



SYNDICAT GENERAL DES CUIRS ET PEAUX

FRENCH HIDE AND SKIN ASSOCIATION

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compiled by Nick Winters

FRENCH HIDE AND SKINS REPORT 2015

OVERALL VIEW

2015 saw uncertainty back in the hide market with a slowdown in China and continued shut downs in Russia and Ukraine.

Prices started to weaken following Hong Kong fair and only started to stabilize following the Shanghai fair where some price increases were seen. Cows were mostly effected with decreases of up to 20%, however premium bulls remained relatively stable as a premium component material to the auto industry. Calfskins also softened with the slowdown in luxury spending in China on premium bags effecting brands such as LVMH, CHANNEL and HERMES.

Europe remains the main outlet for French hides and skins with Italy taking in about 75/80% of all production and China importing about 10% of the French production. Exports to China increased about 10% compared to 2014.

For sheepskin exports, China overtook Turkey as the biggest buyer with a year on year increase of 92% and 5000 tonnes of product.

MAIN PRODUCTION FACTS

The French cattle herd is slightly up (+0.9%) at 19,463 million head.

The overall French bovine kill was up 2.0% at 3 405 500 head of which 1 762 400 were cows (52%)

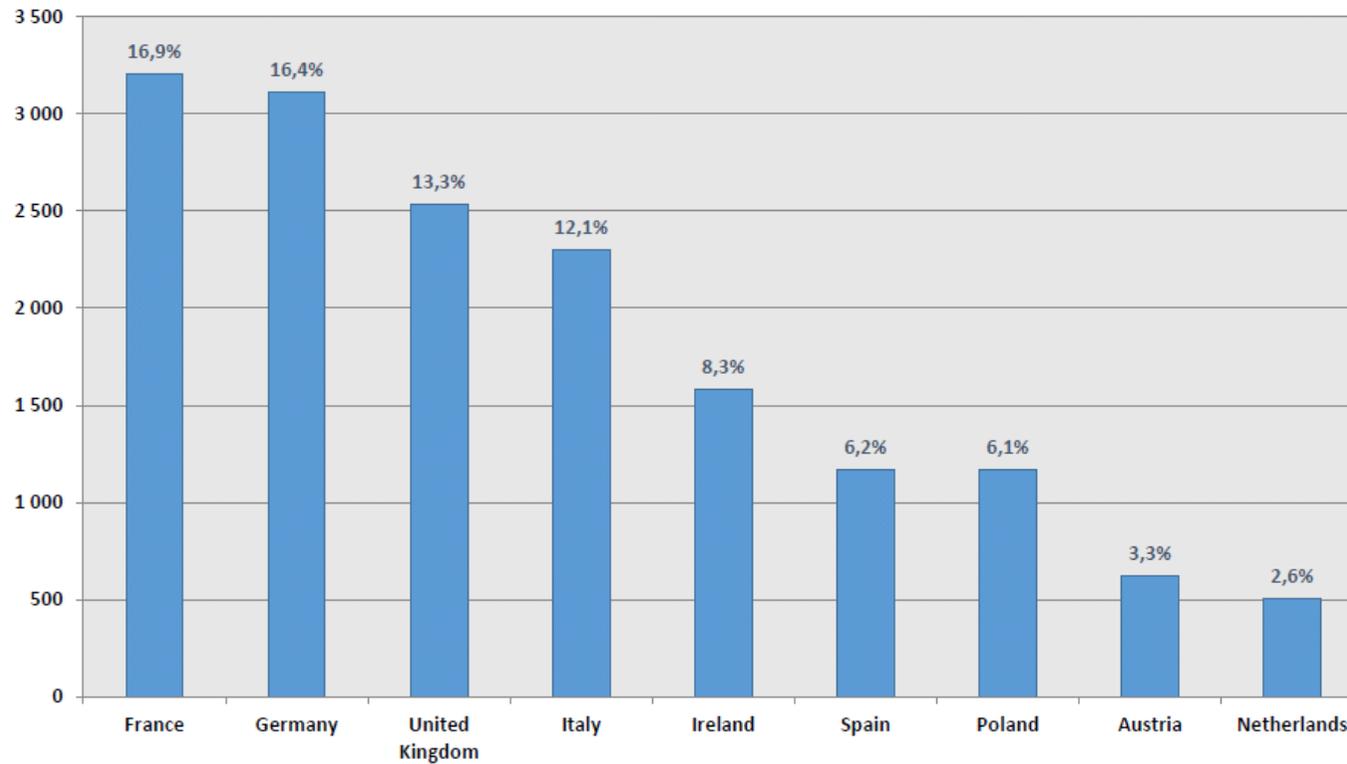
French heifers were at 430 000 down 1.0%, steers 185 000 up 4.1% and young bulls 1 028 200 head- down 0.2%.

The EU 28 state cattle herd is reported at 89,424 million head up 0.3% compared to 2014.

EU 28 state kill expressed in tonnes of beef increased 3.1% in 2015. EU slaughter expressed in tonnes is expected to increase by 2% in 2016. The countries that should increase their slaughter levels in 2016 are: Ireland, UK, Spain, Germany and France.

Market share of EU adult bovine slaughter (TOP 10)

Thousand animals head by year



Major slaughter increases were seen in Spain, young bulls up 20.0% and in Italy- cow kill up 15.9% and heifers up 13.3%.

French cow kill was up 4.0%, and the UK steer kill was up 2.1%.

Major decreases were noted in Germany with cows down 2.4% and bulls down 1.4%. Beef production was down in Ireland 12.9% expressed in tonnes.

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

French bovine production is expected to increase slightly in 2016 with the kill increasing about 1.3%. More beef cows could be slaughtered in the second half of the year (+3%), however the bull kill is expected to decrease slightly (-0.4%). Beef consumption in general is expected to be steady if not slightly down. France remains the biggest consumer of beef and veal per habitant per year at 23 kgs each.

French veal slaughter dropped to 1 280 500 million head, down 1.9%. Production is again expected to drop in 2016 by 1.4%. The French domestic market is under pressure with less demand for premium meats during a time of slow economic growth and high feeding costs for veal animals.

Ovine slaughter increased in 2015 by 2.0% compared to 2014. Total slaughter 5.12 million.