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REGIONAL AFRICA

HIDES & SKINS, LEATHER AND LEATHER PRODUCTS IMPROVEMENT SCHEME

US/RAF/88/100/11-55

MISSION REPORT (*)

in Ethiopia

January 1993

Based on the work of

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Agro-Based Industries Branch

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US/ETH/88/100-RAF/88/902

**UNIDO/FAO PROJECT
REGIONAL HIDES AND SKINS, LEATHER AND LEATHER PRODUCTS
IMPROVEMENT SCHEME - HIDES AND SKINS COMPONENT - ETHIOPIA
(Stage 3)**

CONSULTANT REPORT

**by T.J. Devassy
Hides and Skins Improvement Consultant**

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
ROME, JANUARY 1993**

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SUMMARY OF RECOMMENDATIONS

There is an urgent need for the formation of a consultative committee consisting of Ministries of Agriculture, Industry, Trade and Commerce and representatives of the tanneries and traders for crisis management in the leather industry and to advise the Government on policies and other matters.

FAO of the United Nations may favourably consider any request from the Government of Ethiopia for Emergency assistance for animal disease control to check the increasing damage to sheep and goat skins by parasites. Salting as a curing method should continue until suitable alternate systems are developed. In this connection, efforts should be made to utilise all the hides and skins in and around Addis Ababa and other centres for direct processing without preservation.

The proposed II phase of the project may be initiated in January 1993 as planned and during implementation, special emphasis may be given to the linking of drying sheds to slaughterslabs with provision for water storage; grading and marking of hides and skins with necessary alterations and monitoring of grades in tanneries; reporting and data analysis and feed-back; and orientation training to the staff, in the present and the extended target area.

Licensing of traders in the border areas should receive special attention of the Government and the present data on the grades and collection in the target area may be taken as a base data to monitor the progress of work.

1. INTRODUCTION

1.1 The first phase of the UNIDO/FAO project US/ETH/88/100-RAF/88/902 (Hides, Skins and Leather Products Improvement Scheme) started in January 1990 and ended by December 1992. The main objectives of the project were:

- a) to establish a national pilot scheme and to demonstrate in practical terms the process of hides and skins improvement from butchering and flaying to conservation, grading and collection;
- b) to act as catalyst to national authorities to introduce incentives for improved quality performance.

These will result in improvement of the country's economy, create new employment opportunities, improved export performance, increase the income of the primary producers and better performance of the leather industry.

The international expert in Hides and Skins Improvement worked in the project during the period June 89 to May 1991 which also included FAO TCP programme. (Refer reports TCP/ETH/8856-1991 and US/RAF//88/902, May 91).

1.2 During the above period, the project achievements were: Starting with an orientation seminar for 45 field officers in the target area on the technical and operational aspects of the project giving each field officer a special assignment for development, two more training workshops were held for 52 of the field staff on grading, marking and reporting system. 25 field workers were given technical training for 45 days in Productivity Improvement Centre. One week refresher training was given to 60 artisans in 6 centres. Under the overseas study tour programme, the project co-ordinator and the Asst. Project co-ordinator visited Germany, Switzerland and India, while the Zonal Co-ordinator and 4 Regional Co-ordinators visited Kenya, Zambia and Zimbabwe which gave them an in-sight into the status of the technology development in other countries. Along with the demonstration of proper techniques of hides and skins preparation and preservation, ripping and flaying knives were distributed in all centres in the target area and also outside the target area. The extension service was strengthened by the provision of 10 motorcycles and 2 four wheel drive vehicles for field work including demonstration

and technical advice. A system of monthly reports and data collection was designed and introduced and the data collected was analysed with graphic representation to monitor the progress of work and provide feed-back to the field staff. A Handbook on hides and skins was published and distributed to the field staff. This handbook was also distributed to the field staff in other counties covered by the regional project. A system of grading of hides and skins and marking the grades using a marking hammer was introduced in the target area and this system was to act as an incentive to the primary producers by paying higher prices for better quality hides and skins. In addition, the system involves the actual quality assessment of the marked hides and skins in tanneries before and after processing.

The construction of two drying sheds for demonstrating proper methods of preservation was initiated. Designs for 7 posters on hides and skins improvement work have been prepared.

1.3 During early 1991, there was political and social unrest in the country which dislocated the smooth operation of the project. Now, the situation is back to normal and so also the project activities. The present assignment of the consultant** based on the terms of reference given below will also assess the status of the hides and skins sub-sector related to quality and collection improvement, grading and marking of hides and skins, the functioning of model drying sheds, reporting and statistical analysis of data in the target area, arrangements with the tanneries regarding proper grading and pricing and the need for the extension of the project into phase 2. The period of the consultancy was 9 November 1992 to 13 January 1993.

1.4 The terms of reference were:

1. In co-operation with the local experts, UNIDO Sub-contractors and local organizations concerned in the various countries, to establish/rehabilitate/assist the hides and skins improvement schemes.

** Dr. T.J Devassy, Hides and Skins Improvement Consultant did the required consultancy.

2. Prepare and arrange printing materials such as guide books, grading norms, butcher and flayers' licenses etc to be translated into local languages.
3. Work out a suitable grading system for the various countries, taking into consideration the individual needs of the countries' raw material base and socio-economic situation. This work is carried out in co-operation with the local authorities, trade and the sub-contractors concerned.
4. Work out a suitable framework for an incentive system for primary producers, hide collectors etc. for the various countries. The individual characteristics and needs of each country must be taken into consideration.
5. Conduct regional and local training courses for hides and skins improvement officers, butchers, flayers etc. These courses are to be conducted in co-operation with the sub-contractors' personnel in accordance with the terms of reference prepared.

The expert will also be expected to prepare a technical report setting out his findings and recommendations to the Government on further action which might be taken.

- 1.5 The organization wishes to thank Mr. Sintayehu G/Mariam, Head, Animal Resources Marketing Department of Ministry of Agriculture and his colleagues for all help and co-operation during the consultancy.

2. ACTIVITIES, FINDINGS AND CONCLUSIONS

2.1 The main activities during the mission were:

-Discussions with the Head of Animal Resources Marketing Department (MOA) and UNIDO/FAO project co-ordinators regarding the status of the project.

-Visit to various Hides and Skins Centres in the target area to assess the actual working and impact of the project and to study the working of two model-drying sheds constructed under the project. In all the centres, the visit included discussions with the officials of Ministry of Agriculture and the project personnel on the site and visit to slaughterhouses, drying sheds and traders' premises in each centre.

-Discussions with the management of three tanneries in Addis Ababa on their problems related to raw hides and skins and the proposals to monitor the marked quality grading on hides and skins under the project.

-Evaluation of the system of reporting by the field staff and the data analysis done by the project co-ordinators in Addis Ababa.

-Review of the achievements of the first phase of the project and of the draft proposal for the second phase of the project with the Animal Resources Marketing Department and the officials from UNIDO. Participation in UNIDO sponsored meeting on preparation of development strategy for leather industry in Ethiopia for programme implementation in the UNDP 5th cycle country programme.

-Assist Animal Resources Marketing Department (MOA) in preparation of two pilot Research Projects being financed by the Department of Science and Technology (Government of Ethiopia). The projects were (1) Research for regional classification of sheepskins based on defects (2) Comparative study on preservation of goatskins by rope drying, frame drying and wet salting. The projects are based on the previous recommendations made by FAO/UNIDO to the Government.

-Assist Animal Resources Marketing Department (MOA) in identifying the causes for the damage by the parasites to sheep and goat skins and possibilities of remedial measures. (For places and tanneries visited and for field report refer Annex-1).

2.2 Findings and conclusions:

2.2.1 Project Outputs

a) Policy guidelines and development strategy:

A new agricultural and livestock sector policy including hides and skins improvement has been prepared and submitted to the present Government and its implementation can be expected in 1993.

b) Training, tools and other supplies:

The in-service training of the technicians, refresher training of artisans, refresher training in grading and marking and overseas study tours for project and regional co-ordinators have been completed in a very satisfactory manner. The provision of motorcycles and other vehicles, proper knives and handbook on hides and skins have helped to reactivate the extension services. Seven posters on hides and skins improvement work which were designed earlier are being printed in Addis Ababa and expected to be ready for distribution and display in the near future. The civil and political unrest in the country completely dislocated the extension services and project implementation became difficult. It is now observed that the extension services are in-tact and fully active again.

c) Country (target area) Statistical Report:

It has to be mentioned that the system of compilation of data related to collection, grading and main defects of hides and skins has been carried out satisfactorily. In all the centres, monthly records are kept using a standard format and these are regularly reported to the Zonal office in Awassa and head quarters in Addis Ababa. The zonal office compiles the data for the target area and reports to the project headquarters. It was expected that the project co-ordinators will analyse the data received and present them as charts and graphs as was being done in the earlier periods. This practice was discontinued making it difficult to follow the trend of development. The statistical reports did give definite information on collection, grades and the main defects. (Refer to tables I and II in 2.2.1d). The data also showed that the main defects continued to be flaycuts (more than 10%) and putrefaction of hides and skins.

d) Improved Quality, Grading and Collection:

For Grading of hides and skins, Ethiopian standards on grading was used which covers all aspects of quality grading. The project has already sent the comments on the proposed regional standards for hides and skins as formulated by UNIDO and discussed during UNIDO and FAO seminars. There is very little difference between the proposed regional standards and the existing national standards and hence the proposed regional standards can be easily adopted.

As a policy, all the hides and skins in the target area are technically graded by the extension staff and grades expected to be marked by a marking hammer before sent to the tanneries. It was found that only in the North Omo region, which produces 17% of cattle hides, 46% of sheepskins and 55% of goatskins, the marking was being practiced in all the centres. In other 3 regions, only in some centres, marking hammer is being used. It is also found that the tanneries have not started monitoring the marked quality grades and send the feed-back information. In a way, this has discouraged the field staff in fully implementing the marking policy. There were also some practical problems in marking wet salted stock and skins which are not flat in the shanks. It is necessary to introduce alternate simpler marking system.

The marking practice is to ensure that the primary producer gets higher price for better quality which will act as an incentive for quality improvement. After discussions, it is now agreed by Awash Tannery and Ethiopian Tannery that they will process the marked hides and skins separately and monitor the quality grades and send the feed-back information to the Ministry of Agriculture for follow-up. In each of the tanneries, one liaison officer will be nominated for this purpose.

In the Collection of hides and skins, there had been varying trends during the last three years. In the initial stages, there were no marked changes but showed trends of improved collection later. This improvement was not sustained due to various factors and the figures available for the period April 1991 to March 1992 show that it is only 65% of the base collection data for cattle hides, about 72% in case of sheep skins and about 83% in case of goat skins. The present field reports and

tannery reports show that the collection of hides and skins is showing an improved trend. The annual collection for period April 1991 to March 1992 was 98,737 cattle hides, 400,700 sheepskins and 187,146 goatskins. There were unexpected developments like the social and civil unrest in the country which completely dislocated the extension services and movement of hides and skins causing a sharp decline in collection. The other negative factors were: dissolution of National Leather and Shoe Corporation and subsequent dislocation in supply of salt in the regions; lower meat consumption; the sharp decline in price of raw goat and sheep skins (30 to 50% decline); transport problems, contraband trade; non-functioning of the service co-operatives and hoarding of hides and skins by the traders on the hope of a price rise for raw hides and skins consequent to the currency devaluation.

While Quality improvement for hides and skins for the whole target area may not be impressive (Table I), there has been steady quality improvement in North Omo Region and few other centres like Dilla. Table II gives the comparative figures for North Omo region.

TABLE I- TARGET AREA: QUALITY GRADES FOR HIDES AND SKINS GIVEN AS PERCENTAGES

YEAR	CATTLE HIDES				
	Gr. I	Gr. II	Gr. III	Gr. IV	R
1989-90	52	27	21	-	-
1990-91	48	27	16	8	1
1991-92	42	28	17	11	2

YEAR	SHEEPSKINS				
	Gr. I	Gr. II	Gr. III	Gr. IV	R
1989-90	52	29	19	-	-
1990-91	51	30	15	3	1
1991-92	60	24	12	3	1

YEAR	GOATSKINS				
	Gr. I	Gr. II	Gr. III	Gr. IV	R
1989-90	46	33	21	-	-
1990-91	41	31	21	6	1
1991-92	46	28	18	7	1

TABLE II- NORTH OMO REGION - QUALITY GRADES FOR HIDES AND SKINS
GIVEN AS PERCENTAGES

YEAR	CATTLE HIDES FROM SLAUGHTERHOUSES				
	Gr. I	Gr. II	Gr. III	Gr. IV	R
1990-91	65	25	7	3	-
1991-92	73	20	5	2	-
Sept. 92	82	15	3	-	-

YEAR	CATTLE HIDES FROM TRADERS				
	Gr. I	Gr. II	Gr. III	Gr. IV	R
1990-91	38	34	20	5	3
1991-92	38	32	23	6	1
Sept. 92	52	31	16	1	-

YEAR	SHEEPSKINS WET SALTED				
	Gr. I	Gr. II	Cr. III	Gr. IV	R
1990-91	51	32	15	2	-
1991-92	73	19	4	1	-
Sept. 92	78	17	5	-	-

YEAR	SHEEPSKINS AIR DRIED				
	Gr. I	Gr. II	Gr. III	Gr. IV	R
1990-91	42	29	21	7	1
1991-92	53	24	19	4	1
Sept. 92	53	30	11	5	1

TABLE -II (cont.)

YEAR	GOATSKINS WET SALTED				
	Gr. I	Gr. II	Gr. III	Gr. IV	R
1990-91	54	29	17	-	-
1991-92	63	27	8	1	1
Sept.92	75	23	2	-	-

YEAR	GOATSKINS AIR DRIED				
	Gr. I	Gr. II	Gr. III	Gr. IV	R
1990-91	36	32	22	8	2
1991-92	42	27	20	8	1
Sept.92	45	31	16	7	1

The quality improvement as shown in tables I and II has to be viewed against various negative factors affecting the quality. They were: the civil and political unrest in the country resulting in the dislocation of the extension services; the dislocation in the supply of salt which has very much affected quality of sheepskins; the spread of animal diseases, low price for skins resulting in lesser care in preparation and preservation.

e) Revolving Fund and Model Drying Sheds:

Two model drying sheds have been constructed and started frame drying of hides. While the construction of the shed in Boditi (Delbo Hamus) has been completed very satisfactorily and working since 3 months, the shed in Awasa (Tula) which started operation since a few weeks, needs a few modifications as provision of water, protection of storeroom from rain and drainage inside the shed. The initial quality of grades of one lot 60 hides in Boditi has shown 71% first grade hides, which is very encouraging. The required fencing for these sheds are being made. (more details - refer Annex-1B Report on

field visit). Only tentative arrangements have been made between the concerned service co-operatives and the butchers regarding the rent to be paid for the shed and other working conditions. While the users have agreed to pay the fees towards the project revolving fund, it is necessary for the project National Expert to open a special account for this purpose and advise the field coordinators on the system to be followed.

2.2.2 Tannery Problems

a) Salt Distribution:

Salt distribution to the traders in the regions has been badly affected since last year's disturbances in the country and has become worse after the dissolution of National leather and Shoe Corporation. There is sharp rise in price of salt (9 times), often the salt is badly contaminated and the supply is very irregular. The adverse effects are felt more in case of sheepskins, where the quality has gone down and the rejection due to putrefaction has risen to 25%. This problem needs immediate solution to check further deterioration in quality of skins.

b) Skin Damages due to Parasites:

Of late, tanners have reported a sharp increase in skin damages due to parasites. According to them, it has reached an alarming proportion bringing down the pickle selections and increasing the rejection rates. Both sheep and goat skins are affected but in sheep, the effects are more pronounced. About 30 to 75% of the processed skins are affected and skins from Wollo region are worst. The grain defects are visible only when the skins are processed. The main parasite attack is during the rainy season from July to January, when the losses are heavy. The exact nature of these parasites are not understood, whether they are bacterial or otherwise. Out of the affected skins, only lower pickle selections are possible and an estimate puts it as 50% loss on normal selections. If this problem is not tackled immediately, it may rock the very base of the skins industry in Ethiopia.

Already the Animal Resource Marketing Department has taken up the problem with the Veterinary Services Department and they have commenced the field work to identify the exact nature of the parasites. Once the parasites are identified, it must be possible to work out remedial measures and if necessary request the International Organizations for assistance.

c) Raw Skins Price:

The decline in prices of sheep and goatskins has adversely affected the quality and collection of skins. Consequent to currency devaluation in the country, there had been an increase in some commodity prices and the primary producers of hides and skins are expecting a similar price rise. Any delay in decisions on price support to the primary producers will further damage the industry. The tanneries are concerned about the smaller size of sheepskins coming to the market.

d) Liaison:

The communication between the tanneries and various agencies connected with the development of hides and skins and leather industry seems to be very much below the desired level. This situation is partially responsible for not finding solutions to problems affecting the leather industry, as and when they arise.

2.2.3 Pilot Studies:

Sponsored by the department of Science and Technology, the Animal Resources Marketing Department (MOA) in collaboration with the tanneries have taken up two pilot studies (1) Comparative study of preservation of goatskins by rope drying, frame drying and wet salting. (2) Research for regional classification of sheepskins based on defects. It was felt that rope drying of goatskins is not an effective system as very often only one rope is used instead of three ropes and this resulted in putrefaction of skins. Before introducing any alternate system, the study is being made on the comparative merits of different systems. The study on classification of sheepskins based on defects will cover only limited regions and this study will form the base for the introduction of regional classification of hides and skins on a national level.

2.2.4

Contraband Trade:

By more active extension work in the border areas, the contraband trade was contained to a limited extent. However, after devaluation, there had been more contraband activities and the traders are tempted to look at the price advantage across the borders. It is for this purpose, most of the traders in the border areas remain to be unlicensed so that they can take advantage of price variations on either side. It is upto the concerned authorities to bring these traders under the rules and regulations in the country.

J. RECOMMENDATIONS

3.1 Consultative Committee

It is recommended that the UNIDO/FAO project or the Animal Resources Marketing Department of MOA may take initiative to form immediately a consultative committee consisting of Ministries of Agriculture, Trade, Industry and Commerce and representatives of tanneries and traders to monitor various problems affecting hides, skins and leather sector and to suggest ways and means of solving the problems and advise the Government on policy and other matters. It is felt that lack of communication between tanneries and related Agencies is a serious impediment in the development of hides, skins and leather sector.

3.2 Emergency Assistance for Animal Disease Control

As the tanneries are incurring great losses due to grain damage to sheepskins and to a lesser extent in goatskins, the work already initiated by the Ministry of Agriculture to identify the exact nature of the parasites causing this problem to sheep and goat should be expedited and it is recommended that once the parasites are identified and when requested by the Government, international organizations like FAO may provide emergency assistance to combat this increasing menace to sheep and goat skins.

3.3 Salt Curing

Though salt causes pollution and environmental damage, as salting is the only curing method available now in developing countries to eliminate putrefaction losses especially during rainy season and in case of sheep skins, it is recommended salting should continue as a curing technique until suitable alternate systems are developed. There is a need to compromise between the national economic interests and the environmental protection. The present Ethiopian experience of quality degradation due to problems of salt supply may be taken note of. In this connection it is further recommended that in Addis Ababa and in other tanning centres, the green hides and skins available in the neighbourhood should be directly processed by the tanneries without preservation.

3.4 Contraband Trade

To counter the contraband trade, the extension services in the border areas may be further strengthened and the traders in these areas may be forced to take trading licenses and follow the rules and regulations in the country.

3.5 Pilot Studies

Based on the results of the pilot study being made on the preservation of goatskins, it is recommended that rope drying of goatskins may be replaced by a suitable technique. Also, the results obtained in the limited study on the classification of sheepskins may be used to initiate a programme for regional classification of hides and skins on a national level. Incentives to avoid flay-cuts may be introduced in selected abattoirs.

3.6 Activities under Project Phase II

The proposed Phase II of the project may be initiated in January 1993 as planned and continuity of activities will assist to keep up the momentum of development. During project implementation, special emphasis may be given to the following:

a) Model drying sheds:

The model drying sheds may be linked to slaughter-slabs in the same area and in both the facilities, if water is not available, necessary roof drainage must be provided to collect rain water and store for the whole year. The sheds may be provided with spring balances to improve the trade practices. The project may immediately work out a system of collecting cess from the users of the model sheds and slaughter-slabs to build up the revolving fund for future activities.

b) Grading, marking and monitoring:

The system of grading and marking of hides and skins in the field and monitoring of the same in the tanneries during processing to provide feed-back information has to be followed up more seriously. In case of wet salted stock and in certain type of skins, instead of marking hammer, a simplified system of marking by punching holes or making marks by knives with replaceable blades may be introduced.

c) **Reports and data analysis:**

The monthly reports received by the project head-quarters have to be analysed and presented in graphs and charts for comparison and monitoring the progress of work. On the basis of the analysis, feed-back information should be sent to the field staff. During the project first phase period, there were many fluctuations in collection and quality of hides and skins due to various unexpected developments and hence it is recommended that the present data on collection and quality may be taken as the base data for monitoring the progress of work.

d) **Orientation training:**

It is recommended that an orientation course may be given immediately to the staff in the present and the extended target area on various aspects of project implementation with special instructions on practices of grading, marking and reporting.

The staff should also be instructed on the proper system of distribution and display of posters on hides and skins improvement work.

ANNEX-1

A. PERSONS CONSULTED AND PLACES VISITED

A.1 -Acting Vice Minister - Ministry of Agriculture; Head and Staff of Animal Resources and Marketing Department (MOA); Staff in Department of Veterinary Services (MOA)

-FAO Country Representative and staff of FAO of UN in Addis Ababa.

-Country Director, UNIDO, Addis Ababa; Senior Interregional Advisor from UNIDO, Vienna; National Expert in Project US/ETH/88/100.

A.2 -Awash Tannery, Addis Ababa.

-Ethiopian Pickling and Tanning Factory, Addis Ababa.

-General Manager, Ethiopia Tannery, Addis Ababa and Tannery at Koka

A.3 Hides and Skins Centres at the following places:

Sidamo region: Awasa, Tula, Yirgalem, Leku, Aleta Wendo, Agere Salaam, Bore, Kibre Mengist, Wadera, Dilla and Yirga Cheffe.

Borena Region: Agere Mariam, Yabello, Mega and Moyale.

North Omo Region: Arba Minch, Chench, Birbir, Sawla, Sodo, and Boditi.

B. REPORT ON FIELD VISITS

B.1 The purpose of the field visits was to obtain first hand information on the status of the hides and skins sub-sector and the impact of the project in the target area. In all the visited places, detailed discussions were held with the officials of the Ministry of Agriculture along with hides and skins extension staff in respective centres and then visited the drying sheds, slaughter facilities and the traders' premises.

B.2 The construction of hide shed at Tula, Awasa is more or less complete. The shed is of size 8 x 12 M with 38 frames, a store for dried hides and a cemented platform for cleaning the hides before framing. However, there is no provision made for storage of water; the store room is not properly protected from rain and there is no proper drainage and arrangement for draining of washed hides. During the first visit, it was suggested that in spite of all these problems, frame drying of hides should start at an early date possibly by the end of November 92. Meantime the Regional Office in Awasa was to negotiate with the service co-operative, the peasant association, butchers and traders and work out a system of operation of the drying shed and also decide who will be responsible for security of the hides and the shed, the rent to be paid and the payment towards the revolving fund to the project. In the vicinity of this shed, weekly slaughter of cattle is expected to be 50. As suggested, after a series of discussions and meetings between the concerned persons, a tentative arrangement has been made between the butchers and the service co-operative and butchers started framing the hides during early December, which was inspected during the second visit.

The hide shed at Boditi (Delbo Hamus) has been completed in better fashion and is operating for the last 3 months. There are 26 frames, and a well protected store room. Wet work is done at the entrance outside the drying area and most importantly, the shed has an open water tank of size 2 x 2.5 x 3 m to catch rain water from the shed roof. The tank is almost full and will provide water for the whole year. It was suggested that the tank should be covered to minimise the evaporation losses. The weekly production in the shed is about 15 hides and the hides appear to be well prepared. On grading of the first lot of 60 hides, the percentage of first grade hides was 71. The present working arrangement is for the service co-operative to collect Birr 80 as monthly rent from the butchers and the butchers will arrange for the preparation, framing and security of the shed. There are 41 butchers in the area who will be using the shed. Further arrangements are necessary for the collection of cess money towards the project revolving fund.

B.3 The general observations on the project activities are:

The extension services are very much back into the normal functioning but the staff needs an immediate orientation on project implementation. In most of the centres, the records on collection, grading and main defects are kept and reporting to the project done regularly. Though it can be better in one or two places, the motorcycles and other tools are well utilised in all other centres. The facilities assigned for improvement as individual assignments to the extension staff have shown better performance. In the practice of grading and marking and on the impact of extension services, the performance of North Omo region is quite satisfactory. However, in all other regions the performance is satisfactory only in a few centres and the zonal office in Awasa has to make sure that the marking system is followed more seriously. There are a few problems in marking wet stock or on shrunken shanks and this has to be looked into in the second phase of the project. While lack of feed-back information from the tanneries may be discouraging, there cannot be any excuses for not following the marking system. In general, there had been a fall in collection of hides and skins; however, there had been general improvement in the quality of hides and skins in North Omo region and a few centres like Dilla in other regions. The main reasons for decline in collection and quality may be lower prices, lower meat consumption, irregular salt supply, transport problems and contraband trade. Non-functioning of service co-operatives is also a contributing factor. It was observed that while salt is available in a particular centre, it is not available in the neighbouring centre. So, it is difficult to understand the real causes for the irregular supply of salt. An early solution to this problem will be beneficial to all concerned. The problem of transporting hides and skins in lots smaller than a full truck load needs solution.

In the border areas, while the collection of hides and skins have improved considerably, since the devaluation of the currency, there had been more contraband activities. At the moment, the prices on the Kenyan side are not very attractive for the illegal trade. The most disturbing factor is the refusal by the traders in these areas to get licensed as they want to operate in the manner it suits them, either in the country or across the border. This needs immediate corrective measures from the concerned Government departments.

In Aleto Wendo, it was observed that a trader distributes a small quantity of salt to the rural people to do the preparatory salting before bringing the skins to the trader shed, where the skins are washed and resalted. The washing of the skins at this stage is highly detrimental and has to be stopped. In case of light preparatory salting, if the time lag between the first salting and the resalting is long, there are chances for putrefaction.