is estimated from expenditure figures available and total salaries paid to all personnel actively engaged on hides and skins improvement work that prior to 1968 the Livestock and Meat Board returned to the industry only 6.3% of the levies collected from hides and skins exported, i.e. Eth. \$ 40,000 annually.

HIDES AND SKINS LEGISLATION

No hides and skins legislation had been compiled prior to July 1968 although several attempts had been made to compile "drafts". After perusal of these drafts it was obvious they were completely inadequate and totally unsound and did not embrace the industry as a whole. In view of the above-quoted facts steps were taken to compile new Hides and Skins Legislation which would cover the whole industry from primary producer to exporter. The Legislation would also cover Hides and Skins Export Permits.

^{1/} Rate of exchange Eth. \$ 6 = £1 Sterling or US\$ 2.36

QUALITY OF ETHIOPIAN HIDES AND SKINS - JULY 1960

The standard of meat production, to say the least, deplorable. Cattle were generally slaughtered on the ground under the most adverse conditions. No drainage, hoisting or even shelter was provided by the Municipal Authorities despite the fact that these Municipalities collected slaughter fees from the butchers.

Cattle were quartered on the ground, the hide serving as a carpet under the carcass during the quartering. As a result of this procedure numerous holes were cut in the hide due to the axe passing through the meat. Hides were untrimmed and left several hours before any form of preparation was undertaken. No attempt was made by the butchers to wash or clean the hides, the practice being to throw the hides onto the ground to dry. Hides could be seen lying on the road or any convenient spot to dry, donkeys, cars and pedestrians passing over them during the drying period. It was estimated that 95% to 98% of all hides produced were by the ground drying method and that 35% to 40% of goat and sheepskins were also dried on the ground.

Dry salting of hides was practiced in the Northern Provinces of the country, i.e. Tigre and Eritrea, but unfortunately no control over the method of preparation was exercised. Hides were simply sprinkled with salt (no attempt being made to wash, trim or defat the hides prior to salting) and left for periods of up to 12 months before the hides were ultimately dried on the ground prior to sale. As a result of this practice large numbers of the hides were either putrified or contaminated with "red heat" (hyliophilic bacteria).

Hides and skins were stored in up-country stores for as long as six to nine months, no attempt being made to treat the stock with any form of insecticide. As a consequence 25% to 30% of all hides and skins offered for sale were damaged to a greater or less extent by the hide beetle (*Dermestis vulpensus*).

The physical properties of the hides and skins were generally excellent, very little demodectic or sarcoptic mange was found. They were mainly of good substance and relatively free of brands and heavy scratches, in other words the basic raw material was equal to, and in some instances superior to East African hides and skins.

HIDES AND SKINS IMPROVEMENT STAFF

Hides and skins improvement staff employed by the Livestock and Meat Board in July 1968 comprised eight Ethiopian technicians and one Ethiopian supervisor. In addition to the technicians the Food and Agricultural Organization of the United Nations had provided the Livestock and Meat Board with the services of a Hides and Skins Expert.

All Hides and Skins technicians had been given a six months training course after which they had been posted to up-country provinces to undertake hides and skins improvement work. Supervision of their work was carried out by both the Supervisor and the FAO Hides and Skins Expert.

Upon visiting the technicians in the field it was clearly seen that they lacked supervision and as a result their efficiency suffered. Technicians were travelling around their respective provinces with no planned itinerary and no practical demonstrations in hides and skins improvement had been given due to the fact that not one technician possessed a flaying knife or any other form of demonstration equipment. Butchers and primary producers were ignorant of the existence of the technicians and had not been visited by them.

It was fairly obvious from these observations that a radical change in policy and supervision was required if hides and skins improvement was to be achieved and co-operation from the primary producers forthcoming.

LIAISON WITHIN THE INDUSTRY

No liaison existed within the industry or the Government Departments concerned with animal husbandry, veterinary and hides and skins improvement. It was obvious if any improvement was to be achieved in the standard of hides and skins preparation and marketing procedures, the co-operation of all interested parties must be obtained.

HIDES AND SKINS TRAINING PROGRAMMES

No planned programmes of hides and skins training had been compiled or implemented. Facilities for training hides and skin technicians or hides and skins producers were non-existent and in point of fact technicians in the field possessed no demonstration equipment.

Despite the fact that agricultural colleges and veterinary training schools existed within Ethiopia, no attempt had been made to train or educate the students in hides and skins improvement work. In fact no approach had been made to include the subject in any of their training syllabuses.

QUALITY CONTROL

Hides and skins were offered for sale and were purchased throughout the country on a mixed quality basis. No attempt was made by either exporters or middlemen to grade or pay price differentials for improved quality hides and skins.

In view of the above practice no incentive existed for the primary producer or butcher to improve his preparation and as a result hides and skins were offered for sale untrimmed and in a large number of cases heavily adulterated with mud and other foreign substances in order to increase their weight.

Hides and skins exporters shipped ground-dried hides under the following grades: 40% Firsts, 40% Seconds and 20% Thirds. Unfortunately, the grading specifications bore no resemblance to their true quality and in actual fact large numbers were not even graded prior to export due to the difficulty experienced in opening ground-dried hides in their dry folded condition.

The export selection of both sheep and goat skins was of a more satisfactory standard than hides, although here large numbers of ground-dried skins were inmixed with the suspension grades.

Hides and skins were exported under the following definitions:

<u>Hides</u>	<u>Selections</u>		
	<u>Firsts</u>	<u>Seconds</u>	<u>Thirds</u>
Addis Ababa Butchery	40%	40%	20%
Unbathed Addis Ababas	40%	40%	20%
Dry Salted	70%	30%	-
<u>Sheepskins</u>			
Sallali Sheepskins	40%	40%	20%
Addis Ababa Butchery	40%	40%	20%
Ordinaries	40%	40%	20%
<u>Goatskins</u>			
Genuine Bati	40%	40%	20%
Bati Type	40%	40%	20%
Ordinaries	40%	40%	20%

The export selection standard of pickled sheepskins to the United States of America was of a high standard based on the individual buyers' requirements. This was due to the fact that pickled sheepskins were exported direct to the consumer and not through a "factor", a closer relationship therefore existing between the shipper and the overseas tanner or buyer. As a result of this, pickled skins were exported more in line with the consumer requirements than was the case in dry hide, goat-skin and sheepskin exports.

STATISTICS RELATING TO PRODUCTION, QUALITY AND EXPORTS OF HIDES AND SKINS

No accurate statistics were available of hides and skins production, quality, or exports due to the fact that no returns were submitted by exporters to the Livestock and Meat Board. Total annual export figures were obtainable from the "Bank of Ethiopia" who obtained these from details of the individual shippers' declaration forms submitted to the Bank, prior to the issue of an export permit.

Statistics relating to internal consumption of hides and skins by tanneries were unobtainable. No attempt had been made to obtain production statistics, transport charges or hides and skins buying prices at any of the larger buying centres.

HIDES AND SKINS MARKETING

No planned marketing procedure existed within the country. Hides and skins dried by the primary producer or butcher remained in his house or store until collected by a local buyer or were put up for sale at the local market by the producer. No set prices were offered by the buyer and in the majority of cases the prices offered for hides and skins bore no relation to their market value. The primary producer had no means whatever of knowing the relative prices obtainable for his hides or skins and these could pass through as many as six to eight hands before they eventually reached the exporter who in turn offered any price he deemed fit.

No licensing or registration of hides and skins buyers or exporters existed. Any person could trade as a buyer or exporter irrespective of his knowledge or lack of storage and buying facilities. As a result of this no contact existed between the hides improvement staff and the primary producer, (butcher) and no incentive was given to the butchers to improve either the flaying or preparation of their hides and skins.

The average price paid to the primary producer for his dry hides irrespective of quality was Eth. 35 per fransul. (17 kilos). In view of this fact it was illogical and a waste of time and energy for the producer to clean and prepare his hides without an adequate financial return for his efforts.

PICKLING AND LEATHER TANNING INDUSTRY

Five commercial tanneries operate within the country producing leather for internal consumption only. Leather production covers sole and lining and uppers for the local shoe industry, and reptile leathers for both the shoe industry and fancy leather goods manufacture.

Two large pickling plants produce sheepskins for export to the United States of America, their total annual production being in the region of 360,000 pieces.

It is estimated that the following leather is produced annually:

Sole leather	575 tons
Lining leather	1,281,000 sq. ft.
Upper leather	2,602,500 sq. ft.

The above-quoted statistics are based on a UNIDO Shoe Production Survey undertaken in 1969.

In addition to the existing tanneries within the country the Ethiopian Government has completed and signed a contract with the Czechoslovakian Government for the "Investa Tanning Machinery Concern" to erect a large tannery in Ethiopia at a cost of Eth. 24 million. Leather produced from this tannery will be mainly for export.

CHAPTER TWO

PROBLEMS TO BE OVERCOME IN ORDER OF PRIORITY

As a result of a survey undertaken during the months of July and August 1968, it was evidence that a drastic reappraisal of the hides and skins industry was necessary if any radical improvement was to be achieved in the improvement and marketing of hides and skins.

Ethiopia was producing hides and skins of inferior quality which in the former case had a very limited market, Italy and the United Kingdom being the largest importers. During the first six months of 1968 both the United Kingdom and Italy reduced their imports of Ethiopian ground-dried hides in preference for East African suspension dried and wet-salted hides, the latter being much easier for the tanners to process. As a result of this limited market for ground-dried hides the selling price of Ethiopian hides was almost half the price of East African. To quote an example, East African suspension-dried hides realised 36 pence per pound on the UK market while Ethiopian hide prices only averaged 19 pence per pound.

It is common knowledge that hides and skins are sold in a most competitive market, and are subject to the demand from the footwear, clothing, mechanical and upholstery leather industries. As a result of leather substitutes now being produced for footwear and upholstery manufacture and the increased labour costs of leather manufacture, large numbers of European tanneries have been forced to close down. This has forced the tanner to become much more selective in his raw material purchases, the reason being that due to high labour costs it is no longer economical to process poor quality hides for which the final return is lower than that for high quality hides.

European tanners are now adopting rapid tanning processes which require hides which are easily soaked back, (wet back) unfortunately ground dried hides are difficult to re-soak and as a result are unsuitable for this process. It therefore follows that a change in hides preparation is required if future sales of hides are to be maintained or increased to overseas tanners.

Prior to introducing any large scale hides and skins improvement drive, the following factors must be determined:-

- (a) the requirements of the leather tanning industry with regard to methods of preparation;
- (b) whether the required method of preparation can be carried out by the primary producer e.g. in the case of salting, is salt available at economical prices;
- (c) whether improvement staff are available and capable of introducing new preparation techniques, grading and marketing;

- (d) whether any proposed change in method of preparation will increase transport or handling costs;
- (e) whether any financial gain will be achieved by introducing any proposed changes in preparation techniques particularly where additional preparation costs have been incurred.

CHAPTER THREE

CREATION OF PRICE INCENTIVE FOR IMPROVED QUALITY HIDES AND SKINS

Prior to July 1968 all hides and skins were purchased on a mixed quality basis although hides were being purchased on a weight basis only irrespective of quality. The average price paid for hides was Eth \$5 per frasula. This method of buying hides gave no incentive for the producer to improve his preparation because anyone who took the trouble to clean and trim his hides lost financially by lowering the weight by at least half a kilo per hide. The producer was aware of this fact and as a result offered hides for sale which were heavily adulterated and untrimmed.

Before any improvement could be obtained in hides preparation it was essential to guarantee the producers a more profitable return for any hides prepared by the prescribed methods advocated by the hides improvement staff. In an effort to overcome this problem, meetings were held with both hides and skins exporters and tanners to obtain their co-operation. It appeared that the exporters were reluctant to change their existing method of buying hides on a mixed quality basis, contending that the introduction of hides grading before purchase would increase labour costs. Because no hides and skins legislation was in force during 1968 no pressure could be brought to bear on the exporters to adopt the policy advocated. Fortunately, the two largest tanners in Addis Ababa realized the advantage of receiving quality hides for their production work and as a result agreed to purchase hides on a quality basis, prices to be paid on a differential of 25% between the respective grades with an additional differential of 100% between suspension and ground-dried hides. Initial purchases would however be on a average quality basis but would be classified under the terms "Ground Dried" and "Suspension Dried" for which the tanners would be prepared to offer for the latter a minimum of 100% above the prevailing ground-dried price.

The above agreement, though not satisfactory from the envisaged grading policy, was, however, a major break-through and could be improved upon at a later date by either negotiation or legislation.

In view of the agreement of the tanners to pay a price differential for suspension-dried hides a positive step could now be taken to introduce suspension drying of hides in an effort to eradicate the existing method of ground drying.

COMMUNICATION BETWEEN HIDES AND SKINS PERSONNEL, LOCAL GOVERNMENT ADMINISTRATION AND PRIMARY PRODUCERS

Before any measure of success can be achieved in hides and skins improvement work the co-operation of primary producers and local government administrations must be obtained. Ethiopian hides and skins improvement staff were not achieving any success in their work due simply to the fact that they had never attempted to contact or work with the producers. Large numbers of butchers and even mayors of municipal townships did not know of the existence of the Livestock and Meat Board or the local technicians employed by the Board. In addition to this lack of communication no attempt had been made to contact provincial governors or municipal administrators whose help could have been invaluable.

In view of the above facts immediate steps were taken to gain the confidence and co-operation of the butchers in the larger townships by organizing and addressing meetings of the butchers at municipal offices, provincial headquarters, butchers' homes and even up-country markets. As a result of these meetings hides improvement staff were posted to work with, and to demonstrate to the butchers, the correct methods of hides and skins preparation.

FORMATION OF A HIDES AND SKINS ADVISORY PANEL

The hides and skins industry covers a very large field including animal health, preparation techniques, marketing, transport, Customs and Excise and local tariffs, education, leather tanning, etc. In order to obtain unity of purpose will full co-operation and utilization of resources all future

planning must ensure that the respective Government Ministries and commercial enterprises work together under a central advisory body.

It was therefore decided to appoint a Hides and Skins Advisory Panel which would comprise a number of permanent members who were allowed to vote on any recommendation proposed, and some non-permanent members and guest speakers with non-voting rights. As a result of meetings held with the interested parties it was agreed that the composition of the Panel would be as follows:-

PERMANENT MEMBERS

General Manager Livestock and Meat Board (Chairman with voting rights)
UNIDO Hides and Skins Marketing Expert (Secretary and Adviser to the Livestock and Meat Board with non-voting rights)
Director of Veterinary Services
Director of Extension Services (Ministry of Agriculture)
Two members of the Hides and Skins Exporters
One Leather Tanners representative

NON PERMANENT MEMBERS (Non-voting rights)

Any advisers acting on behalf of permanent members
Guest speakers

The functions of the Panel would be to make recommendations to Governments on the following:-

- (i) Animal health, particular emphasis on dermatological conditions caused by parasitic and non parasitic conditions;
- (ii) Branding damage;
- (iii) Tribal and administrative problems;
- (iv) Slaughter facilities;
- (v) Hides and skins preparation techniques;
- (vi) Recruitment of staff;
- (vii) Training and deployment of hides and skins improvement staff;
- (viii) Marketing of hides and skins both internally and for export;
- (ix) Transport;
- (x) Tariffs (i.e. Customs and Excise and Livestock and Meat Board Imposts);
- (xi) Leather tanning and shoe industry requirements and problems;

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

- (xii) Hides and skins regulations;
- (xiii) Erection of hides and skins demonstration centres;
- (xiv) Collection of and dissemination of hides and skins statistics relating to production, quality, prices and exports.

It was agreed that the composition of the Panel would be broadened at a later date to include a permanent representative of the hides and skins producers and the shoe manufacturers.

RECRUITMENT OF ADDITIONAL HIDES AND SKINS IMPROVEMENT STAFF

One of the major problems experienced in Ethiopia was lack of hides and skins improvement staff in the field. The number of hides and skins technicians actively engaged on hides and skins improvement work in Ethiopia during 1968 was only nine. It was obvious that any progress would involve a drastic increase in the number of field staff actively engaged in this work. Additional field staff could be obtained by one, or, a combination of the three following courses:-

- (a) direct recruitment of permanent staff by the Livestock and Meat Board;
- (b) recruitment of American Peace Corp Volunteers on secondment to the Livestock and Meat Board;
- (c) assistance on a part-time basis of staff employed by other Ministries, for example Veterinary and Agriculture Extension Services.

Discussions were held with the Livestock and Meat Board, Veterinary Services, Extension Services of the Ministry of Agriculture and the American Peace Corp Volunteers on staff recruitment and deployment. As a result of these, agreement was reached on the following points:-

- (a) the Livestock and Meat Board would recruit 25 additional hides and skins technicians during 1969 and that an additional 10 would be recruited annually for training;
- (b) that the American Peace Corp Volunteers would second 18 people for training during 1969;
- (c) that the Extension Services submit approximately 100 of their present staff for eventual training after which they would work on a part time basis on hides and skins improvement work;

- (d) that all staff employed by the Department of Veterinary Services on Meat Inspection would assist in supervising the slaughtering and flaying of cattle hides;
- (e) that the training and deployment of all personnel engaged on hides and skins improvement work would be the responsibility of the Livestock and Meat Board.

It was also agreed that all services rendered by the Extension Services, Veterinary Services and the American Peace Corp Volunteers would be free of charge but that the Livestock and Meat Board would be responsible for issuing all personnel with the required demonstration equipment.

HIDES AND SKINS REGULATIONS 1969

Regulations governing the production, marketing and export of hides and skins are necessary in any country to ensure that prescribed methods of preparation, storage, grading, marketing and export can be enforced. No legislation had been enacted in Ethiopia because no satisfactory draft of Hides and Skins Regulations had been compiled for submission to the "Council of Ministers" for their approval.

Immediate steps were taken to compile a draft of Hides and Skins Regulations and this was completed and approved by the legal authority during 1969.

The proposed Hides and Skins Regulations covered the following points:-

GRANTING OF HIDES AND SKINS BUYERS PERMITS SUBJECT TO:-

- (a) applicant possessing adequate facilities and knowledge of the industry;
- (b) preparation of hides and skins by prescribed methods and to the satisfaction of the Livestock and Meat Board;
- (c) purchase and sale (or offer of purchase and sale) of hides and skins on a quality basis i.e. selection and weight basis;
- (d) payment of satisfactory price differentials between the respective grades of hides and skins;
- (e) protection of hides and skins during storage against vermine, beetle and any other avoidable damage.

GRANTING OF HIDES AND SKINS EXPORT PERMITS SUBJECT TO:-

- (a) purchase and/or sale of hides and skins on a quality basis;
- (b) possession of adequate facilities, finance and knowledge of the industry;
- (c) payment of a satisfactory price differential between the respective grades of hides and skins purchased;
- (d) satisfactory grading of hides and skins prior to export;
- (e) satisfactory storage and insecticide treatment of hides and skins during storage and prior to export;
- (f) maintenance of both buying and export statistics relating to hides and skins.

In addition to the above basic requirements export centres were designated from which hides and skins could be exported, prescribed methods of preparation and storage were advocated and basic facilities required by the industry were included. The Regulations also set out conditions attached to a Buyers or Exporters Permit, penalties for contravention of the Regulations, powers of inspection and search and seizure of hides and skins pending investigation or legal proceeding to be taken under the said Regulations.

INTRODUCTION OF FRAME SUSPENSION DRYING OF HIDES

Ethiopia's major problem in 1968 was ground drying of hides and the associated putrefaction, flaying damage, adulteration and beetle damage. Immediate steps had to be taken to:-

- (a) introduce frame suspension drying of hides in areas where salt (sodium chloride) was unobtainable;
- (b) eradicate or minimise the time delay between flaying and commencement of drying;
- (c) improve the standard of flaying;
- (d) eradicate beetle damage.

Before any change in preparation techniques could be implemented the confidence of the primary producers had to be won. This could be achieved by showing them that they would realise a financial benefit for their additional labour.

In an effort to gain the confidence of the producers a pilot project was introduced in Gimbi, Wollega Province. Meetings were held with all the township butchers (thirteen in number) during which the following scheme was proposed:-

- (a) that the Livestock and Meat Board staff would initially build a small number of hide drying frames and would wash, defat, frame dry and apply insecticide powder to hides flayed by the butchers, no charge being made for the work undertaken;
- (b) all hides prepared by the Livestock and Meat Board staff would be transported to Addis Ababa and sold on behalf of the butchers, the cost of transport would be deducted from the butchers in relation to the hides or weight transported;
- (c) any butchers participating in the scheme would be allocated a code number, which would be clearly marked on all his hides immediately they were received by the Livestock and Meat Board staff for preparation;
- (d) prior to transporting the prepared hides to Addis Ababa for sale, each butcher's hides would be weighed and counted in the presence of the butcher who would receive a receipt showing the number and weight of his hides to be transported and sold.

Five of the thirteen butchers agreed to take part in the scheme, the remaining eight butchers being still distrustful of a government organisation which had previously shown no interest in their work or welfare.

It was fairly obvious that the success of all future hides and skins improvement work was based on achieving an increased financial return for the five butchers of Gimbi, who had agreed to provide wet hides for the trials.

The free loan of an old wooden shed was obtained close to the township slaughter field and ten wooden hides frames were erected with the help of the butchers. Defatting knives were made by a local blacksmith, rope was obtained for lacing the hides to the frames and a cleaning brush and small water container purchased locally. The total cost of the purchases was Eth \$12 or £2 sterling.

Within two days of obtaining agreement with the five butchers the first batch of hides were in process of preparation and after two weeks/^{work}fifty hides

were prepared and transported to Addis Ababa where they were sold for Eth \$14 per frasila to a local tanner. Immediately the sale had been transacted and the cash and invoice received, a return trip was made to Jimbi where a meeting was called with all the township butchers in the presence of the mayor and governor of the province.

During the meeting, photostat copies of the sales invoice received from the tanner were circulated to all the butchers after which the five butchers who participated in the scheme were paid the money for their hides, less cost of transport. The following profit had been made by the butchers on the hides prepared and sold on their behalf by the Livestock and Meat Board staff.

50 hides, weight 22 frasilas offered for sale. Price Eth \$14 per frasila	=	\$ 308.00
Price per frasila (after deducting transport costs of 50 cents per frasila)	=	\$ 13.50
Previous selling price per frasila of ground dried hides by butchers	=	\$ 6.00
Net gain by suspension drying per frasila	=	\$ 7.50
Therefore increased gross profit on 50 hides	=	\$ 165.00
		or 3.30 per hide

As a result of the trials' success all the butchers agreed to participate in the scheme. This quick response from the butchers was most encouraging and to a certain degree, embarrassing. Nevertheless further meetings were held with all the butchers and the mayor of the township to discuss the following points:-

- (a) obtaining a larger store for both preparation and storage of hides;
- (b) obtaining land on which to build the store;
- (c) the cost of building and equipping a store and the financial arrangements for such;
- (d) the administration of the scheme on a semi-co-operative basis;
- (e) the training of butchers or their staff in hides preparation to enable them to take over the work and thus release Livestock and Meat Board staff for further work in additional townships.

As a result of these discussions the following agreements were made:-

- (a) that the Municipality would grant a plot of land free of charge on the slaughter field for the erection of a communal hides preparation store; this agreement to be confirmed in writing;
- (b) that the UNIDO Hides and Skins Marketing Expert would draw up plans for the new store with total estimates (less labour charges);
- (c) that all the butchers would contribute \$10 per month for the cost of the store and equipment;
- (d) that all the butchers would contribute a minimum of three hours work daily to the building;
- (e) that the butchers would form a committee with a duly elected secretary and treasurer;
- (f) pending the completion of the new store, all butchers would commence to frame-dry hides at the existing store in order to obtain an increased financial return for the hides, thus enabling them to meet their contributions to the new store, etc.;
- (g) that the UNIDO Hides and Skins Marketing Expert would organize the marketing of the hides on behalf of the butchers and that the Livestock and Meat Board improvement staff train the butchers in flaying, preparing, grading and marketing of the hides.

During the following two months the new hides store was completed and equipped with defatting tables, hides frames and store. During this period all hides were frame-suspension-dried by both Livestock and Meat Board staff and the butchers themselves. Hide prices rose from \$14.00 to \$17.00 per frasila due to improved quality and competition from two tanners in Addis Ababa for the new method of hides preparation.

News of the Gimbi success spread to outlying townships whose butchers were eager to adopt the new method of preparation. As a result of the success of the Gimbi pilot scheme, Livestock and Meat Board staff introduced similar schemes at five additional townships on the same road to Addis Ababa, thus maximising transport efficiency. In addition to the butchers' co-operative schemes, a hides and skins demonstration centre was erected in the larger township of Shashemane. This centre was constructed on the abattoir field,

land being granted for this purpose by the municipality free of charge, and was used solely as a demonstration centre staffed by Livestock and Meat Board personnel who prepared and marketed all butchers' hides free of charge, (less transport charges).

In view of the success achieved in the Gimbi and Shashemane centres and the increasing demand for assistance by the butchers it was decided to deploy Livestock and Meat Board staff to specified townships to organize the butchers on the same lines as were introduced in Gimbi. The success of the scheme can be judged by the fact that during the following six months 8.5% of the total country's hides production was frame suspension dried, yielding an increased financial return to the primary producers of Eth \$295,430.

MARKETING OF HIDES AND SKINS BY THE LIVESTOCK AND MEAT BOARD ON BEHALF OF PRIMARY PRODUCERS ON A QUALITY BASIS.

In view of the increasing number of co-operative hides and skins preparation centres being erected throughout the country and the number of hides and skins to be marketed by the Livestock and Meat Board on behalf of these producers it was deemed necessary to erect a central hides and skins marketing store within easy reach of the exporters and tanners. Plans were drawn up and expenditure estimates approved by the Livestock and Meat Board for both the construction of the store in Addis Ababa, and its initial operating costs.

It was agreed that the marketing programme be implemented in two phases. The first phase would consist of receiving hides and skins from up-country preparation centres at the central marketing store where they would be selected by Livestock and Meat Board staff. Producers would be paid a 75% cash advance on their deliveries, pending eventual auction of the hides and skins to the exporters or tanners.

The second phase would be based on the sale of up-country centres hides and skins on a selection basis, but unseen by the buyers. Hides and skins would be selected, counted and weighed at all up-country centres. Details of these hides and skins held at the centres would be forwarded to the Livestock and Meat Board marketing centre who would notify all exporters and tanners of them prior to auction. After the auction hides and skins would

be transported from the up-country centre direct to the buyer.

The marketing of hides and skins by the Livestock and Meat Board would be on a non-profit-making basis although the Board would have to impose a 2½% handling charge on all sales (based on market value) to meet overhead costs e.g. selectors and clerical staff salaries and miscellaneous costs such as postal and stationary expenses. The handling charges would be reviewed from time to time in an effort to reduce overhead costs wherever possible.

It was appreciated that the introduction of the second phase was dependent on training competent hides and skins selectors at all up-country hides and skins preparation centres to ensure uniform grading of all hides and skins offered for sale by auction. The basic principle of hides and skins marketing under "phase one" would be as follows:-

All up-country hides and skins centres would be allocated a code letter and each member of the centre would have a code number. The code letter and producer's number would be placed on the flesh side of the hides and skins during the preparation process at the centres e.g.

Centre	Gimbi	Code letter A	}	A1.
Members:	Tadeo Girma	Code number 1		
Centre	Shashemane	Code letter E	}	E7.
Member:	Teshoma Imman	Code number 7		

Prior to dispatch of the consignment of hides and skins to the Livestock and Meat Board's central store for sale, the individual members' hides and skins would be counted and weighed and the details of the consignment recorded at the preparation centre in the presence of the individual owners.

Upon arrival of the hides and skins at the Livestock and Meat Board's central store they would be selected, weighed and counted in their respective code numbers. Receipt vouchers would be compiled giving details of each members' hides and skins in their respective selections and weights. Pending sale by auction of the hides and skins by the Livestock and Meat Board to the exporters and tanners at fortnightly or monthly intervals, the members would be paid a monetary advance of 75% of the value of the hides and skins. (The value being based on the previous auction price paid for hides and skins sold by the Livestock and Meat Board).

Invoices would be compiled after receiving the hides and skins showing details of each member's hides and skins and the amount of money advanced against eventual sale by auction.

Upon completion of the auction final invoices would be prepared showing details of every members hides and skins sold and prices received. Cash advances made to the members and Livestock and Meat Board handling charges would be deducted from the auction value of the hides and skins and the balance forwarded to the members.

To ensure no misappropriation of funds arising with regard to the payment of members in cash, arrangements were made for the local banks in the preparation centres to issue payment of the money against invoices and identity certificates which had to be produced by the members claiming payment.

DAY TO DAY OPERATION OF LIVESTOCK AND MEAT BOARD

MARKETING CENTRE (First Phase)

- (a) Hides and skins are received at the central marketing store from up-country preparation centres e.g. Gimbi;
- (b) Hides and skins which had been previously marked with the owners' code number at the centre are selected into their respective grades, weights and numbers. Individual invoices are prepared based on the prices paid at the last auction (Appendix 1). On completion of the invoices a 75% cash advance is paid pending auction or sale of the hides and skins;
- (c) The above procedure is carried out on all hides and skins received from up-country centres, complete stock records being compiled (Appendices 2A, 2B and 2C) which are circulated together with an auction invitation to all exporters and tanners prior to the auction (Appendices 3A and 3B);
- (d) Following a hides and skins auction, details of the prices received are prepared and circulated to all centres (Appendix 4);
- (e) Final payment vouchers (Appendix 5) are prepared for each individual member of the centre showing the total details of his hides and skins, i.e. grades, weights, pieces and auction prices. The final

payment vouchers show balance of payments due to the member after deduction of the previous advance and the 2½% handling charges of the Livestock and Meat Board.

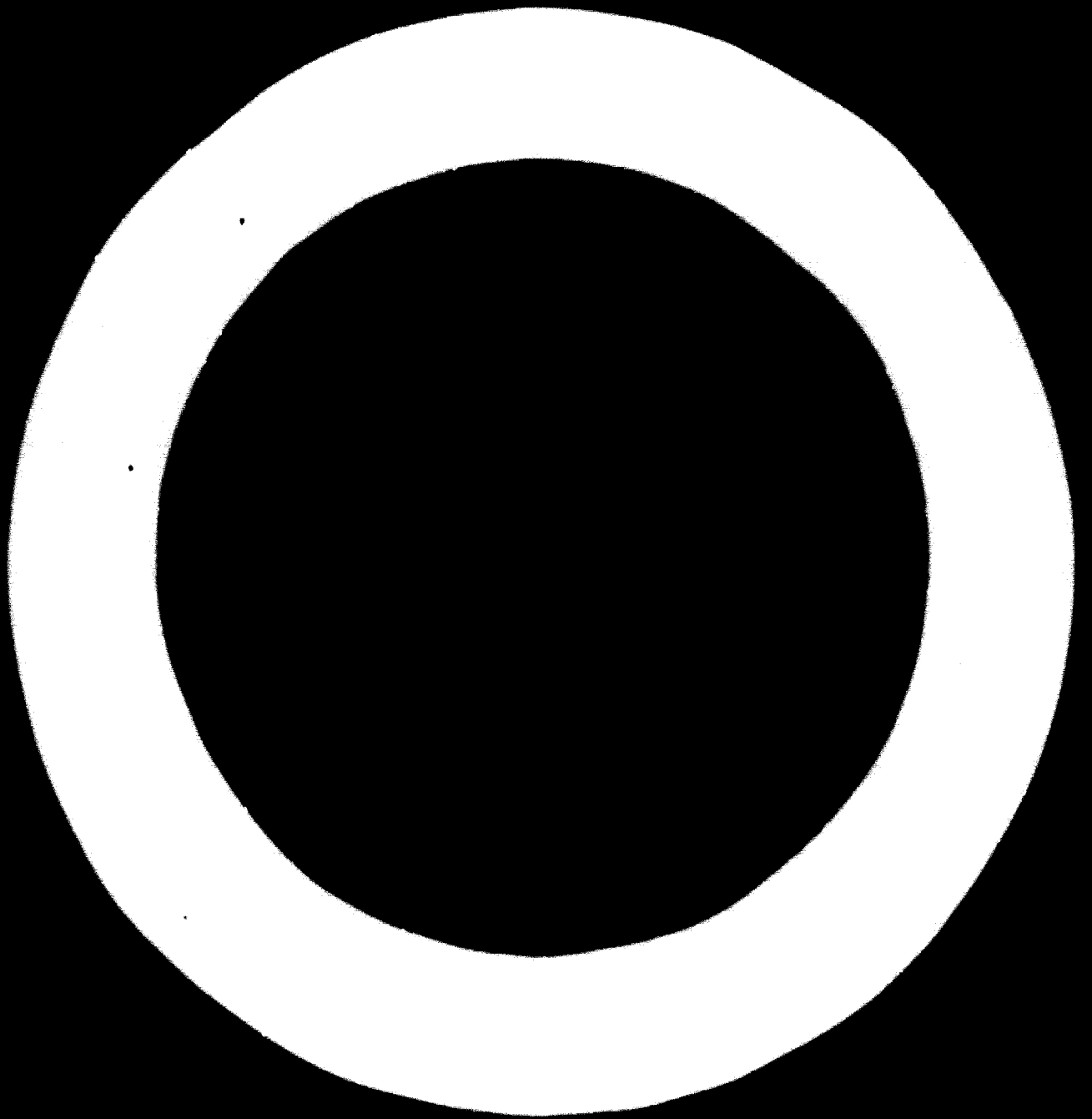
The marketing of hides and skins under phase two can only be implemented on completion of the training of adequate selectors to staff all up-country hides and skins co-operative centres. Training of co-operative centre selectors would be carried out under practical conditions at the Livestock and Meat Board central marketing store during the first phase of the operation.

The object of introducing phase two in the marketing scheme is to economize in handling costs, storage space and transport costs; in other words double handling of hides and skins must be avoided wherever possible. In addition to these advantages, it is essential that co-operative hides and skins preparation centres must learn the basic principles of hides and skins marketing by taking a more prominent role in the grading and administrative side of the industry. By actively engaging in the selection of hides and skins, the primary producers will realize the financial benefits to be derived from improved flaying and preparation techniques advocated by the hides and skins improvement personnel.

Hides and skins would be selected into their respective grades and weight ranges by trained selectors at the up-country centres and details of each individual member's hides and skins would be recorded at the centre. Total selections and weights would then be forwarded by telephone to the Livestock and Meat Board at the end of each fortnight. Upon receipt of up-country hides and skins stocks the Livestock and Meat Board would compile total details of all hides and skins held and available for auction at up-country centres.

The Livestock and Meat Board would notify all exporters and tanners of the hides and skins available for auction and the date of the auction (Appendices 6A, 6B and 6C).

Auction prices received would be notified to the up-country centres together with the names and addresses of the buyers with instructions for delivery to be made direct to them (Appendix 7).



THE AUCTION PROCEDURE

All up-country hides and skins and also the hides and skins held at the Addis Ababa Central Store would be offered for auction subject to the following conditions:

- (a) that the buyer evacuate all hides and skins purchased from the Addis Ababa central store within seven days from the time of purchase;
- (b) that all hides and skins purchased be delivered by the up-country centres to the buyer's premises within seven days of the date of purchase;
- (c) the Livestock and Meat Board would reserve the right to withdraw the hides and skins from auction subject to offers failing to reach a reserve market price, whereupon the said hides and skins could be sold under private treaty;
- (d) no claims by the buyers against selection standards would be permitted, all hides and skins delivered by up-country hides and skins centres to the buyer would be counted and weighed in the presence of a Livestock and Meat Board representative, any loss in weight or number of pieces being refunded to the buyer on the basis of the auction price offered.

Due to the fact that the hides and skins are held at the up-country centres no cash advances would be paid to the suppliers by the Livestock and Meat Board against pending auctions. Payments would be made to the centre members by the Livestock and Meat Board upon delivery of the auctioned hides and skins to the buyer's premises (Appendix 3). Any loss in weight or pieces would be deducted and refunded to the respective buyer by the Livestock and Meat Board and details of such loss in weight or pieces would be recorded in the preparation centres invoices.

All hides would be auctioned on an average weight range basis, e.g. 0 to 5 kilos and 5 kilos upwards. This method would yield increased price returns particularly in areas which produce a high number of calf skins.

INTRODUCTION OF HIDES AND SKINS EXPORT PERMITS

Prior to 1969 any person could export hides and skins from Ethiopia even if he did not possess storage, pressing or any other handling facilities. Hides and skins could also be exported from any point within the country.

In an effort to control the export of hides and skins, Hides and Skins Export Permits were introduced under which it was an offence for any person to export hides and skins unless he was in possession of a valid Hides and Skins Export Permit issued by the Livestock and Meat Board. The permits would be valid for two years subject to the applicant or permit holder complying with the following conditions:

- (a) that he possess storage space compatible with the volume of hides and skins he was liable to export;
- (b) that all storage space be waterproof and that the floors of the working and storage area be constructed of an impervious material;
- (c) that every permit holder possess weighing and pressing facilities;
- (d) that every permit holder or applicant was financially sound;
- (e) that every holder of a Permit supply the Livestock and Meat Board details of purchases, exports and prices paid for hides and skins monthly;
- (f) that no holder of a Permit contravene any provisions of the Hides and Skins Regulations or any instructions issued under such Regulations;
- (g) it would be an offence for any person to export hides and/or skins from any part of the country unless he was in possession of a valid Hides and Skins Export Permit;
- (h) every Hides and Skins permit would state the address of the premises and be valid for such premises.

The export of hides and skins under permit became operative in May, 1969 and has proved successful in channeling all exports of hides and skins through four export centres, thus facilitating supervision of the hides and skins prior to export.

HIDES AND SKINS TRAINING

Hides and skins improvement cannot succeed unless the field technicians, demonstrators and part-time assistants are familiar with the techniques to be employed and are capable of undertaking practical demonstrations in the field.

In view of the fact that no practical field improvement work had been carried out in Ethiopia it was found necessary to re-train all hides and skins technicians from the up-country stations and to train additional hides and skins technicians upon recruitment, American Peace Corps volunteers and veterinary and agricultural extension service personnel. In addition to these, training had to be given to the primary producers to enable them to participate in the new hides preparation and marketing policy.

To cope with this demand a crash programme of training was implemented and the retraining of existing field technicians was carried out by way of a one-month intensive course, emphasis being placed on practical as opposed to theoretical work. New technicians were given a three-month intensive course; three quarters of this training being of a practical nature whilst the American Peace Corps volunteers were given a six-week intensive course. Training of Veterinary Meat Inspectors was confined mainly to slaughter and flaying techniques.

Practical training was given to all improvement workers at the Shashemane Hides Demonstration Centre, Addis Ababa Municipal Abattoir and established co-operative hides centres. Training consisted of slaughtering, flaying, defatting, cleaning, framing, drying, application of insecticides, selecting (grading), book-keeping and marketing of hides and skins. In addition, trainees took an active role in the erection of hides and skins drying frames and the building of hides and skins drying stores. Theoretical training was given in skin histology, hides and skins defects and their methods of control and eradication, hides and skins preparation techniques (e.g. frame suspension drying, wire drying, wet salting, dry salting, pickling hides and skins) and marketing. Lectures were also given on the practical application of the proposed Hides and Skins Legislation. On completion of training all improvement staff were issued with complete sets of demonstration equipment, hides and skins flow charts and hides and skins preparation manuals which covered local Ethiopian conditions.

Spot checks on flaying standards undertaken in other townships were equally discouraging; flaying damage was found to be of an equal severity to that in Shashemane.

It was estimated that the financial loss to Ethiopia from flaying damage alone was in the region of \$1,224,000 annually, based on the current market price of Suspension Dried Hides in June, 1969.

The responsibility for this appalling financial loss must lie to a large extent with the Livestock and Meat Board, the Ministry of Planning and the local Municipal Authorities who had not ensured that proper slaughter facilities were provided for butchers, even in the larger townships.

A report on the lack of slaughter facilities was submitted by the UNIDO Hides and Skins Marketing Adviser to the Livestock and Meat Board and to the Ministry of Planning stressing the urgent need for slaughter slabs and slaughter houses equipped with hoisting facilities to enable the hides improvement staff to introduce improved methods of flaying; for example hammer and case flaying.

As a result of this report a series of meetings were held to discuss the erection of slaughter slabs, the cost of their erection and the provision of finance to Municipalities who were unable to meet the cost of erection. It was agreed that the Livestock and Meat Board should take immediate steps to erect slaughter slabs in all major townships and that the Board could finance such projects. Slaughter slabs would comprise a chain hoist with runner rail, concrete floor and drainage, and the building would be iron-roofed with expanding iron mesh sides. The average cost of erection and equipment would be in the region of Eth.\$ 4,000. The erection of simple tripod slaughter hoists with a concrete base would be carried out in the smaller rural villages under the guidance of the local hides and skins improvement staff and Veterinary and Extension Service personnel.

It was anticipated that at least 60 to 80 slaughter slabs were urgently required within Ethiopia if any appreciable improvement was to be achieved in the standard of flaying. Such an expansion programme requires skilled personnel to teach and supervise improved flaying techniques.

It was urgently felt that Ethiopia should engage a specialist in this field who could both organize the construction of the slaughter facilities and introduce improved flaying techniques. UNIDO could assist in such a project by providing at the earliest opportunity an expert to advise on these matters.

PRODUCTION OF PICKLED SHEEPSKINS FOR EXPORT TO THE U.S.A.

Due to the increased demand from the USA for Ethiopian pickled sheepskins and the limited capacity of the existing pickling plants, additional processing sources had to be investigated. Following discussions between the Ministry of Planning and the Livestock and Meat Board it was agreed to erect additional pickling plants at the major sheepskin producing centres, subject to adequate water supplies being available.

Cost estimates of the plants required and the process procedure were compiled by the UNILCO Hides and Skin Marketing Adviser and submitted to the Ministry of Planning. It was estimated that with the erection of four additional pickling plants Ethiopia could produce one and a half million pickled sheepskins for export to the USA annually, an increase of approximately 300%.

It has also been estimated that the pickling of sheepskins for export increases the flock value by at least 20% and that it creates employment in areas where alternative light industries are non-existent.

CONTROL AND ELIMINATION OF SHEEP TICK "KED"

Investigations into the 'grein' damage found in pickled sheepskins prepared for export to the USA revealed that the damage was caused in the post-natal period by the sheep tick 'KED'. Sheep were inspected at cattle markets and other holding grounds throughout the country where it was confirmed that large numbers of sheep were infested with the tick.

Meetings were held with the Department of Veterinary Services, Agricultural Extension Services and a member of the tanning industry during which the tanner presented the following statistics. In 1966, 34% of all pickled sheepskins were damaged by sheep tick 'KED', this figure increased during 1967 and 1968 to 42% and 56% respectively.

In view of the fact that sheep tick 'KED' completes its entire life cycle on the mother host and that the tick is vulnerable to Gamtox dipping, it was agreed that a concerted drive should be undertaken to eradicate the parasite. Liquid concentrate Gamtox was purchased by the Livestock and Meat Board together with a supply of liquid containers (10 gallon empty oil drums) and a dipping programme was introduced under the control of the Department of Veterinary

Services. To economize on expenditure it was decided to use portable dips which could be moved from village to village as opposed to permanent dipping vats which would be too expensive to construct. (Also it is much easier to move the dips to the sheep than to move sheep over long distances to permanent dipping sites).

Dipping of sheep commenced during May, 1967 and proved successful in the areas covered. It must be appreciated, however, that the eradication of this parasite can only be achieved by complete coverage of the main sheep-producing areas and this is only possible by the use of communal dips and the supply of small packs of liquid Gamatex (if need be at subsidized prices) to the individual farmers.

ERECTION OF INVESTA LEATHER TANNERY AND ITS IMPACT ON HIDES AND SKINS PRODUCTION

An agreement was completed between the Ethiopian Government and the Czechoslovakian Government under which the Czechoslovakian firm, Investa, was to erect a complete tannery at Hojo, 70 kilometres from Addis Ababa. The tannery will produce sole lining and upper leathers for export to East and West European countries and in addition pickled sheepskins for export to the USA.

The total cost of the project will be in the region of Eth. 24 million or 24 million sterling. Under the terms of the contract Investa will erect the tannery and provide process technicians and instructors for a period of two years, during which time they will undertake the training of Ethiopian personnel both in Ethiopia and in Czechoslovakia.

The Investa tannery will produce leathers from either wet salted, fresh or frame suspension-dried hides only. Goat and sheepskins will be of the fresh or frame suspension-dried preparation and no ground-dried hides or skins will be used.

In view of these facts it is anticipated that in 1971, Ethiopia will require 432,000 well-prepared hides and 1,391,000 goat and sheepskins per year for its tanneries. This constitutes 18% of the hides and 16.3% of the skins produced in the country (based on Ethiopia's average annual production).

CHAPTER 20

HIDES AND SKINS IMPROVEMENT AND MARKETING IN DEVELOPING COUNTRIES

The livestock population of developing countries is of enormous commercial value although unfortunately this potential is not fully exploited and remains in a large number of cases a latent resource.

Hides and skins, although only a by-product of the meat industry constitute the essential raw material of the world's leather industry. Western European countries import approximately 500,000 tons of hides and skins annually, while the demand from the Soviet Union and other Eastern European countries is increasing year by year. Japanese trade delegations are showing keen interest in African hides and skins production which is understandable when one realizes that Japan must import 85% of all hides and skins processed by her tanning industry. Having regard to the inter-national raw material market, the hides and skins input from the developing countries is very small; the predominating export countries being the USA and Argentina who export 20-24 million hides per year from an estimated 160 million cattle.

Developing countries must play a larger role in hides and skins exports as a means of raising their gross national product. How can this be achieved and what steps should be taken to ensure that developing countries obtain a proportionate share in the export market, is a question which must be answered.

The export of hides and skins to leather tanners is governed by the supply and demand of a satisfactory raw material. Leather tanners purchase hides and skins of a particular type, weight and substance to suit their own particular requirements. For example, poorly flayed hides and skins are unsuitable for the manufacture of suede or belting leathers and skins which are badly damaged by scratches and parasites are unsuitable for glazed kid manufacture. Also heavily branded hides are no good for car upholstery and air-dried hides unsuitable for quick tan processes.

A reappraisal of the entire marketing system of hides and skins must be undertaken in developing countries if any appreciable increase is to be made in the quantity and value of hides and skins exports. Hides and skins exporters (shippers) must work in closer relationships with the tanners,

producers and the hides and skins improvement services. The majority of these shippers in developing countries show little or no interest in developing new marketing techniques and in a large number of instances do not know for what particular type of leathers their exports are to be used. Consequently hides and skins are selected to a set pattern with no consideration being given to the tanners requirements.

There are now wider perspectives in the consideration of hides and skins as export products; skins can either be exported as pickled, crust vegetable tanned or chrome tanned (in the blue), while hides can be chrome tanned in the blue. Pakistan is a pioneer country for this form of export product and in 1966 exported leather to the value of 100 million rupees, of which the main part was "chrome tanned hides and skins in the blue".

Conditions vary tremendously in developing countries and in point of fact conditions differ considerably in any one country. For example transport, availability of water, slaughter facilities, density of population resulting in high or low slaughter returns, availability and cost of sodium chloride and/or other basic chemicals required for either salting, pickling or pre-tanning of hides and skins.

From what has been said above it is felt that a brief study of alternative hides and skins preparation processes could be useful with a view to their implementation wherever possible.

Chrome Tanning of Hides and Skins in the Blue

This process required liming and tanning drums, fleshing, stanning and splitting machines, and a certain degree of chemical control to ensure that production is uniform.

Production of chrome tanned hides and skins in the blue can only be carried out at centres of high production e.g. hides and skins export centres, sites adjacent to large meat packing plants or at existing tanning plants within the country.

Vegetable Tanning of Skins in the Crust State

Vegetable tanning of skins in the crust state for export can be successfully

introduced into countries where vegetable tanning materials are plentiful e.g. Kenya, India, Nigeria, Pakistan etc. Tanning materials such as Mimosa, Myrabolans and Sumach are ideal for such processes.

Vegetable tanning of skins in the crust condition should only be introduced at centres of high production. Basic tanning equipment required would be similar to that used for chrome tanning.

Pickling of skins for export

The pickling of skins for export could be carried out in any of the previously described plants i.e. chrome tanning or vegetable tanning plants or operated as a separate unit at large up country buying centres with a minimum turnover of 5,000 skins weekly.

Wet salting of hides

Wet salting of hides produces a superior raw material to either frame suspension drying or dry salting. Wet salting of hides can be carried out at any reasonably sized abattoir where water and salt are available. Wet salting is far superior to dry salting and requires less working space, equipment and labour to operate. It is advocated that abattoirs with a minimum turnover of 30 hides per day should adopt wet salting in preference to dry salting.

Frame suspension drying of hides and skins

Frame suspension dried hides and skins cannot produce a uniform product due to the variations experienced in air drying conditions, for example differences in the relative humidity. Hides can be dried in 3 days during the dry season and 7 days during the rains. Frame suspension-dried hides and skins are far superior however to ground-dried hides and skins, the latter process of drying producing a most unsatisfactory product of the lowest quality. Frame suspension drying should be encouraged in preference to ground drying in areas of low productivity where salt is not available or too expensive to use commercially.

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continued /....

It is felt that the following summary may be a guide to Hides and Skins Experts faced with the problem of introducing hides and skins preparation processes.

<u>Type of Process</u>	<u>Minimum Weekly Production</u>	<u>Chemicals Required</u>	<u>Location</u>
Chrome Tanning) in Blue)	Hides 1500	Hydrated Lime	Export Centres
	Skins 5000	Sodium Sulphide Sodium Chloride Mineral Acids Chrome Tanning powder Bating Material Ammonium Sulphate Sodium Bi-carbonate etc.	Existing Tanneries Large Meat-packing plants
Vegetable Tanning in Crust State)	Hides 1500	Hydrated Lime	Export Centres
	Skins 5000	Sodium Sulphide Sodium Chloride Mineral Acids Vegetable Tanning Materials) Bating Materials Ammonium Sulphate etc.	Existing Tanneries Large meat-packing plants
Pickling	Skins 5000	Hydrated Lime Sodium Sulphide Mineral Acids Bating Materials Ammonium Sulphate Sodium Chloride	Export Centres Existing Tanneries Large Co-operative Hides Centres)
Wet salting	Hides 200	Sodium Chloride	Abattoirs Co-operative Hide Centres) Meat Packing Plants
Frame Suspension) Drying)	Hides less than 200)	-	Nomadic Areas Areas of low productivity Individual slaughter Poor transport facilities Salt unobtainable Shortage of water.

Problems encountered in developing countries and some suggested methods of approach.

Most developing countries in both Africa and Asia are faced with the problem of financial priorities. Unfortunately, the finance allocated to hides and skins development is often only a small part of a country's total expenditure and is not in proportion to the potential revenue that could be generated by the industry.

While it is appreciated that such processes as Chrome and Vegetable tanning of hides and skins for export would yield a wider and more profitable market for the developing countries, the introduction of tanning plants to process pre-tanned leathers for export cannot in most cases be considered, due to lack of finance. It is therefore essential in this situation that every possible step be taken to improve the existing processes or to introduce techniques that can yield a quick financial return for a minimum outlay.

All developing countries can increase the export value of their hides and skins by eliminating man-made faults. Such common faults as flaying and branding damage are responsible for an estimated 11% loss in export value annually which in the case of Ethiopia means a loss of Eth \$770,000 or £128,333 sterling on hides alone.

It is evident that the hides and skins improvement services in developing countries must give first priority to improving the standard of flaying and the elimination of branding. Also the co-operation of the Agriculture and Veterinary Services must be secured in the drive to eradicate tribal and administrative branding. The erection of slaughter gallows, slaughter slabs and abattoirs must be given priority wherever possible to enable hammer flaying to be introduced. Cattle cannot be successfully flayed while lying on the ground and must be suspended if any improvement is to be achieved. The erection of tripod slaughter gallows should be encouraged in all small villages by the hides improvement staff.

Hides and skins preparation centres should be organised on a co-operative basis in the smaller up-country townships to enable butchers to prepare and sell their own hides direct to the exporter or tanner. Members of such centres should be trained in all aspects of their work including grading, organization of transport and marketing. All hides and skins price information should be

notified to producers on a weekly basis by radio if possible. An alternative or addition to the co-operative hides and skins preparation centres could be what is termed "Green Hides and Skins" buying by licenced preparers who would be encouraged to purchase and collect wet hides and skins from the villages for preparation at their own licenced premises. The "Green Hides and Skins" buying method has proved most successful in Uganda, East Africa, where every up-country village and township is covered by one or more "Green Hides and Skins" buyers, thus eliminating the delay previously experienced between slaughter and preparation of the hides and skins.

"Green Hides and Skins Buyers Licences" are granted under the Uganda Hides and Skins Trades Ordinance subject to the holder or applicant possessing preparation equipment and storage and buying facilities to the satisfaction of the Veterinary Hides and Skins Improvement Service. In addition to the "Green Hides and Skins Buyers Licences", Uganda also grants "Green and Dry Hides and Skins Buyers Licences" which permit the purchase of wet and dried hides and skins. "Green and Dry Hides" buyers act as preparers of the wet hides and skins and also as buyers of dry hides and skins for the larger exporters who invariably assist in financing the buyers during periods of increased slaughter e.g. Easter and Christmas time. It is a condition under the Uganda Hides and Skins Trades Ordinance that dried hides and skins can only be purchased at the buyers premises approved as such under the conditions of the said Ordinance.

Any scheme of hides and skins improvement or marketing must be based on organized production, inspection and communication. It is estimated that Ethiopia has at least 100,000 potential primary producers, that is 100,000 people who actually dry hides and skins during any one year. This number excludes the larger butchers, abattoirs and meat canning plants. No contact with the producers is possible because nearly every householder will slaughter a cow, goat or sheep and dry the hide or skin during the course of the year. It would be impossible and uneconomic to undertake any improvement or marketing programme under such conditions.

It is suggested that the solution to this problem could be achieved by centralising wherever possible the preparation of all hides and skins under licenced hides and skins buyers and/or preparers. By adopting such a policy the number of people actively engaged in hides and skins preparation would be

drastically reduced thus facilitating inspection, demonstration, organisation or transport and marketing of hides and skins.

It is felt that the adoption of "Green Hides and Skins" buying practised in Uganda is a basically sound policy which could be implemented in other developing countries with little modification. During 1962 Uganda produced 660,000 hides and one and a quarter million skins, the majority of which were prepared by 750 licensed "Green Hides and Skins" buyers scattered throughout the country. According to the statistics maintained at Veterinary Headquarters every licensed "Green Hides and Skins" buyer was visited by hides and skins improvement and/or Veterinary personnel at least six times each year and in a large number of cases more frequent inspections were maintained dependent on the buyers throughput.

In addition to the individuals licensed as "Green Hides and Skins" buyers, co-operative hides and skins societies had been formed and licensed with the help of the local co-operative officers. The aim of the co-operative societies was to deal directly with the hides and skins exporters thus obtaining a higher price for their hides and skins than would be the case if the individual member sold their hides and skins to licensed "dry hides and skins" buyers (i.e. middlemen).

Several large commercial slaughtering plants prepared their own hides by the wet salting process and either sold them to the local exporters or exported them direct to overseas buyers.

The export marketing of hides and skins is governed to a large extent by the relationship between the overseas selling price and the purchase price on the internal market of the producer country. It is estimated that primary producers of hides in Uganda and Kenya receive 57.8% of the overseas selling price for hides in contrast to the Ethiopian producer who receives 28.1%. The above calculations are based on c.i.f. prices offered on the U.K. market for Kenya/Uganda and Ethiopian hides and prices paid to the primary producers in the respective countries.

The above facts may lead one to assume that the Ethiopian primary producer is not realising a fair financial return on his hides. This is correct and the reason is the poor world market price for Ethiopian hides. Perhaps this can best be illustrated by the following example. It is customary

practice for shipping companies to take a standard monetary reward for transporting hides anywhere in the world and this is based on weight and/or volume. No account is taken of quality so that if forty pence per pound is taken for an inferior hide at selling price twenty pence per pound and for a first quality hide at forty pence per pound the shippers' charges amount to 20% and 10% respectively when based on the selling price. Similarly internal transport charges, holding charges and storage charges will take a higher percentage of the selling price of inferior hides than would be the case for first quality hides. Obviously, therefore a higher percentage of costs will be incurred for inferior hides with a resulting lower return to the primary producer.

Economies can be achieved by increasing the f.o.b. value of the hides and skins exported. Increased f.o.b. values can be obtained by improving the preparation standard of the hides and skins exported thereby raising the selection grades, or by exporting hides and skins in a pre-tanned or tanned condition.

Essential statistical knowledge of the market is necessary, whether it be primary producer facts or world market trends. Hides and skins production and marketing in the majority of developing countries has never been fully studied or exploited by the respective departments or Ministries. U.N. experts are severely handicapped in these countries by the lack of available information regarding centres of hides and skins production, price of wet and dried hides and skins, cost of transport to export centres or collecting centres and the selection and weight ranges of both hides and skins to be found in any given district or province. It is obvious that there should be a close relationship between the hides and skins improvement section and the marketing section if world market demands are to be fulfilled. This would lead to the production of hides and skins corresponding to world demand and yet having a relationship to the preparation techniques best suited to the local environment. For example there would be little point in advocating the production of wet salted hides or pickled skins in an area where sodium chloride was not available.

Any improvement in hides and skins preparation and marketing can only be achieved by demonstration and practical application of the various techniques and principles to the primary producers. This was demonstrated in Ethiopia with successful results. Hides improvement staff advocated a method of preparation, carried out practical demonstration work, marketed the hides and

skins prepared, and proved to the primary producers the financial advantages to be gained by adopting the recommended techniques.

Hides improvement work however, can only be carried out at established centres of production for it would be impossible to demonstrate and market hides and skins for every farmer or even small village butcher. In view of this it is considered essential that hides and skins preparation be controlled by means of allocating licenses or permits to co-operative centres or buyers who can specialize in this type of work; it should preferably be their sole means of livelihood. The granting of such permits would assist in creating not only centres of production and preparation but a full time occupation and vocation for people with initiative who were receptive to advice and instruction.

Mobile hides and skins demonstration units should be employed wherever possible to move into the field and demonstrate preparation techniques and marketing practices. (The organisation of courses of instruction for hides and skins preparers and co-operative centres proved successful in Uganda, where the co-operation of the Department of Community Development was of immense help.)

Training course Syllabuses

All courses on hides and skins marketing given to hides and skins buyers or to preparation centres should cover the following subjects:-

Percentage yield of prepared hide from wet weight and the relative price to be paid for wet hide or skin in relation to the market price of dried hide or skin.

Cost of preparing hides and skins, labour costs, depreciation costs of equipment, transport and profit margin.

Grading of hides and skins, price differentials between respective grades, buying and selling on selection and weight ranges.

Sale of hides and skins on a rising or falling market.

Basic principles of book-keeping i.e. expenditure and income records.

Hides and skins improvement courses should cover the following subjects:-

Slaughter and flaying of cattle, sheep and goats by suspension methods.

Washing, detatting, trimming of hides and skins. Preparation by

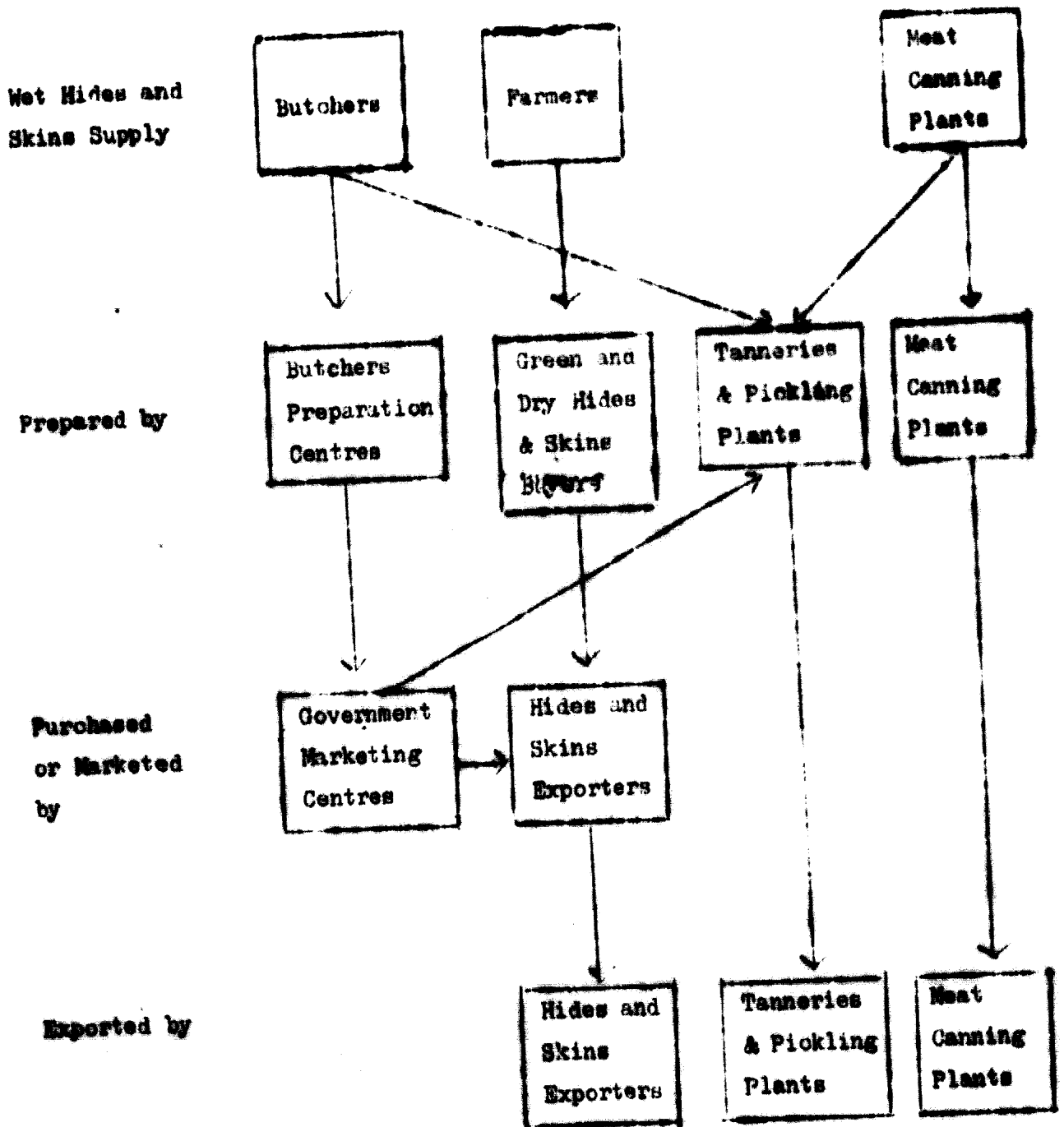
suspension frame and wet salting methods. Erection of stores, preparation sites and erection of drying frames. Application of insecticides, grading and weighing. The deleterious effects of delayed preparation, careless flaying and failure to apply insecticides should be clearly explained and samples should be shown to the preparers. Samples of the basic preparation equipment required should be shown to all preparers, such equipment should be priced and information should be given on suppliers names and addresses if possible.

Efficacy of UNIDO experts

It is not uncommon for a UN Expert having been briefed on his "job description", to find that the work he has been allocated cannot immediately be undertaken due to a lack of pertinent information being available. The expert is therefore not in a position to advise on policy which may entail appreciable government expenditure for example, the erection of hides and skins demonstration and marketing centres, pickling and pre-tanning plants etc.

It is felt that prior to posting, the expert must be supplied with the basic information to enable him to commence the work outlined in his "job description". It is suggested that this type of information can only be obtained by a UNIDO representative visiting the country prior to the expert's posting, to obtain all the relevant data. By adopting such a procedure all experts could be briefed more fully on the problems likely to be encountered upon their arrival at their duty station.

PREPARATION AND MARKETING SYSTEM ADVOCATED FOR ETHIOPIA AND OTHER DEVELOPING COUNTRIES



APPENDIX 1.

Example of invoice issued to suppliers showing details of selection, prices paid on basis of previous auction and cash advance paid to suppliers pending auction.

Livestock and Meat Board,
P.O. Box 1052
Addis Ababa

INVOICE NO. 1.

Date 1/4/69

Seller No. 1.

Centre GIBBI "A"

HIDES

<u>Grade 1</u>	<u>Grade 2</u>	<u>Grade 3</u>	<u>Grade 4</u>	<u>Totals</u>
Pcs Kilo @	Pcs Kilo @	Pcs Kilo @	Pcs Kilo @	Pcs Kilo Value \$
7 49 1/20	12 60 /95	5 31 /70	6 25 /55	29 146 140/80

SHEEPSKINS

<u>Grade 1</u>	<u>Grade 2</u>	<u>Grade 3</u>	<u>Grade 4</u>	<u>Totals</u>
Pcs @	Pcs @	Pcs @	Pcs @	Pcs Kilos Value \$
65 2/20	70 1/65	12 1/10	3 1/55	150 108 273/35

GOATSKINS

<u>Grade 1</u>	<u>Grade 2</u>	<u>Grade 3</u>	<u>Grade 4</u>	<u>Totals</u>
Pcs @	Pcs @	Pcs @	Pcs @	Pcs Kilos Value \$
97 1/80	79 1/35	19 /90	5 /45	200 100 300/60

ADVANCES PAID AGAINST FINAL PAYMENT

HIDES	75% of Eth \$ 140/80	=	\$ 105/60
SHEEPSKINS	75% of Eth \$ 273/35	=	\$ 205/01
GOATSKINS	75% of Eth \$ 300/60	=	\$ 225/45
TOTAL ADVANCE			\$ 536/06

Received from Livestock and Meat Board the sum of \$536/06 being advance against final payment.

Signature

Date

APPENDIX 2A

Table 1 of Stock Records showing details of hides received at the Central Marketing Store and total quantity sent to up-country preparation centres.

**HIDES DELIVERED TO ADDIS ABABA CENTRAL STORE
RECORD OF HIDES AWAITING AUCTION**

Date	Centre	Invoice Number	Grade 1		Grade 2		Grade 3		Grade 4		Totals	
			Pcs	Kilos	Pcs	Kilos	Pcs	Kilos	Pcs	Kilos	Pcs	Kilos
1/4/55	Gimbi	1	7	119	12	60	5	15	1	1	15	95
		2	36	240	51	310	10	110	1	1	110	110
		3	24	144	36	252	10	51	2	1	74	179
		4	31	106	40	230	15	31	3	21	99	171
		5	58	348	71	490	13	24	1	1	110	70
		6	71	430	96	636	31	180	7	1	104	111
Totals			209	1325	310	2102	96	331	17	107	56	111
1/4/55	Lalibabte	7	36	225	51	310	13	110	1	1	110	110
		8	24	144	33	166	10	51	2	1	74	117
		9	71	430	96	636	31	180	7	1	104	111
		10	36	225	71	490	13	110	2	1	110	110
		11	31	196	40	260	15	91	3	21	99	171
Totals			222	1336	298	2012	77	323	16	101	52	602

contd/.....

CHAPTER FOUR

Hides and Skins Improvement and Marketing in Developing Countries

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APPENDICES

- 1 Example of Invoice Issued to Suppliers
- 2A Example of Stock Records - Hides
- 2B Example of Stock Recordings - Sheepskins
- 2C Example of Stock Recordings - Goatskins
- 3A Example of Auction Sale
- 3B Example of Auction Circular
- 4 Example of Hides and Skins Auction Price Circular
- 5 Example of Final Invoice Voucher
- 6A Stock Records of Hides
- 6B Stock Records of Sheepskins
- 6C Stock Records of Goatskins
- 7 Prices Received at Auction Sale
- 8 Payment Voucher No. 1

APPENDIX 2A (Cont'd.)

Date	Centre	Invoice Number	Grade 1		Grade 2		Grade 3		Grade 4		Total Per Kilos	
			Per Kilos	Per Kilos	Per Kilos	Per Kilos	Per Kilos	Per Kilos				
10/1/69	Shuchman	12	7	49	12	60	5	31	1	6	25	105
		13	38	236	51	310	16	180	3	18	110	350
	Code 97 ^a	11	24	144	36	266	10	54	2	13	7	77
		15	31	156	40	200	15	91	0	21	0	67
		16	52	348	71	490	13	68	2	21	140	460
		17	71	436	96	696	31	160	4	20	20	674
Totals			239	1365	310	2102	95	554	18	107	63	2131

Total available for sale 11/1/69

500 1106 916 62.6 71 1531 50 15 115 1000

Adv. cons made against Final Payment

SHAW	75% of 1104/75	= 3	3,075.15
LEWIS PT	75% of 1964/75	= 1	2,973.56
SHAW	75% of 1105/75	= 2	1,079.15
TOTAL ADVANCE PAID AGAINST BIDS		= 6	7,127.86

APPENDIX 2E

Example of Stock Recordings showing details of Sheerskins received at Central Marketing Store and total advances made to up-country preparation centres.

SHEEPSKINS DELIVERED TO ADDIS ABABA CENTRAL STORE

RECORDS OF SHEEPSKINS AWAITING AUCTION

Date	Centre	Invoice Number	Grades				Totals	
			1	2	3	4	Pos.	Kilos
3/1/69	GIBBI Code "1"	1	55	70	12	3	150	108
		2	93	90	12	5	200	145
		3	62	60	10	3	135	90
		6	30	30	3	1	64	61
Totals			250	250	37	12	549	404
3/1/69	LUKWRPTO Code	7	70	55	15	3	153	108
		9	100	25	21	2	220	103
		11	55	50	12	3	120	90
Totals			225	210	48	10	493	305
10/1/69		12	100	50	10	5	205	171
		14	51	45	6	3	105	81
		16	125	105	17	3	250	100
		17	21	21	3	2	50	35
Totals			307	261	36	11	610	467
Total available for sale 14/1/69			772	721	121	35	1652	1256

APPENDIX C

Example of Stock Recordings showing details of Goatskins received at Central Marketing Store and total advances made to up-country preparation centres.

GOATSKINS DELIVERED TO ADDIS ABABA CENTRAL STORE

RECORDS ON GOATSKINS AUCTION

Date	Centre	Grade Invoice Number	Grades				Totals	
			1	2	3	4	Per.	Kilo
3/4/69	OHBI Code "A"	1	97	75	15	5	200	100
		2	70	63	5	1	150	70
		3	101	75	17	7	200	104
		5	23	35	6	2	65	37
Total			300	250	50	15	615	304
4/4/69	LUKEMPE Code	7	51	27	15	7	100	52
		8	31	7	25	7	170	65
		9	77	43	22	6	150	69
		11	93	64	31	12	200	102
Total			302	151	93	34	620	308
10/1/69	SHAYTAWNE Code "T"	12	60	50	22	7	150	71
		15	81	60	21	8	170	86
		17	73	54	17	6	150	73
Total			224	167	60	21	470	230
Total Available for sale 14/4/69			824	606	203	70	1705	822

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APPENDIX A

Example of Auction Sale to be forwarded to all Exporters and Tanners.

HIDES AND SKINS TO BE OFFERED FOR AUCTION
BY THE LIVESTOCK AND MEAT BOARD AT 10.00.
ON THE 14/8/59

<u>Grade</u>	<u>Hides</u>	<u>Kilos</u>	<u>Average Weight</u>
1	560	4106	6.04
2	910	6245	5.8
3	271	1631	5.02
4	50	315	6.3
Totals	1919	12298	6.41

<u>Grade</u>	<u>Sheepskins</u>	<u>Kilos</u>	<u>Average Weight</u>
1	772		
2	724		
3	121		
4	35		
Totals	1652	1256	0.76 or 76 kilos per 100 pieces

<u>Grade</u>	<u>Goatskins</u>	<u>Kilos</u>	<u>Average Weight</u>
1	824		
2	608		
3	203		
4	70		
Totals	1705	842	0.494 or 49¹ kilos per 100 pieces

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APPENDIX BE

Example of Auction Circular to be forwarded to all hides and skins exporters and tanners prior to Auction.

HIDES AND SKINS AUCTION TO BE HELD AT THE LIVESTOCK
AND MEAT BOARD CENTRAL STORE AT 10.00 HOURS ON 14/4/69

Dear Gentlemen,

I have to inform you that the Livestock and Meat Board will be holding a Hides and Skins Auction Sale at their Central Store situated at at 10.00 hrs. on the 14/4/69.

Full details of the hides and skins to be offered for auction are enclosed for your information. The hides and skins can be inspected prior to auction if so desired. The auction is to be held under the following conditions:

- (a) the Livestock and Meat Board reserve the right to withdraw the hides and/or skins from the auction subject to offers failing to reach a reserve market price whereupon the said hides and skins may be sold under private treaty;
- (b) hides and skins will be offered for auction in specified grades and weights, no claims by the buyers against selection standards will be permitted, all hides and skins will be counted and weighed at the Livestock and Meat Board Central Store by the buyer immediately prior to evacuation, any loss in weight or number of pieces will be refunded to the buyer on the basis of the auction price offered.
- (c) it is a condition of the auction that the buyer will evacuate his purchases of hides and/or skins from the central store within seven days of the auction, failure to remove the hides and/or skins will render the buyer liable to storage charges by the Livestock and Meat Board.

Yours faithfully,

for LIVESTOCK AND MEAT BOARD.

APPENDIX A

Example of Hides and Skins Auction Price Schedule to be forwarded to all up-country hides and skin preparation centres.

HIDES AND SKINS PRICES RECEIVED AT AUCTION SALE HELD BY
LIVESTOCK AND MEAT BOARD IN ADDIS ABABA ON 14/4/69

HIDES

<u>Grade</u>	<u>Pieces</u>	<u>Kilos</u>	<u>Average Weight</u>	<u>Price Received</u> Cents per kilo	<u>Total</u> \$
1	630	4106	6.04	1.25	5132.50
2	918	6246	6.8	1.00	6246.00
3	271	1631	6.02	.75	1223.25
4	50	315	6.3	.60	189.00
Totals					12790.75

CHEEPSKINS

				<u>Cents per piece</u>	<u>Total</u> \$
1	772	-	-	2.30	1765.60
2	724	-	-	1.70	1230.80
3	121	-	-	1.15	139.15
4	35	-	-	.60	21.00
Totals					3156.55

COATSKINS

1	824	-	-	1.85	1524.00
2	608	-	-	1.40	851.20
3	203	-	-	.95	192.85
4	70	-	-	.50	35.00
Totals					2603.05

Total Auction Return \$ 18,550.35

Livestock and Meat Board Handling and Overhead Charges at 2% on value = \$ 463.75

APPENDIX 5

Example of Final Invoice Voucher issued to all individual Hides and Skins Preparation Centre Members, copies to respective Bank Managers where payment is to be made through the Bank.

Livestock and Meat Board
P.O. Box 1052
Addis Ababa

FINAL PAYMENT VOUCHER NUMBER 1

Date 14/4/69 Seller Member No. 1 Centre Gimbi "A"

Auction Price Received for Hides and Skins Delivered on Invoice Number 1 of 3/4/69. Date of Auction 14/4/69.

								<u>HIDES</u>		
<u>GRADES</u>	1		2		3		4	TOTALS		
	Kilos	@	Kilos	@	Kilos	@	Kilos	@	Kilos	Value \$
	49	1.25	60	1.00	31	.75	25	.60	146	148.10

								<u>SHEEPSKINS</u>		
<u>GRADES</u>	1		2		3		4	TOTALS		
	Pcs.	@	Pcs.	@	Pcs.	@	Pcs.	@	Pcs.	Value
	65	2.30	70	1.70	12	1.15	3	.60	150	284.10

								<u>COATSKINS</u>		
<u>GRADES</u>	1		2		3		4	TOTALS		
	Pcs.	@	Pcs.	@	Pcs.	@	Pcs.	@	Pcs.	Value
	97	1.85	79	1.40	19	.95	5	.50	200	310.60

Total Value of Hides and Skins sold by Auction	742.80
Less Advance paid under Invoice No. 1 of 3/4/69	536.06
Less 2½% Handling Charges on Value	18.56
Balance of Payment Due	<u>188.18</u>

Received from Livestock and Meat Board \$188.18 being Balance of Payment due on Hides and Skins delivered under Invoice No. 1 of 3/4/69

Signature

Date

1964

STOCK RECORDS OF HIDES HELD IN UP-COUNTRY AND ADDIS ABABA CENTRES

MONTH ENDING 31/5/69. TO BE OFFERED FOR AUCTION 7/6/69

CENTRE	1st Grade		2nd Grade		3rd Grade		4th Grade		Totals		Wgt. Ranges 0/5 Kilos		Wgt. Ranges 5 Kilos up	
	Pcs	Kilos	Pcs	Kilos	Pcs	Kilos	Pcs	Kilos	Pcs	Kilos	Pcs	Kilos	Pcs	Kilos
Gimbi	87	562	114	741	45	293	4	24	250	1620	75	232	175	1252
Lrango	124	869	141	987	44	310	6	39	315	2204	62	281	253	1423
Nedjo	80	561	90	630	26	162	4	27	200	1380	40	150	160	1200
Lukempte	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shashera	126	882	139	973	40	231	5	31	310	2127	78	350	232	1777
Dessie	56	336	78	468	24	153	2	14	160	761	56	230	104	725
Awasa														
Addis Ababa														
Centre														
Alaki	103	670	121	786	23	141	3	19	250	1616	62	264	188	1352
Chion	64	414	89	579	20	125	2	13	175	1131	53	263	122	868
Ambo	61	403	78	491	17	108	3	21	159	1023	40	180	119	843
TOTALS	701	4696	850	5655	239	1523	29	188	1819	12062	466	2094	1353	9968

Weight ranges 25.6% Hides pieces 0 to 5 Kilos
74.4% Hides pieces 5 Kilos and up



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SYNOPSIS

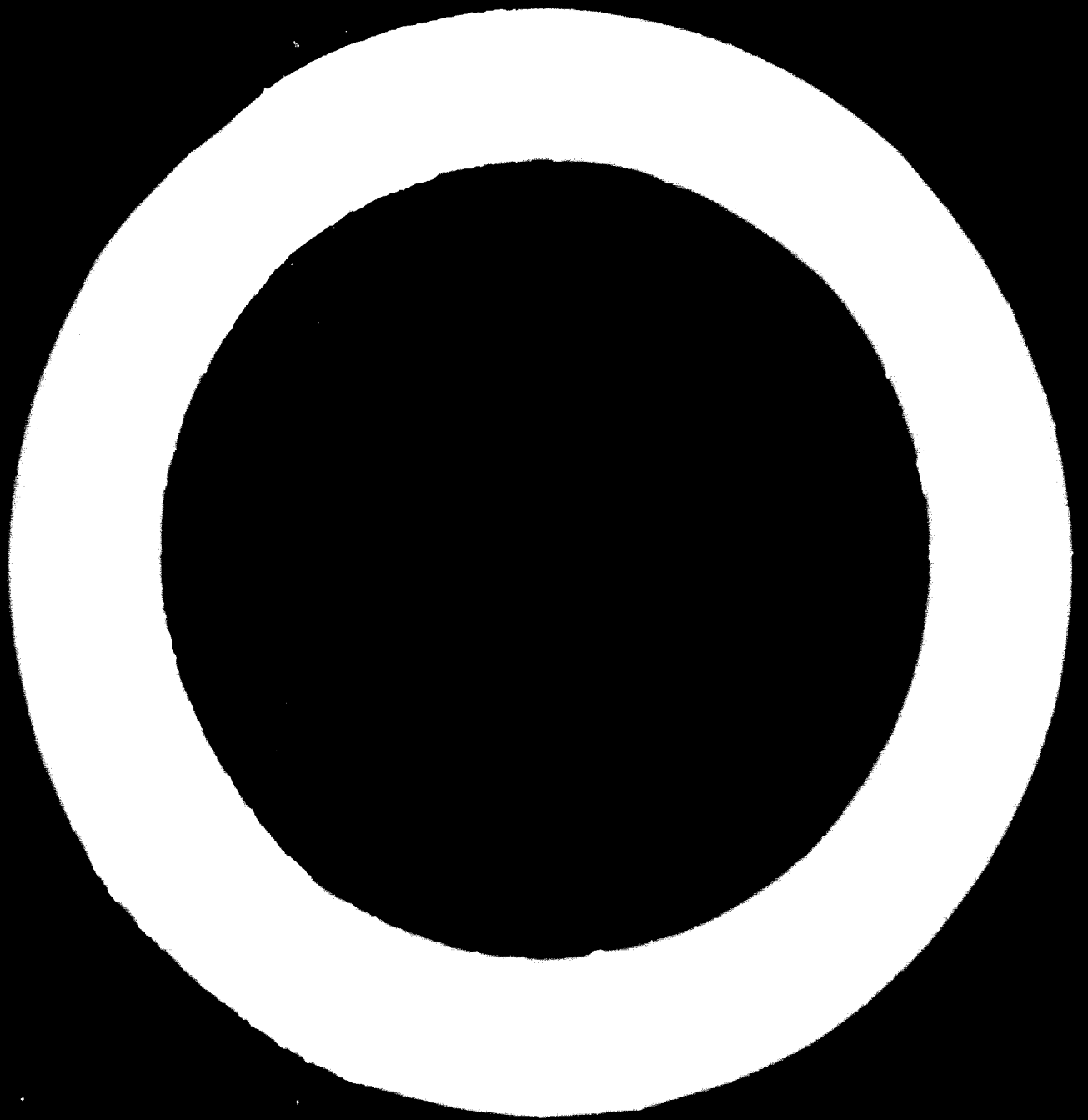
The manuscript is based on work undertaken by the writer in ETHIOPIA during 1968 - 1969. While it is appreciated that conditions vary tremendously in developing countries the problems encountered and the steps taken to overcome both out-dated processes and restrictive practices will not only be a basis for study, but, where proved successful can be implemented in countries where the environment and climatic conditions are similar to those pertaining to ETHIOPIA.

Chapter One - surveys the Ethiopian hides and skins industry upon taking up assignment in July, 1968.

Chapter Two - briefly outlines the problems encountered and their respective priorities.

Chapter Three - sets out the numerous aspects of a comprehensive marketing scheme including personnel training, hides and skins legislation and improved preparation techniques.

The final chapter, Chapter Four, deals generally with hides and skins improvement and marketing in developing countries and the difficulties faced by the UNIDO expert.



INTRODUCTION

Ethiopia has an area of 1,145,500 Km² and a population of over 23 million. Addis Ababa, the capital, has 650,000 inhabitants and Asmara, the second largest town situated in the North East of the country, 150,000 inhabitants. Amharic is the official language, but various other languages are spoken in the up-country provinces.

The country consists of a massive highland complex of mountains and a plateau split by the Rift Valley and surrounded by marginal lowlands.

The variations in altitude are directly reflected in climate and vegetation. The lower regions stretching along the Red Sea and into Eritrea extending from sea level to 1800m. experiencing an average temperature of 27°C. and an average rainfall of less than 500 mm annually. This Kolla or Tropical Zone has sparse vegetation of desert shrubs, thorn bushes and coarse savanna grasses. These areas are inhabited mainly by pastoral nomads herding sheep, goats and camels.

Between 1800m. and 2500m. is the subtropical zone known as the Woringa Dega, this being cooler and more moist than the lowlands, the bulk of the population resides in this zone.

Above 2500m. is the Dega, a temperate zone which includes mountains covered largely by grassland on which cattle, sheep and goats are reared.

The geographical composition of the country is reflected in the physical properties of both hides and skins, and this is more marked with the latter. Skins originating from the Woringa Dega and the Dega regions are of good substance while their counterparts from the Kolla region are thin, papery and of poor quality due to the intense heat, poor rainfall and the resultant poor grazing found in this area.

No accurate statistics are available regarding the cattle population, the following figures being estimates only:

25 million Cattle

12 million Sheep

11 million Goats

In addition to the climatic effect on the conditions of hides and skins the deleterious effects of overgrazing can clearly be seen both in the cattle and soil erosion found in areas where overgrazing takes place.

CHAPTER ONE

ADMINISTRATION

The hides and skins industry is under the direct control of the Livestock and Meat Board who in turn are responsible to the Ministry of Planning and Development. Hides and skins projects are financed by the Livestock and Meat Board who derive their revenue from levies imposed on all hides, skins and meat products exported from Ethiopia. The "Board" of management at the time of this survey comprised six members, the Livestock and Meat Board General Manager being directly responsible to the Board. Few, if any, of the Board members possessed any knowledge of the hides and skins trade and were unaware of the enormous potential in this field.

The primary functions of the Board are to render advice and assistance to the following projects:

- (a) improvement and marketing of hides and skins;
- (b) commercial leather tanning and rural leather tanning;
- (c) internal marketing of cattle, meat products, poultry and eggs;
- (d) organization of cattle stock routes;
- (e) erection of slaughter slabs, abattoirs and meat packing plants;
- (f) the meat canning industry.

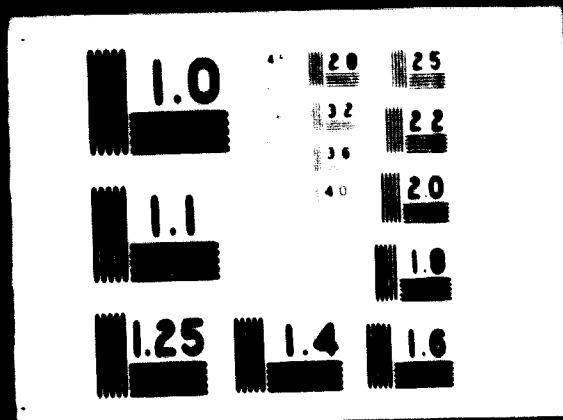
EXPORT LEVIES ON HIDES AND SKINS

The Department of Customs and Excise collect on behalf of the Livestock and Meat Board an export levy on all hides and skins exported from the country in the raw condition. No levy is imposed on the export of pickled skins or finished leathers. In addition to the Livestock and Meat Board levy, the Customs and Excise Department also collect duty based on the export value of all hides, skins and leather. The total "Import" or levies paid by the shippers at time of export are as follows:

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We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

APPENDIX 6B

STOCK RECORDS OF SHEEPSKINS HELD IN UP-COUNTRY AND ADDIS ABABA CENTRE
MONTH ENDING 31/5/69. TO BE OFFERED FOR AUCTION 7/6/69

<u>CENTRE</u>	<u>GRADES</u>							<u>TOTALS</u>
	<u>1st.</u>	<u>2nd.</u>	<u>3rd.</u>	<u>4th.</u>	<u>Pieces</u>	<u>Kilos</u>		
Gimti	A	160	60	20	400	312		
Anango	B	140	53	17	350	273		
Hedjo	C	160	60	20	410	315		
Lukempte	D	108	41	13	275	215		
Shashemane	E	200	55	25	500	390		
Dessie	F	1000	1058	75	2500	1950		
Iwas	G	156	65	16	390	293		
Addis Ababa								
Centre								
Ikaki	H	188	72	9	460	341		
Ghion	J	150	54	12	375	291		
Ambo	K	190	60	9	450	341		
TOTALS		2452	2555	887	6110	4721		

Sheepskins available for Auction 7/6/69
 Average weight 77 Kilos per 100 pieces
 Approximately 10% Blacks

APPENDIX 6C

STOCK RECORDS OF GOATSKINS HELD IN UP-COUNTRY AND ADDIS ABABA CENTRES

MONTH ENDING 31/5/69. TO BE OFFERED FOR AUCTION 7/6/69

CENTRE	GRADES				TOTALS	
	1st.	2nd.	3rd.	4th.		Pieces
Gimbi	180	160	40	20	400	203
Arango	43	42	10	5	100	50
Nedjo	129	126	33	42	300	149
Lukempte	201	190	38	21	450	225
Shahemane	131	124	31	14	300	151
Dessie	1575	1400	355	170	3500	1750
Awasa	203	193	41	23	460	231
Addis Ababa Centre						
Akaki	124	110	30	11	275	140
Ghion	143	138	51	13	345	172
Ambo	180	160	40	20	400	202
TOTALS	2909	2643	669	309	6530	3273

Goatskins available for Auction 7/6/69

Average Weight 50 Kilos per 100 pieces

Approximately 5% Blacks

APPENDIX 7

Livestock and Meat Board
P.O. Box 1052
Addis Ababa

PRICES RECEIVED AT AUCTION SALE HELD IN ADDIS ABABA 7/6/69

<u>HIDES</u>	<u>BUYER</u>		<u>DARMA TANNERY</u>	
<u>GRADE</u>	<u>HIDES</u>	<u>KILOS</u>	<u>PRICE PER KILO</u>	<u>VALUE</u>
1	701	4696	1/25	5870.00
2	850	5655	1/00	5655.00
3	239	1523	/75	1142.25
4	29	188	/60	112.80
TOTALS	1819	12062		12780.05

<u>SHEEPSKINS</u>	<u>BUYER</u>		<u>A.L. HERALD</u>	
<u>GRADE</u>	<u>SKINS</u>	<u>KILOS</u>	<u>PRICE PER SKIN</u>	<u>VALUE</u>
1	2802		2/30	6444.60
2	2928		1/70	4977.60
3	997		1/15	1146.55
4	253		/60	151.80
TOTALS	6980	5368		12720.55

<u>GOATSKINS</u>	<u>BUYER</u>		<u>A.L. HERALD</u>	
<u>GRADE</u>	<u>SKINS</u>	<u>KILOS</u>	<u>PRICE PER SKIN</u>	<u>VALUE</u>
1	3263		1/85	6036.95
2	2963		1/40	4148.20
3	731		/95	694.45
4	333		/50	166.50
TOTALS	7290	3647		11046.10

TOTAL AUCTION RETURN 136546.70

LIVESTOCK AND MEAT BOARD HANDLING CHARGES AT 2 1/2% ON VALUE = 3913.65

APPENDIX B

Livestock and Meat Board
P.O. Box 1052
Addis Ababa

PAYMENT VOUCHER NO. 1

DATE 14/6/69

CENTRE SHASHEMENE E

HIDES

<u>Grade 1</u>			<u>Grade 2</u>			<u>Grade 3</u>			<u>Grade 4</u>			<u>Totals</u>		
Pcs	Kilo	@	Pcs	Kilo	@	Pcs	Kilo	@	Pcs	Kilo	@	Pcs	Kilo	Value \$
87	662	1/25	114	741	1/00	45	293	-/75	4	24	-/60	250	1620	1683/90

SHEEPSKINS

<u>Grade 1</u>		<u>Grade 2</u>		<u>Grade 3</u>		<u>Grade 4</u>		<u>Totals</u>	
Pcs	@	Pcs	@	Pcs	@	Pcs	@	Pcs	Value \$
108	2/30	113	1/70	41	1/15	13	-/60	275	495/45

GOATSKINS

<u>Grade 1</u>		<u>Grade 2</u>		<u>Grade 3</u>		<u>Grade 4</u>		<u>Totals</u>	
Pcs	@	Pcs	@	Pcs	@	Pcs	@	Pcs	Value \$
201	1/85	190	1/40	38	-/95	21	-/50	450	684/45

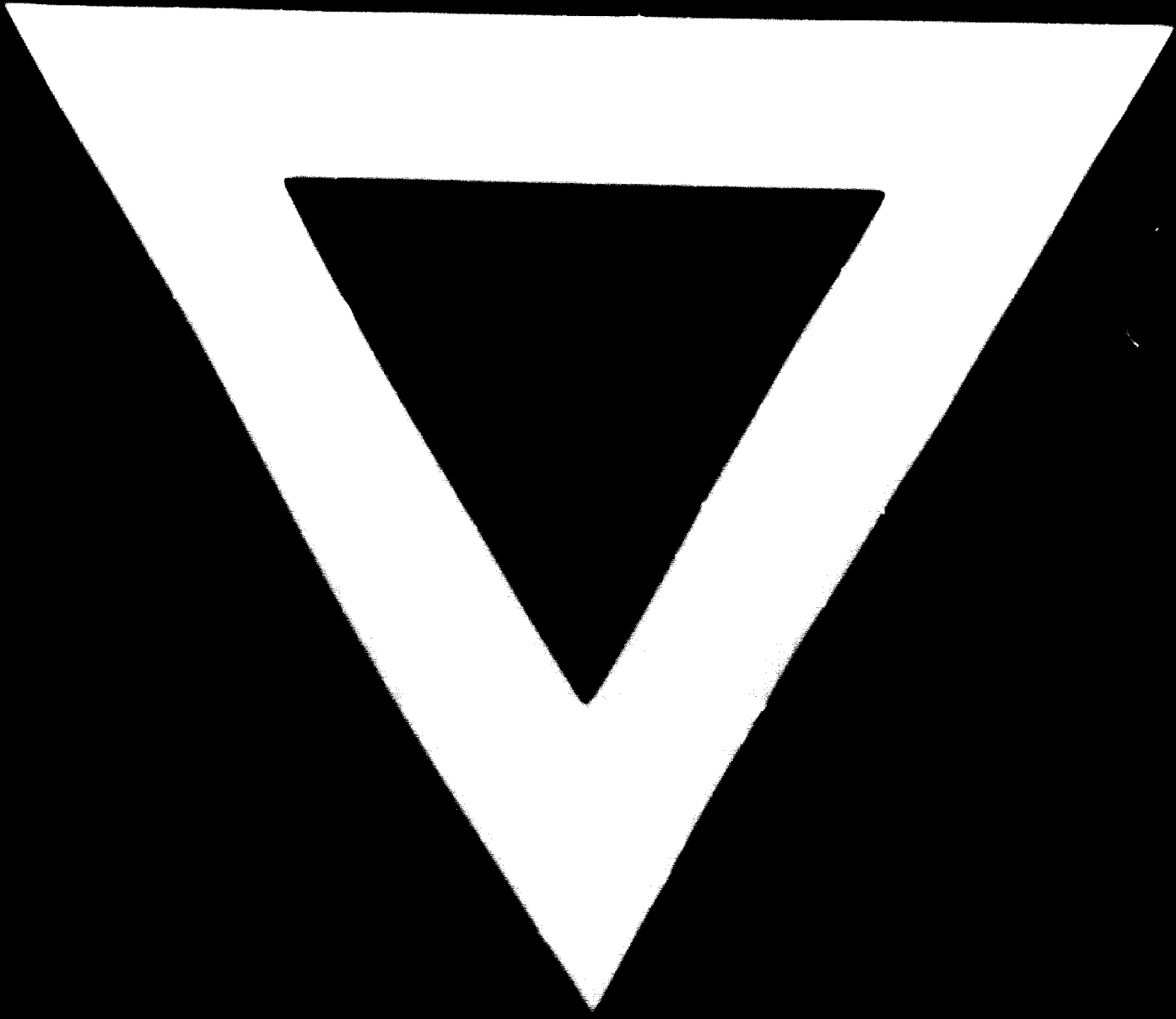
TOTAL VALUE OF HIDES AND SKINS SOLD BY AUCTION	\$ 2863.80
LESS 2½% HANDLING CHARGE ON VALUE	<u>71.60</u>
BALANCE DUE	<u>\$ 2792.20</u>

RECEIVED FROM LIVESTOCK AND MEAT BOARD \$ 2792.20 BEING PAYMENT DUE ON HIDES AND SKINS SOLD BY AUCTION ON 7/6/69.

SIGNATURE

DATE





29 . 5 . 72