



SYNDICAT GENERAL DES CUIRS ET PEAUX
FRENCH HIDE AND SKIN ASSOCIATION

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<p>YEARLY ICHSLTA REPORT 2010</p>
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2010 saw hide prices back to pre-crisis levels and in some cases even higher.

Strong demand from all sectors for leather was recorded.

Italy returned in strength to its favoured French hide supply and you can see that exports to China were down 57% compared to 2009. The Chinese were just unable to match prices being paid from European tanners. Germany showed an increase of 33% in the number of French hides imported, mostly for the auto sector where incentive schemes were put in place to scrap old cars.

The total cattle herd in France remained fairly steady around 19.30 head down 0.3%.

The total French kill was up overall 3%, the best kill for over 6 years. French consumption of red meat was the highest in over 10 years.

Kill Forecast for 2011.

We should see lower kills in certain EU countries such as Germany, Ireland, Sweden, Czech republic. This is a direct result of reduced dairy herds. In Italy and the UK we shall see lower kills of young bulls. Feedlots are continuing to struggle and feed costs are making life tough for those concerned. Farmers may well seek different sales channels for their cereal like bio fuels given the rise in oil prices lately. In several other countries we shall see some slight increases in kill numbers like France, Spain, the Netherlands and in Poland. Exports of live animals from Europe to North Africa have increased 5 fold during 2010. Overall we expect to see European kills down about 1%.

Below I have added tables where you can see all the numbers in more detail.

Wishing you all a great year ahead and prosperous trade ! - on behalf of the

FRENCH HIDE ASSOCIATION - Nick WINTERS, international relations for SGCP.