



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org



04952

Distr.
LIMITED

ID/WG.157/3
19 July 1973

ORIGINAL: ENGLISH

United Nations Industrial Development Organization

Workshop on Leather Industry Development
in Developing Countries

Vienna, Austria, 27 August to 1 September 1973

THE PRESENT SITUATION OF RAW HIDES
AND SKINS ON THE WORLD MARKET^{1/}

by

R.D. Higham
Technical Editor, LEATHER, Benn Brothers Ltd.
London, United Kingdom

^{1/} The views and opinions expressed in this paper are those of the author and do not necessarily reflect the views of the secretariat of UNIDO. This document has been reproduced without formal editing.

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.

CONTENTS

| <u>Chapter</u> | | <u>Page</u> |
|----------------|---|-------------|
| I | World livestock levels | 1 |
| | a) Beef production | 1 |
| | b) Developments in beef affect the hide | 3 |
| II | The hide and skin economy | 4 |
| | a) Sheepskins | 9 |
| | b) Pigskins | 12 |
| III | Price and the market situation | 15 |
| IV | The position in selected countries | 18 |
| | i) U.S.A. | 18 |
| | ii) Argentina | 19 |
| | iii) Japan | 19 |
| | iv) Australasia | 20 |
| | v) U.K. | 21 |
| | vi) Brazil | 22 |
| | vii) India | 23 |
| | viii) South Africa | 25 |
| V | Conclusions | |

I WORLD LIVESTOCK LEVELS

The supply of hides and skins depends on the supply of meat and it will be many years before world beef demands are met. The latest livestock population figures are encouraging (see table 1). The U.S. Department of Agriculture forecast that at the beginning of this year its national cattle herd would be 122 million strong, 4 million more than 1971. Argentine herds which had been allowed to run down are estimated to have risen by 5% in 1972 to 52.3 million. In Australia, where many farmers switched to beef from sheep when, in 1971, wool prices fell to their lowest for 20 years, last year's herd figure of 27.9 million was nearly 15% up on the previous year. In the U.K. the beef herd is expanding at about 7% per year.

a) Beef production

The sharp rises in beef prices last year were evidence of the high demand which had not been adequately met. The Inter-Governmental Group on Meat, which met in June 1972 in Rome, observed that there had been little growth in beef and veal production. The deficient supply of calves and store cattle in the presence of strong demand was causing the high price levels. However, increases in beef supply were being created by reducing the calf kill.

Projections¹ are, nevertheless, that by 1980 there will be about 12 million more cattle in North America than in 1966 and in Western Europe there will be about 5 to 6 million more. Beef production is projected to increase in nearly all developed countries except those of North European countries with a strong declining trend in cow numbers. In North America, beef production is expected to increase by 2.5% per year, in Western Europe 2% and in Australasia 3.1% (see table 2). In developing countries, a projected beef and veal increase of 3.7% would mostly come from improved exploitation rather than increased livestock numbers.

As the U.S.A. can be regarded as a prime example of a modern affluent state, it is interesting to study their pattern of beef production.²

It has been found packer houses operate most profitably when handling animals of 540 to 590 kg live weight. The rapid achievement of such weights is now generated in the feed lot system. Calves enter feed lot at 180-260 kg and are fattened to the accepted weight in 130 to 140 days. The feed lot turnover is therefore 2.5 times per year.

Many meat packing plants are located in the principal feed lot areas in the West and South West U.S.A. The usual capacity of such plants is about 10,000 head per week and, therefore, a steady supply of

heavy animals is essential. Because a poor return accrues to operation on light weight beasts, packer plants will reduce their production so that only heavy animals are butchered. An insufficient supply of heavy cattle coupled with the effects of the prolonged U.S. dock strike, are the probable reasons why U.S. supplies of hides have not been appearing in the expected volume during the past year.

b) Developments in beef affect the hide

One of the criteria engaging the efforts of U.S. breeding experts is a reduction in the quantity of feed turned into fat.³ The attempt is to breed a more triangular shaped animal, cutting away a lot of brisket and concentrating on the rump. Such animals have less fat pack and are taller and leaner, yielding 63% carcass weight. The result will be that hides of a different shape which are heavier and more greasy and in many instances having more grain defects will be produced. Hides from intensively reared animals contain more immature collagen. They contain higher proportions of water and soluble protein and have a tendency to swell under alkaline conditions. Barley beef hides from animals raised in darkness in deep litter have about 40% more soluble collagen than hides from animals reared by traditional methods. There is an increase in bull beef production as non-castrated animals put on weight at a

faster rate. At the age of about 18 months, such animals will have developed bull characteristics which, of course, are evident in the hide in lower substance on the spine, heavy shoulders and heavy substance in the belly.

Genetic defects in hides have received increased attention in recent years. The U.S. Department of Agriculture maintains that vertical fibre in Herefords is such a defect. This is now affecting 8% of cattle in some regions of the U.S.A. Bull progeny testing is very thorough when developing new breeds it is to be hoped that possible effects on the hide will be included in such development work.

The breeds giving the heaviest carcasses at 400 days are Charollais, South Devon, Devon, Lincoln Red and Sussex. Newly introduced breeds, Simenthal, Limousin, Blonde d'Aquitaines and Chianini by crossing in to other breeding stock will give rapid and heavier growth characteristics.

II THE HIDE AND SKIN ECONOMY

Being byproducts, hides and skins exhibit inelasticity of supply; therefore, they cannot respond directly to demand.⁴ However, as the demand appears in the form of footwear and clothing, which is second

only to feed in increased in consumer spending in a situation of growing affluence, some indirect correlation can be detected. Nevertheless, hides and skins must contend with a variety of negligent treatments which a prime product never experiences.

Annually, the world produces 228 million bovine hides and skins, 322 million ovine skins and 105 million goatskins.¹ Heavy bovines are produced principally in the beef producing countries of U.S.A. Canada and Australasia, and find their principal markets domestically or in Western Europe, U.S.S.R. and Japan. Lighter bovine and buffalo hides emanate from India (23 million p.a.), the Near and Far East (38 million p.a.) and Africa (12 million p.a.) and are marketed domestically or in the developed countries. (See table 1)

Calfskins are produced mainly in developed countries in Europe and North America, and remain in these areas for processing into leather. The largest sheep flocks have developed in the Southern Hemisphere in Australasia, Argentina and Uruguay, from where skins are supplied to Western Europe and North America. Developing countries have been the source of goatskin, along with the People's Republic of China, for tanners, again in the high income and centrally planned countries.

These regions have supplied 85% of the goatskins tanned in the developed countries. Goats are the main source of meat in a simple subsistence economy. As agriculture develops, goats decrease.

Although the livestock holdings in the Third World are higher than the developed world, they lag behind in meat and hide production because of the low slaughter rate. In North America, N.W. Europe, Australasia, U.S.S.R. and Eastern Europe, the rate is 35% to 40% of the national herd per year. In Southern Europe, South Africa, Argentine and Uruguay, which are at an earlier stage of development, the rate is between 20% and 30%. In Latin America (excluding Argentina and Uruguay,) the Near and Far East, the rate is 10% to 15% and in Africa and India the rate sinks below 10%.

It is clear that considerable scope for development occurs throughout the world. The U.S.A., the most developed nation, in 1971 produced 37 million hides, of which 21 million were used on their home market and 16 million on the export market. The U.S.A. and Argentina together used to supply half the world's export

market in hides. In 1963, the U.S.A. overtook Argentina as the world's major supplier. From exporting 8.3 million hides in 1969, Argentina has declined to nil exports as the result of a ban imposed during 1972. This was the initial cause of the 1971-72 unprecedented hide supply and price situation, and underlines the pressure on the U.S.A. as a hide exporter. Resulting from the feed-lot rearing development, the U.S. kill should gradually increase, but inevitably because of decreasing raw stock supplies in other sectors of the developing world, and despite a compensating increase in the volume of semi-processed hides and skins on the world market, the supply of raw hides will remain tight for the foreseeable future, and prices will remain firm.

To forcibly illustrate the raw material situation see table 3. It is interesting to compare this with the recent hide export figures for Argentine, Brazil and U.S.A. (see table 4).

The reductions in supply are far from being compensated by increases in supply from the U.S.A. As the disparity between supply and demand is the main governing factor in price, it is easy to understand that some grades of hide rose by 300% in price

during a 12 month period beginning in the summer of 1971. Because of high demand, it is still valid to state that the existence of alternative materials still performs the function of a safety valve preventing prices from rising to astronomic heights.

It seems sensible that, at a time when the value of raw material has risen, greater attention should be paid to methods of hide preservation and the organisation of primary processing. The conventional salt and pack cured hide is slowly disappearing simply because the cost of such curing is too high. Raceway curing in agitated saturated brine after demanuring and green fleshing is more economical, and the packer receives an added return for the fleshed hide. Salting and brining in hide processors is also gaining interest.

The necessity to regard the needs of the environment has accelerated the trend towards separate beamhouse processing, and in many cases abattoirs are erecting such facilities adjacent to their plants which are in areas and possess plant capable of handling the effluent. Plants can, therefore, supply pickled or wet-blue hides in a very efficient manner, for not only are curing costs eliminated by putting

the green hides immediately into the business operation, but capital tie-up in cured stock is removed and, ultimately freight costs are reduced because a more acceptable material is transported with a lower moisture content. Tanners who locate their beamhouse section near a packing station can contract for a daily delivery of fresh hides which have been simply cooled by ice-cold water after removal from the carcass.

a) Sheepskins

During 1972, wool prices trebled in Australia, a market situation which had been exaggerated by panic buying of wool by the Japanese. Cross wool, which was 18 c/lb in June, had risen to 227 c/lb in October, which is 12% above the 1951 Korean War level. The same quality wool in 1970 was only 18 c/lb. This serves to underline the low condition which the market had laboured under.

A shortage of wool reflects a shortage of sheepskins. As many countries are rebuilding their flocks, which had been depleted because of the low wool price, there is a low kill. Britain is, perhaps, exceptional in this respect, in that the kill has increased. However, the increase has not kept pace with demand,

and consequently, has had no staying effect on the rise in wool, woolskin and pelt prices.

Raw woolskin prices naturally advance as the season progresses, due to growth in skin area and length of wool. Skin prices in the U.K. in May 1972 were 120p rising to 250p in November 1972, a 100% rise. The price in October, 1971, was 121p per skin. Thus the season opened without any substantial falling back in price, and the rise during the season was inordinately steep, resulting from the high wool prices and big demand for furrier skins.

Lamb wool prices in early November were 85 p/kg, compared with 34 p/kg in November 1971, a 150% rise. Lamb pelts at the same time were £16.40 per dozen compared with £9.15 per dozen, an 80% rise.

Drought conditions in Western Australia and other parts of the world producing sheep, have had a marked effect on the wool and skin supply situation. The 1972 Australian wool clip was down by 7% on 1971. Additionally, a transport and abattoir strike in Western Australia resulted in the burying and total loss of five million putrefying skins.

The world has experienced a considerable growth in demand for woolled sheepskins at a time when shortage conditions prevail. To exacerbate the position, the Japanese and Soviet bloc have indulged in volume buying of raw skins. Japan is now producing from pickled and drum salted skins from Australasia a whole range of woolskin leathers. The Comcoon countries are becoming more eager to follow Western clothing trends and, allied with the conservationist principle which is so widespread, a turn toward sheepskin from the fur bearing animals for which they are renowned, has put further pressures on the market.

Britain is unique within Europe, having a relatively high sheep population of around 27 million, and an annual kill of 12 million. Many Continental buyers have recently realised this source of supply and, as a consequence, the number of skins exported has risen dramatically over the past ten years. In 1962, 30,000 skins were exported worth £23,000, but in 1971, 579,000 skins worth £546,000 left the country. In addition to the attraction of the volume available, U.K. skins are, perhaps, the most versatile in the world in application. Strong pelts with few defects make excellent leather, and good wool densities yield excellent rug-skins.

Wool prices on the world market fell drastically in the first week of April. In Australia the price was 174 c/kg compared with an average of 247 c/kg in February this year. The price of woolskins, usually commensurate, dropped hardly at all. Supplies were short and business generally slow, probably because of the onset of the Easter holidays. The feeling was that unless the fall in wool prices turned out to be lasting, it would have little effect on the price of woolskins.

In the U.K., English domestic October lambskins sold at 260 p and 270 p.

The low price fetched for wool in Australia was still considerably higher than the average of 65 c/kg in 1970-71 which was the lowest price since the war, and the average for February 1972 of 89 c/kg. The drop was partly due to the classification of the wool, but largely because of the absence of competition from Japanese buyers.

b) Pigskins

As supplies of raw hides and skins from the developing countries gradually diminish on the world market, and as leather continues as a highly desirable fashion and utility material, the more will slaughterers come to realise the potential value in the pigskins

which are at present being denied to the leather industry because of their inclusion in foodstuffs, whether it be pork, bacon, sausages or pork pies.

Tanners in the Western World, undoubtedly, will be searching for new sources of raw material as their own import volumes dwindle. To use the skins of animals which are reared in the home country is the obvious move and, therefore, it is conceivable that as goat skin availability, in particular, declines, so the pressure on slaughterers and meat processors to supply pigskins will increase.

A glance at the potential availability of pigskins gives an impression of the amount of leather which could be produced. New Zealand produces about 35 million sheep and lambskins per year which, at an average of 6 sq ft per skin, yield about 180 million sq ft of leather.

Throughout the world, including China, about 122 million goatskins are produced annually. These, at an average of 4 sq ft per skin, yield 488 million sq ft of leather. The pig population of the Western world is about 200 million which, with the split, could yield at 20 sq ft per skin, 4,000 million sq ft of leather per year.

The U.S.S.R., Eastern Europe, China, Japan and many other countries have traditionally removed the skin from the pig. It is only in Western Europe and North America that the production of pigmeat bearing the skin, the Wiltshire cure, has been adopted. There is an unfortunate trend in some countries to institute the Wiltshire cure in newly-erected modern meat plants. Brazil has been a notable source of raw and, lately, crust pigskins, but the supply is declining because of this trend.

The U.S.A. kills about 90 million pigs per year, from which only about one million skins are retained. A pigskin puller has recently been developed which removes the whole skin. The main proviso of successful machine pulling is that the skin is removed from the carcass while it is still warm. As the carcass cools, an increasing amount of fat comes away adhering to the skin, thus reducing the carcass yield.

From time to time, Russian raw pigskins are available on the world market. Russia will continue to be of interest as a source of such material as it has a pig population of over 55 million. The country with the highest pig population in the world is China, with an estimated number of 300 million, and a plan exists to increase

this to 600 million. Great Chinese pigskins are available but these, inevitably, are not always in the right tannage for the type of leather which the importing dresser desires to produce. As their numbers grow, there is the possibility that more raw pigskins will be available. In the U.S.A. it is hoped that pigskin production will advance from the present annual one million to 15 or 20 million.

If only 15% of Western skins from slaughtered pigs were recovered for the industry, it would be a significant increase in raw material availability, and would not be far short of the footage available from the world supply of goatskins. One of the main limiting factors, other than eating habits, is the price level on the hide market. A rapid fall in the market would diminish the interest in pigskins. However, the long period of high hide and skin prices has caused many to practically view pigskins as an alternative raw material, which can only encourage further progress towards a larger supply in the near or distant future.

III PRICE AND THE MARKET SITUATION

The steep rise in raw material prices which began significantly at the end of 1971 (see Figs 1, 2 and 3) can be attributed to several causes.

- 1) Fashion became centred upon things natural. The public expressed an aversion to synthetics consequently the demand for wool, leather, cotton etc increased.
- 2) Growth in fashionability coincided with the distinct diversification of the leather market. With more leather going into clothing and upholstery it became a more marketable product and was not so dependent on the ebb and flow of the footwear industry.
- 3) Many countries throughout the developing world were diverting more and more raw hides and skins to domestic production of leather and ultimately leather products for export. Home demand in nations with growing spending power had also to be satisfied.
- 4) Overkilling in Argentina at a time when the nadir of the biological cycle was reached caused a drastic reduction in slaughter, which, with the growing appetite of the Argentinian leather industry, resulted in the complete cessation of raw and even semi-processed exports.

It is little wonder therefore that during 1972 hide prices rocketed by 300% taking with them sheep and goat skin prices as rising prices did not cause any diminution in demand for leather.

A clear division can now be seen in the world economy in this sector. Countries which had traditionally exported hides and skins are processing more leather and leather products and have in several cases banned raw material and semi-processed exports. Countries which were hide importers have now to rely more heavily on domestic supplies and imports from other developed countries.

The leather and leather products industries despite mechanisation have remained relatively labour intensive, therefore there has been a trend away from the more affluent zones to the developing zones where labour is inexpensive and labour intensive industry is desirable for employment. The leather industries which remain in the developed countries have generally rationalised into large groups for more economic operations.

High raw material prices have caused tanners to live off the smallest stocks possible. This has favoured self sufficiency on the domestic market as reliance on imported raw stock when living on a hand to mouth basis is too dangerous as deliveries may not arrive when required. Although world prices of hides due to increases in supplies are somewhat below their peak of 1972, they

remain at a high level and seem to be uncertain as to their direction. This again favours the use of indigenous raw material.

The supply and price situation has favoured a growth in Intra-E.E.C. and E.F.T.A.-E.E.C. trade in recent years. However, a considerable shortfall in supplies remains which is at present being satisfied by imports of hides from North America, Australasia, South Africa and an increasing quantity of semi-processed materials from several sources. (See table 5)

IV THE POSITION IN SELECTED COUNTRIES

i) U.S.A.

In the first 11 months of 1972, U.S. exports of cattle hides and croupons totalled 16,466,000 compared with 14,307,000 in the same period of 1971. The number of cattle in feed lot has caused this growth in output. Demand for beef has now caused the U.S. herd to double in size in 20 years.

Imports of shoes from Italy, Spain, Greece and Brazil have posed stiff competition to U.S. shoe manufacturers which has been passed on to the tanners. Drastic reductions in the size of these industries and the diffidence of the U.S. Government to impose protection for the shoe industry and quota restrictions on hide exports have made the U.S. the major hide exporter in the world. The greater strength of the agricultural lobby in the U.S. Government than the tanners and shoe lobby will favour the continuation of unhindered hide export.

ii) Argentina

Mention has already been made of the growth of the Argentinian leather industry (see Table 6). Many of the firms which exported hides and skins are now engaged in tanning and exporting semi-processed and finished leathers. A build up of stocks of salted hides has been reported but whether these will be released for export remains to be seen.

iii) Japan

Japan, the biggest hide importer in the world took 6,624,000 U.S. hides in the first 11 months of 1972, compared with 5,296,000 in

the same period of 1971. As with other commodities, the Japanese have overbought and were reported to have been reselling branded hides to the U.S. market

and also reselling hides on the world market which had not yet been shipped from the U.S. The Japanese, who rely on imported hides for over 60% of their input are not taking up all the orders which they placed in 1972, a factor which gives U.S. tanners some encouragement. Japan is buying more semi-processed hides and skins from China. At the October 1972 Canton Fair 80% of the wet-blue hides on offer were taken by them. More raw hides and skins are being bought in Australasia.

iv) Australasia

There has been considerable growth in the cattle population in Australia and New Zealand. Exports of hides from Australia have been increasing, reaching 73,000 tons in 1971 and 98,400 tons in 1972 with growing demands from Europe, Japan and the Far East. Being a developed economy Australia has expanded in the more advanced manufacturing industries. It is a trait of a developing economy that industrialisation

commences with the products and by-products of agriculture as raw material.

Exports of hides and skins from New Zealand have not been rising at this rate. Although little has yet been done with regard to semi-processing hides, several tanneries have been built by N.Z., European and N. American interests to process sheep and lamb pelts, which have been exported in the pickle for many years, to the wet-blue, crust or crust suede condition for export.

The New Zealand economy is based on agriculture from which 1.8 million hides, 1.1 million calf skins, 27 million lamb pelts and 9.3 million sheep pelts emanate annually. Productions of cattle hide and pickled pelts has doubled in the last 15 years.

v) United Kingdom

Trade within E.E.C. and E.F.T.A. is accelerating (see table 5). As Britain is a major beef and lamb producer in the E.E.C., heavy demand for hides and skins is

being felt from other member countries. The number of European buyers on the UK market has never been so great. This is causing some embarrassment to U.K. tanners in raw material supply which is heightened by the growing practice of exporting live animals to Europe. About 40% of the U.K. tanners' potential raw material from domestic sources is now being exported.

vi) Brazil

Brazil claim that they will eventually be the world's most important beef producer. By 1980, they plan to double their cattle stock to 200 million head (the U.S. herd now stands at 122 million head). Frigorificos are being built in the leading cities, in the developing hinterland and at the mouth of the Amazon where cattle will be transported from the Matto Grosso on the new roads cut through the jungle. Hide and skin export is virtually totally banned so that the leather and leather products industries can have a ready supply of raw material. Along with other Latin American countries the Brazilian leather and leather products industries

have had the advantage of Government protection which has given them cheap raw material and export incentives. The South Africans recently complained that Brazilian leather was being landed at Cape Town cheaper than the market price for their wet-salted hides. With regard to Brazil the question remains will tannery expansion progress pro rata with the growth in hide availability. Already business men in Bahia (N. E. Brazil) have complained that the export ban on hides is restricting potential export business.

vii) India

For many years there has been minimal export of raw stock from India. This had been replaced by exports of crust and wet-blue leathers. India having the highest cattle population in the world and immense holdings of sheep and goat (see table 7), exports of these semi-processed leathers have been on a large scale and of great importance to the leather industries of Europe and N. America. Drastic reductions in availability of these leathers will

cause pressure to be put on other sources of supply in the world with a consequent firming of the world market levels. The demand for instance, of wet-blue Indian cow hides, which are generally poor quality being largely from fallen animals, has never been so great. This has been as a consequence of the world wide shortage of raw material.

The Indian Government has announced a severe quota system of restrictions on the export of all semi-processed leathers. The effect will be to cut exports of sheep, goat and calf and hides. Quotas will be based on 45% for calf, sheep and goat and 50% for hides of the exports in the best of the last five years. The efforts of the Indian Government to transform the leather industry into a major finished leather producer for export and the Indian leather products industries will undoubtedly cause concern throughout the developed world.

viii) South Africa

South African tanners absorb only 40% of the annual hide and skin production. The temporary export quota on hides imposed in the U.S.A. in 1972 had the effect of diverting attention to South African supplies. The run on these hides has been so great that South African tanners have besought their Government for the imposition of a levy which would allow them to buy hides below the export price. Tanners had suffered a 400% rise in their raw material prices which was considerably higher than the world average price rise.

N.B. For exports and imports of cattle hides, sheep and lambskins and goatskins in selected countries see tables 8, 9 and 10.

V CONCLUSION

Developing countries will continue to produce more leather and leather products for the domestic and export markets. The limited gateway afforded for these products into the developed world by the UNCTAD/GATT Generalised System of Preferences will continue to give strong competition to the leather industries in these countries. In the absence of political or economic disasters in developing countries causing them to revert to raw material export for immediate foreign exchange, the pattern of the drift of the leather and leather products industries to the developing countries may continue.

The growth in production of meat in the developed world yielding a increased supply of hides and skins could render countries self sufficient in this commodity and, in the development of technology requiring minimal labour, the future of the leather industry in these countries could be assured. The growing volume of exports from developed countries of raw hides and

skins could advance, if the U.S. example is followed, into the export of pickled or semi-tanned hides. Developed countries of necessity have had to install efficient effluent treatment plant, an obligation which will ultimately be imposed in the present developing countries and which is already happening, in Latin America.

Prices on the world market will be governed by the rate at which increased amounts of raw material in the developed countries are replacing the diminishing supplies of raw and semi-processed materials from the developing countries. The growth of imports of raw or semi-processed hides and skins into developing countries will be controlled by the success of their export marketing of leather products and the growth of home markets as their economic development advances. The major inponderable will be the level of imports into centrally planned countries. Cattle numbers have been growing rapidly in these countries, but slaughtering facilities have lagged behind.

All in all, the cleavage is between the developed and the developing. The former favouring laissez-faire trading conditions, the latter adopting protectionist policies for their growing industries. Many of the countries determined by UNCTAD/GATT as developing, in many respects have industries as developed technologically as anywhere in the world. Excessively strong competition from such industries could precipitate the imposition of protectionist measures in N. America and E.E.C. concerning hide and skin export and leather and leather products imports which would clearly restrict hide and skin trading more within the two economic world sectors.

REFERENCES

1. Food and Agricultural Organisation of the United Nations, Agricultural Commodity Projections 1970-80 Vol. 1. FAU Publication, Rome 1971
2. William Carey
What is New in Hide and Skin Market
Paper delivered at III International Conference on Raw Hides and Skins, Gottwaldov, Czechoslovakia October 1972 via LEATHER Vol. 174, Nov. 1972 p. 73
3. R. D. Higham
New U.S. Breeding Technique May Change Shape of Hide
LEATHER Vol. 174, Sept. 1972 p. 153
4. Dr. S. K. Barat
The Changing Pattern and Perspective in Conservation and Optimum Utilisation of Hides and Skins in Developing Countries.
Paper delivered at III International Conference on Raw Hides and Skins, Gottwaldov, Czechoslovakia October 1972 via LEATHER, Vol. 173, Nov. 1972 p. 73
5. J. Juranek
The Development of Leather Industry in Some of the Main Production Countries and the Resulting Changes in the Possibilities of Securing Raw Material Resources for Leather Industry in Europe.
Paper delivered at III International Conference on Raw Hides and Skins, Gottwaldov, Czechoslovakia October 1972 via LEATHER Vol. 174, Nov. 1972 p. 73

TABLE 1

LIVESTOCK POPULATION AND SLAUGHTER

1970-71

| | Cattle Pop. | Cattle Kill | Sheep Pop. | Sheep Kill | Goat Pop. | Goat Kill | Pig Pop. | Pig Kill |
|----------------|----------------|----------------|---------------|---------------|--------------|--------------|-------------|-------------|
| U.D. = no data | | | | | | | | |
| USSR | 12806 | 4344 | 25928 | 11460 | 15 | ND | 5742 | 14754 |
| U.K. | 21521 | 7872 | 10106 | 6599 | 324 | 0 | 11215 | 15500 |
| France | 14025 | 5595 | 843 | 482 | 10 | 50 | 28989 | 23230 |
| U. Germany | 8721 | 4842 | 7958 | 4648 | 1019 | 428 | 5982 | 4525 |
| Italy | 4335 | 1955 | 18443 | 11532 | 2558 | 1411 | 5017 | 5074 |
| Spain | 10213 | 4800 | 3200 | 1060 | 124 | 171 | 13450 | 14703 |
| Poland | 5215 | ND | 15812 | ND | 547 | 10 | 6355 | ND |
| Roumania | 1279 | 462 | 9573 | 5508 | 335 | 307 | 2339 | 1102 |
| Bulgaria | 5138 | 1623 | 8733 | 5237 | 153 | ND | 5592 | 5736 |
| Yugoslavia | 505 | 592 | 7650 | 6437 | 1100 | 3102 | 390 | 859 |
| Senegal | 12520 | 1656 | 30671 | 8763 | 5500 | 10 | 1853 | 1323 |
| South Africa | 26330 | 2322 | 12400 | 4520 | 11320 | 3700 | 17 | 15 |
| Ethiopia | 10301 | 1209 | 2000 | 636 | 4450 | 1200 | 22 | ND |
| Tanzania | 8500 | 195 | 3700 | ND | 4000 | ND | 75 | 84 |
| Kenya | 15650 | 790 | 13200 | 4011 | 10100 | ND | 7 | ND |
| Sudan | 11500 | 1458 | 8100 | 2600 | 23500 | 6550 | 840 | 517 |
| Nigeria | 3630 | 534 | 17500 | 2147 | 8850 | ND | 14 | 26 |
| Morocco | | | | | | | | |

Continued

| Country | 1974-75 Exp. | 1974-75 Kills | 1974-75 Deaths | 1974-75 Kills | 1974-75 Deaths | 1974-75 Kills | 1974-75 Deaths |
|----------------|-----------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| Argentina | 49786 | 12800 | 40000 | 9515 | 1400 | 4300 | 2500 |
| Brazil | 97000 | 9478 | 24512 | 9181 | 4700 | 1381 | 5700 |
| Chile | 9800 | 1217 | 10000 | 5181 | 15 | 900 | 310 |
| Colombia | 11052 | 9400 | 10000 | 81 | 928 | 110 | 1300 |
| Costa Rica | 25124 | 2000 | 1000 | 100 | 1000 | 1000 | 100 |
| Cuba | 6127 | 300 | 1000 | 300 | 1000 | 1000 | 1000 |
| Czechoslovakia | 11000 | 100 | 1000 | 100 | 1000 | 1000 | 1000 |
| France | 60150 | 10000 | 10000 | 10000 | 10000 | 10000 | 10000 |
| Germany | 10000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 |
| India | 10000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 |
| Iran | 10000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 |
| Italy | 10000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 |
| Japan | 10000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 |
| South Korea | 10000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 |
| USSR | 10000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 |
| USA | 10000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 |
| UK | 10000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 |
| Canada | 12275 | 4047 | 375 | 561 | 10 | 10 | 10 |
| Australia | 20072 | 6900 | 173200 | 42100 | 10 | 10 | 10 |
| New Zealand | 8819 | 3177 | 58913 | 37365 | 78 | 10 | 627 |

* estimated

TABLE 2

PROJECTED BEEF AND VEAL PRODUCTION

| | Cow Numbers (1,000) | Calving Rate (%) | Calf Crop (1,000) | Calves Slaughtered (1,000) | Average Carcass Wt (kg) | Calves for beef (1,000) | Average Carcass Wt (kg) |
|-----------------|---------------------------|------------------------|-------------------------|----------------------------------|-------------------------------|-------------------------------|-------------------------------|
| N. America | | | | | | | |
| 1964-66 average | 26,127 | 79 | 44,459 | 8,600 | 59 | 35,859 | 257 |
| 1970 | 25,320 | 87 | 48,755 | 7,574 | 61 | 41,214 | 261 |
| 1980 | 25,245 | 90 | 52,341 | 4,736 | 73 | 47,805 | 287 |
| S. America | | | | | | | |
| 1964-66 average | 25,271 | 73 | 18,622 | 7,425 | 72 | 11,197 | 257 |
| 1970 | 26,012 | 76 | 20,216 | 7,461 | 60 | 12,755 | 267 |
| 1980 | 25,753 | 83 | 21,416 | 7,393 | 106 | 14,025 | 288 |
| Other W. Europe | | | | | | | |
| 1964-66 average | 18,548 | 78 | 14,423 | 5,222 | 60 | 8,890 | 225 |
| 1970 | 19,041 | 79 | 15,064 | 4,838 | 92 | 10,235 | 228 |
| 1980 | 19,144 | 83 | 15,955 | 4,272 | 111 | 11,646 | 248 |
| Oceania | | | | | | | |
| 1964-66 average | 14,449 | 60 | 8,733 | 2,964 | 27 | 5,489 | 211 |
| 1970 | 15,349 | 62 | 9,562 | 3,058 | 29 | 6,504 | 209 |
| 1980 | 17,227 | 67 | 11,465 | 2,820 | 33 | 8,645 | 214 |

TABLE 3

RAW MATERIAL SURPLUS AND DEFICIT CHART 1966/68

| | Cattle hides (000 tons) | Sheepskins | Goatskins |
|---------------------|----------------------------|------------|-----------|
| SURPLUS | | | |
| North America | 370 | 0 | 0 |
| Africa | 100 | 97 | 0 |
| South America | 185 | 30 | 3 |
| Australasia | 65 | 80 | 0 |
| Asia | 0 | 23 | 18 |
| DEFICIT | | | |
| North America | 0 | 24 | 5 |
| Africa | 0 | 0 | 0 |
| Australasia | 0 | 0 | 0 |
| South America | 0 | 0 | 0 |
| Europe | 530 | 130 | 25 |
| Japan | 165 | 0 | 0 |
| Asia (except Japan) | 14 | 0 | 0 |
| Mexico | 33 | 0 | 0 |

TABLE 4 .

HIDE EXPORTS FROM ARGENTINA, BRAZIL AND U.S.A.

| | <u>Argentina</u> | <u>Brazil</u> | <u>U.S.A.</u> |
|------------------|------------------|---------------|---------------|
| 1969 | 8,300,000 | 2,500,000 | 14,500,000 |
| 1970 | 7,500,000 | 1,600,000 | 15,200,000 |
| 1971 | 3,400,000 | 1,100,000 | 16,300,000 |
| 1972 (estimated) | NIL | NIL | 17,000,000 |

TABLE 5

INTRA-EUROPEAN TRADE
(excluding Greece and Iceland)

| Exporting countries | 1970 | | | | 1971 | | | | TOTAL |
|-------------------------------|---------------|----------------|-------------------------------|-------|---------------|----------------|-------------------------------|-------|-------|
| | EEC Countries | EFTA Countries | Other European OECD Countries | TOTAL | EEC Countries | EFTA Countries | Other European OECD Countries | TOTAL | |
| CATTLE HIDES (wet-salted wt.) | | | | | | | | | |
| importing countries | | | | | | | | | |
| EEC Countries | 133.1 | 32.3 | 1.5 | 166.7 | 145.9 | 135.3 | 0.9 | 182.2 | |
| EFTA Countries | 25.6 | 23.3 | 12.2 | 61.6 | 21.5 | 27.4 | 15.0 | 43.9 | |
| Other European OECD | 7.0 | 7.8 | - | 14.8 | 12.6 | 7.6 | 0.1 | 20.3 | |
| Totals | 165.7 | 63.9 | 13.5 | 243.1 | 181.0 | 170.1 | 16.0 | 346.0 | |
| CALFSKINS (wet-salted wt.) | | | | | | | | | |
| EEC Countries | 16.3 | 7.8 | 0.1 | 24.2 | 23.1 | 7.2 | 0.1 | 30.4 | |
| EFTA Countries | 2.5 | 0.9 | 0.2 | 3.6 | 2.6 | 1.1 | 0.1 | 3.7 | |
| Other European OECD | 1.9 | 0.4 | - | 2.3 | 2.9 | 0.2 | - | 3.1 | |
| Totals | 20.7 | 9.1 | 0.3 | 33.1 | 28.4 | 9.1 | 0.2 | 37.1 | |
| SHEEPSKINS (dry wt.) | | | | | | | | | |
| EEC Countries | 5.9 | 5.5 | 1.1 | 12.5 | 9.5 | 5.1 | 1.0 | 12.6 | |
| EFTA Countries | 1.7 | 1.9 | 2.7 | 6.3 | 2.0 | 2.3 | 1.1 | 5.4 | |
| Other European OECD | 0.9 | 0.1 | 0.1 | 1.1 | 1.3 | 0.1 | 0.3 | 1.7 | |
| Totals | 8.5 | 7.5 | 3.9 | 19.9 | 13.1 | 7.4 | 2.4 | 19.7 | |
| GOATSKINS (dry wt.) | | | | | | | | | |
| EEC Countries | 0.4 | 0.1 | 1.2 | 1.7 | 0.3 | 0.1 | 1.0 | 1.3 | |
| EFTA Countries | - | - | 0.1 | 0.1 | 0.1 | - | 0.1 | 0.2 | |
| Other European OECD | 0.1 | - | 0.1 | 0.2 | - | - | 0.3 | 0.5 | |
| Totals | 0.5 | 0.1 | 1.4 | 2.0 | 0.6 | 0.1 | 2.2 | 3.0 | |

Source Hides Skins & Footwear Industry in OECD countries 1971-1972 statistics.

TABLE 6

VALUE OF EXPORTS OF CATTLE HIDES FROM ARGENTINA

| | RAW | TANNED | TOTAL |
|----------------------|--------------------|--------------------|--------------------|
| 1969 | 52,200,000 dollars | 27,900,000 dollars | 80,000,000 dollars |
| 1970 | 48,700,000 " | 34,700,000 " | 85,400,000 " |
| 1971 | 19,300,000 " | 36,000,000 " | 55,300,000 " |
| 1972 (six months of) | 5,300,000 " | 31,900,000 " | 37,200,000 " |

TABLE 7

INDIAN LIVESTOCK POPULATION AND HIDE AND SKIN ANNUAL YIELD

| | | |
|---------|-------------|--------------------------|
| Cattle | 176 million | 19.25 million hides p.a. |
| Buffalo | 53 million | 6.31 million hides p.a. |
| Goat | 66 million | 44.60 million skins p.a. |
| Sheep | 43 million | 16.52 million skins p.a. |

TABLE 9

CATTLE HIDE EXPORTS FROM SELECTED COUNTRIES

| | '000 tons | | | | |
|--------------|-----------|-------|-------|-------|--------|
| | 1968 | 1969 | 1970 | 1971 | 1972 |
| Australia | 48.4 | 54.6 | 61.7 | 73.0 | 93.4 |
| Canada | 58.2 | 51.2 | 47.4 | 46.3 | 56.9 |
| New Zealand | 24.6 | 27.0 | 28.1 | 28.3 | N.D. |
| U.K. | 23.5 | 20.4 | 22.1 | 22.3 | 31.7 |
| South Africa | 17.1 | 23.3 | 19.6 | 25.1 | 39.6* |
| U.S.A. | 354.4 | 494.7 | 494.3 | 422.8 | 442.2* |
| Argentina | 162.5 | 143.8 | 150.1 | 59.0 | 14.7* |
| Brazil | 14.1 | 57.1 | 35.5 | N.D. | N.D. |

CATTLE HIDE IMPORTS BY SELECTED COUNTRIES

| | '000 tons | | | | |
|--------------|-----------|-------|-------|-------|-------|
| | 1968 | 1969 | 1970 | 1971 | 1972 |
| U.K. | 39.0 | 43.0 | 37.8 | 36.5 | 29.0 |
| Italy | 142.5 | 197.7 | 176.5 | 159.3 | 162.0 |
| Japan | 170.5 | 200.0 | 208.1 | 186.6 | 216.1 |
| West Germany | 80.2 | 79.0 | 62.8 | 53.2 | 50.9* |
| France | 27.6 | 27.9 | 26.7 | 31.4 | 37.5 |
| Spain | 25.5 | 44.9 | 33.6 | 54.7 | 33.8* |

* January-November

Source

Commonwealth Secretariat Hides & Skins Quarterly, March 1973.

TABLE 9

SHEEP AND LAMBSKINS EXPORTS FROM SELECTED COUNTRIES

| | | '000 tons | | | |
|--------------|---------|-----------|-------|-------|-------|
| | | 1969 | 1970 | 1971 | 1972 |
| Australia | Woolled | 105.3 | 112.4 | 115.8 | 132.8 |
| | Other | 1.9 | 1.9 | 2.1 | 4.5 |
| New Zealand | Woolled | 3.0 | 2.8 | 2.8 | ND |
| | Other | 39.6 | 40.3 | 41.8 | ND |
| South Africa | Woolled | 13.4 | 20.4 | 18.3 | 17.0* |
| | Other | | | | |
| Argentina | Woolled | 17.0 | 11.4 | 20.7 | 20.9* |
| | Other | | | | |
| Uruguay | Woolled | 8.5 | 5.7 | 6.1 | 3.3* |
| | Other | | | | |
| U.K. | Woolled | 7.5 | 7.3 | 8.4 | 9.1 |
| | Other | | | | |

SHEEP AND LAMBSKINS IMPORTS INTO SELECTED COUNTRIES

| | | 1969 | 1970 | 1971 | 1972 |
|--------|---------|------|------|-------|-------|
| U.K. | Woolled | 17.0 | 18.5 | 17.4 | 20.3 |
| | Other | 13.6 | 14.6 | 12.6 | 13.4 |
| France | Woolled | 80.7 | 89.4 | 107.3 | 118.5 |
| | Other | 7.1 | 7.3 | 10.3 | 12.6 |
| Italy | Woolled | 44.0 | 37.3 | 37.0 | 57.5 |
| | Other | 12.5 | 13.7 | 15.6 | 17.2 |
| Spain | Woolled | 13.7 | 6.7 | 8.9 | 9.0* |
| | Other | 5.5 | 0.9 | 1.6 | 2.2* |
| U.S.A. | Woolled | - | - | - | - |
| | Other | 22.1 | 22.2 | 21.9 | 20.2* |

* January - November + January - September x January - June

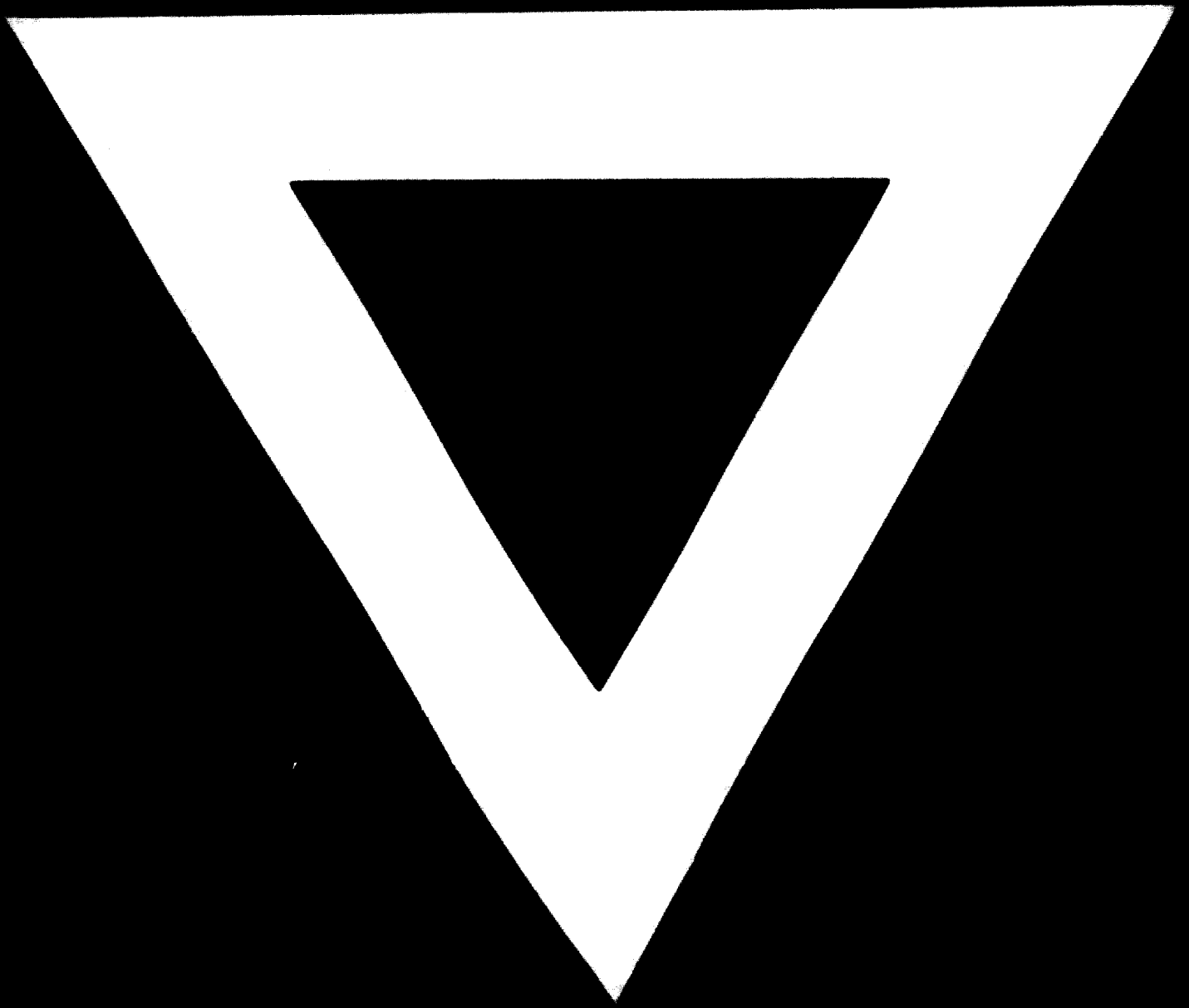
TABLE 10

GOAT- AND KIDSKINS: TRADE OF CERTAIN COUNTRIES

| | 1968 | 1969 | 1970 | 1971 | 1972 |
|----------------|--------|--------|--------|--------|---------|
| Exports from: | | | | | |
| India | 4,020 | 5,353 | 4,638 | 371 | No data |
| East Africa | 1,825 | 1,867 | 1,807 | - | " |
| Nigeria | 2,279 | 2,541 | 1,996 | 1,695 | " |
| Cote d'Ivoire | 1,037 | 1,137 | 427 | 1,542 | " |
| Turkey | 1,390 | 1,036 | 814 | 852a | " |
| South Africa | 1,141 | 1,352 | 1,333 | 1,674 | " |
| Brazil | 2,032 | 2,259 | 1,793 | - | " |
| Imports into: | | | | | |
| United Kingdom | 1,161 | 1,475 | 939 | 1,397 | 1,067 |
| France | 1,979 | 2,026 | 1,593 | 2,342 | 2,237 |
| Italy | 13,914 | 14,816 | 12,638 | 14,707 | 13,359 |
| West Germany | 3,529 | 4,023 | 2,507 | 2,196 | 2,115 |
| Spain | 1,044 | 3,031 | 1,534 | 3,267 | No data |
| Sweden | 1,195 | 1,030 | 1,209 | 1,011 | 1,011 |
| United States | 3,225 | 2,901 | 1,811 | 1,352 | No data |

a January-June. b January-June

Source Commonwealth Secretariat Hides & Skins Quarterly, March 1973



6 . 8 . 74