



SYNDICAT GENERAL DES CUIRS ET PEAUX

FRENCH HIDE AND SKIN ASSOCIATION

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compiled by Nick Winters

ICHSLTA REPORT 2014

OVERALL VIEW

Hide prices were again at steadily high levels through to the end of the September when we started to see some cracks in the market.

The super luxury end went quiet with geopolitical problems in Russia and Ukraine and slower high end sales in China. Premium veal skin prices dropped 30% during November and December and enabled new players to enter this market again. Currency volatility was extreme with the EUR/USD losing 20% from July till the end of the year. This helped EU exports to the Far East. Lamb and sheepskin prices were subdued throughout the year with Turkey, France's biggest buyer particularly quiet due to the Russian embargo and devaluation of the rouble.

For the first half of the year Veal skin prices averaged about EUR 8.50/kg salted exw for the traditional 12/16 kgs range and ended at EUR 6.00/kg by the end of the year.

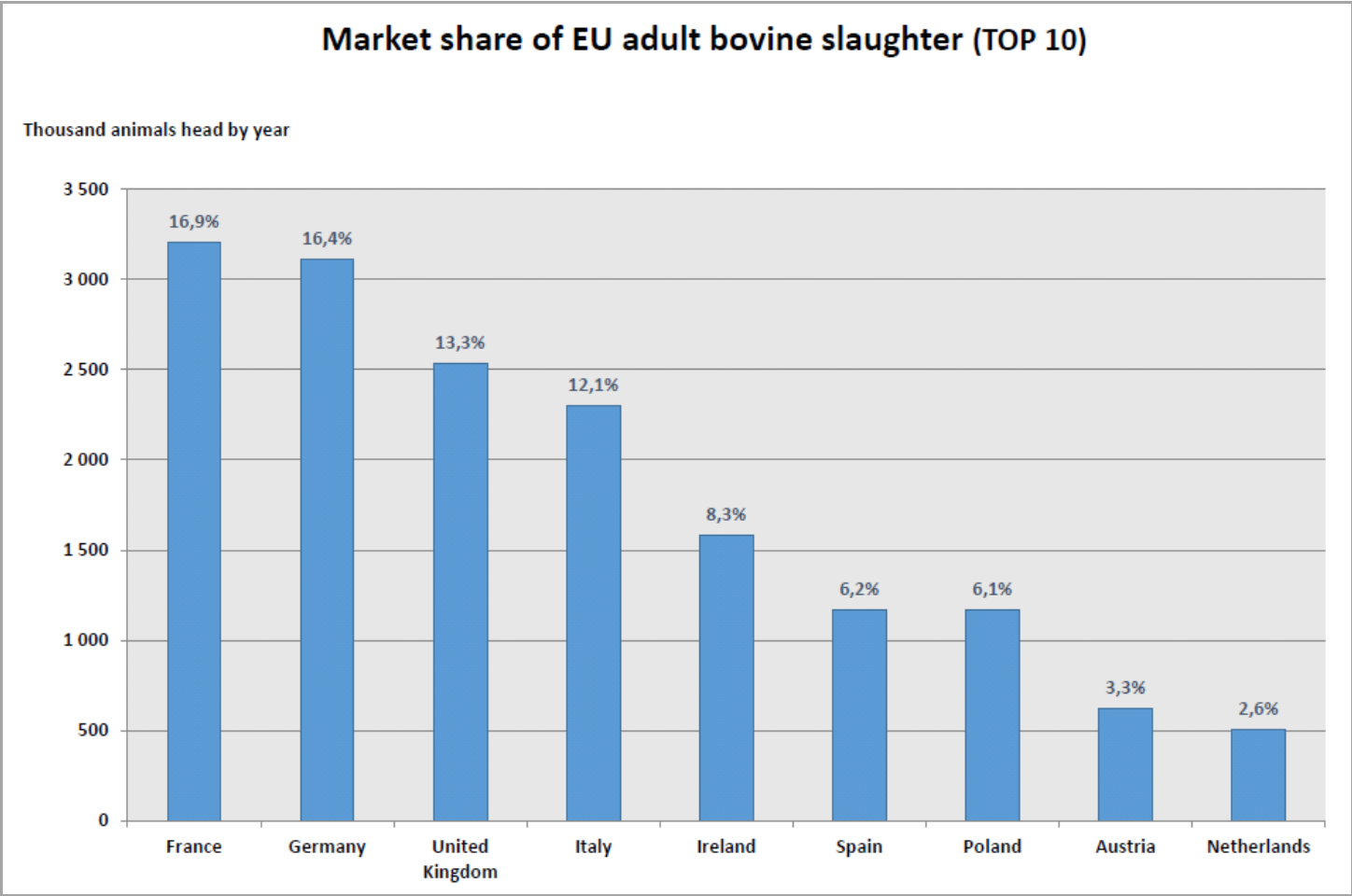
The famous French dairy cows traded in a range of USD 94-101.00 per hide CIF ASIAN PORT. Sales of bovine hides to China increased 18.9% compared to 2013.

Italy remains the number one buyer of French hides taking about 75% of the total exports.

France remains the third largest exporter of raw hides with a 7% market share of world exports.

MAIN PRODUCTION FACTS

The French cattle herd is slightly up +(0.6%) at 19,286 million head.
The EU 28 state cattle herd is reported at 89,117 million head up 0.9% compared to 2013.
EU 28 state kill expressed in tonnes of beef increased 3.0% in 2014.



Major increases were seen in Ireland, heifers up 6.7% and steers up 12.9%, Germany- cow kill up 4.9% to 1.274 million head and the UK steer kill up 7.7% at 984 000 head.

The combined European production is expected to drop 1% during 2015 to 6 512 000 tonnes.

For information: The combined estimated adult bovine kill in the EU 28 is about 19/19.2 million head.

French Bovine Kill figures ended at 3.348 million head. This is 0.5% above levels of 2013.

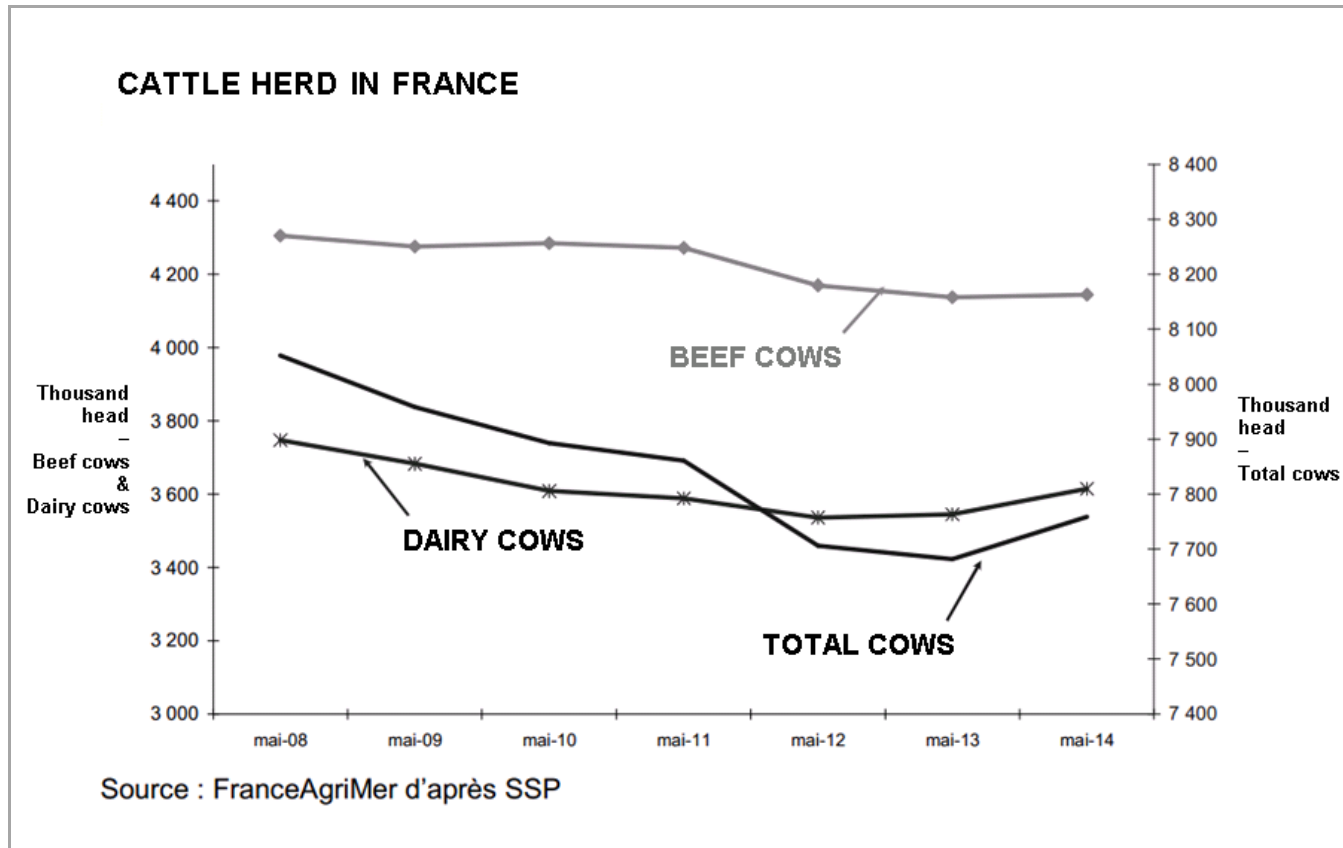
The biggest increase was on Cows up 2.7% with a total of 1.703 million slaughtered.

Male bovine cattle were down 2.7% with a total of 1.210 million head.

Heifers were steady at 434 600 head killed.

French bovine production is expected to increase strongly in 2015. Dairy farmers will bring cattle to slaughter rather than keep their animals during low dairy returns. The Total cow kill is expected to increase about 6.0% in 2015. Bull kills expected to increase about 2% with more being slaughtered in the later part of the year.

Overall we expect the French Bovine kill to increase about 5%.



French veal slaughter dropped to 1.307 million head, down 1.7%. Production is again expected to drop in 2015 by 2%. The French domestic market is under pressure with less demand for premium meats during a time of slow economic growth.

Ovine slaughter reduced in 2014 by 1.6% compared to 2013. Total slaughter 5.025 million.
 Kill figures as follows: Lambs 3.686 million (steady) Sheep 0.545 million (-3.6%) and Goats 0.715 million (-8.3%).
 The kill is again expected to reduce by 1% this year.