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TRADE IN HIDES AND SKINS IN 1956

The United States has been a net exporter of cattle hides since 1952 and of calf and kip skins since 1953 because of record levels of cattle slaughter. This has reduced U.S. import requirements and made our cattle hides and calf and kip skins competitive on the world market.

Exports of cattle hides and calf and kip skins declined in 1956, reversing the trend of recent years. Shipments of cattle hides and calf and kip skins in 1956 were 17 and 13 percent, respectively, below the high level of 1955. Imports of cattle hides and calf and kip skins also declined in 1956.

Domestic production of other types, however, continues below U.S. consumption requirements and the United States is a large net importer of sheep and goat skins and to a lesser extent of other hides and skins. Imports of goat and kid skins declined but sheep and lamb skins increased in 1956. Exports of sheep and lamb skins were lower but these are small in relation to imports.

TABLE 1.--Hides and skins: United States foreign trade, average 1935-39 and 1946-50, annual 1953-1956

	Average		1953	1954	1955	1956
	1935-39	1946-50				
	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces
Cattle hides:						
Imports. . .	2,580	1,872	455	448	344	341
Exports. . .	533	868	2,381	5,178	5,852	4,940
Net imports.	2,047	1,004	--	--	--	--
Net exports.	--	--	1,926	4,735	5,508	4,599
Calf and kip:						
Imports. . .	3,181	1,265	1,904	1,189	1,439	1,196
Exports. . .	555	593	1,580	2,567	3,579	3,107
Net imports.	2,626	672	324	--	--	--
Net exports.	--	--	--	1,378	2,140	1,911
Goat and kid:						
Imports 1/.	43,260	36,639	31,904	25,231	28,504	25,763
Sheep and lambs:						
Imports. . .	21,057	24,545	25,049	20,586	22,575	29,497
Exports. . .	2/1,230	696	419	586	847	807
Net imports.	--	23,849	24,630	20,000	21,728	28,690

1/ United States exports are negligible. 2/ 1939 only - 1935 to 1938 reported in pounds only.

Source: Compiled from official records of the Bureau of Census.

U.S. Exports

Exports of hides and skins from the United States declined in 1956 for the first time in several years. Shipments of cattle hides declined from 5.9 million pieces in 1955 to 4.9 million in 1956; calf and kip skins from 3.6 million to 3.1 million and sheep and lamb skins from 847,000 to 807,000. Exports of sheep and lamb skins are relatively unimportant when compared with imports.

The price of United States' hides has been relatively stable but declined slightly in the closing months of 1956. Another record cattle slaughter in 1956 should keep U.S. hide prices competitive in the world market in 1957. Prices of calf and kip skins were higher in 1956 and were at the highest level since 1953.

TABLE 2.--Hides and skins: Prices at Chicago, annual averages 1947-56, monthly averages January 1956 - February 1957

	Northern calf skins	Kip skins	Light native cow hides	Heavy native steer hides
	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Annual:				
1947	78.0	46.7	28.7	27.3
1948	60.8	39.3	28.4	27.7
1949	60.2	44.2	25.3	22.6
1950	69.7	52.9	29.1	26.8
1951	63.6	50.8	34.2	31.0
1952	43.7	33.5	18.1	15.0
1953	50.5	34.7	17.8	14.9
1954	38.3	25.7	14.3	11.7
1955	44.4	29.3	13.5	12.4
1956	50.6	33.2	16.5	12.4
Monthly - 1956:				
January	51.1	33.0	18.6	11.3
February	50.0	31.9	17.9	10.9
March	52.0	36.3	16.6	11.0
April	54.9	39.0	17.9	12.2
May	51.0	34.8	16.5	12.1
June	51.0	33.0	16.0	12.8
July	51.0	33.5	16.0	13.3
August	50.2	30.0	16.0	13.6
September	50.3	33.3	17.7	14.6
October	49.8	31.4	15.5	13.2
November	48.5	31.8	15.5	12.5
December	47.9	29.9	14.2	10.8
1957:				
January	43.8	27.0	14.5	10.0
February	45.7	28.9	15.0	9.0

Japan, Canada, and Western Europe are the recipients of a large proportion of U.S. exports of cattle hides and calf and kip skins. Exports to Japan continued to rise in 1956 but shipments to Western Europe fell sharply. Japan purchased over one-fourth of U.S. cattle hide exports and one-third of calf and kip exports in 1956. The decline in shipments to Western Europe, despite increased cattle slaughter and relatively favorable hide prices, reflects a slackening of demand and an increased supply in Argentina.

TABLE 3.--United States: Exports of hides and skins by country of destination, average 1935-39, annual 1953-56

Country of destination	Average 1935-39	1953	1954	1955	1956
	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces
Cattle hides:					
Japan	260	845	880	1,251	1,324
Canada	127	430	386	696	770
Mexico	4	63	206	778	702
West Germany	3	88	760	717	434
Netherlands	24	278	1,243	783	284
United Kingdom	37	215	431	388	243
Yugoslavia	1/	237	319	125	244
Belgium	1	37	133	137	21
Others	77	188	820	977	918
Total	533	2,381	5,178	5,852	4,940
Calf and kip:					
Japan	247	757	656	857	1,017
Canada	170	313	349	651	568
West Germany	13	53	342	734	782
Netherlands	25	123	515	480	207
United Kingdom	12	89	240	363	98
Belgium	10	62	106	76	47
Italy	6	123	136	41	103
Others	72	60	223	377	285
Total	555	1,580	2,567	3,579	3,107
Sheep and lamb: 2/					
Canada	3/ 1,009	343	362	314	322
United Kingdom	80	12	60	154	222
Mexico	3/ 11	1/	19	215	103
France	3/ 38	27	79	90	86
Belgium	11	10	0	7	43
Others	81	27	66	67	31
Total	1,230	419	586	847	807

1/ less than 500. 2/ Includes goat and kid. 3/ For 1939.

U.S. Imports

United States' imports of cattle hides in 1956 primarily from Canada and Argentina totaled 341,000 pieces, slightly below 1955. Trade with Canada in cattle hides moves both ways across the border, however, exports to Canada in 1956 were more than three times the volume of imports.

Imports of cattle hides have been very low in the past five years in relation to 1935-39 and 1946-50 averages. The record levels of cattle slaughter in the United States have greatly reduced our requirements for foreign hides. Increased competition from leather substitutes along with larger domestic supplies has resulted in a sharp drop in hide prices since 1951. United States' imports of calf and kip skins in 1956 largely from Canada and New Zealand, were 17 percent lower than in 1955. Imports of calf and kip skins have been fairly stable since the war but are considerably below prewar levels.

Imports of goat and kid skins declined from 28.5 million pieces in 1955 to 25.8 million in 1956. Principal suppliers of goat and kid skins are India, Pakistan, Brazil, Nigeria, British East Africa and Ethiopia.

Sheep and lamb skins' imports rose sharply from 22.6 million pieces in 1955 to 29.5 million in 1956, the highest since 1946. Domestic slaughter of sheep and lambs was lower in 1956 resulting in greater imports.

TABLE 4.--United States: Imports of hides and skins for consumption, by country of origin, average 1935-39, 1946-50, annual 1953-56

Country of origin	Average 1935-39	Average 1946-50	1953	1954	1955	1956
	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces
Cattle hides:						
Canada	550	419	303	381	297	210
Mexico	29	77	0	1	0	0
Cuba	14	29	14	1/	0	0
France	23	7	14	3	5	1/
Germany, West				7	11	11
Italy	17	16	11	3	4	5
Netherlands	5	2	7	1	2	4
Switzerland	7	1	13	7	5	3
India	22	11	71	27	1/	-
Argentina	1,309	712	3	1	3	99
Brazil	400	216	5	1	0	
Uruguay	55	65	0	0	0	1
Australia	31	16	0	0	0	0
New Zealand	40	14	0	0	13	3
Other	78	287	14	11	4	5
Total	2,580	1,872	455	443	344	341
Calf and kipskins:						
Canada	394	342	777	585	556	398
Denmark	4	8	38	50	36	7
Finland	178	42	0	0	0	0
France	548	80	235	123	148	131
Italy	19	33	45	5	93	48
Netherlands	76	16	39	18	88	49
Norway	103	9	8	0	1	0
Poland	92	57	309	119	140	53
Switzerland	25	10	39	14	20	18
India	67	168	129	64	47	43
Argentina	156	35	0	1/	0	0
New Zealand	471	149	201	200	238	301
Other	1,048	316	112	11	72	148
Total	3,181	1,265	1,932	1,189	1,439	1,196
Goat and kidskins:						
Haiti, Rep. of	385	674	594	447	537	605
Arabia	0	775	810	61	60	76
India	13,160	10,916	8,974	7,401	7,655	5,607
Pakistan	0	2,009	1,912	2,097	3,009	2,393
Argentina	2,523	1,232	955	536	601	630
Brazil	4,172	3,028	4,055	2,557	2,693	3,121
Peru	837	757	579	770	852	816
Venezuela	812	573	663	379	282	102
Br. East Africa	726	2,134	2,702	961	2,307	2,069
Br. Somaliland	0	954	693	422	410	420
Ethiopia	682	3,084	2,842	2,707	3,134	2,731
Italian Africa	133	679	953	0	0	0
Nigeria	2,084	4,037	2,880	2,095	3,329	3,429
Un. of So. Africa	902	980	748	568	446	370
Other	16,844	4,807	2,544	4,230	3,189	3,394
Total	43,260	36,639	31,904	25,231	28,504	25,763
Sheep and lambs:						
United Kingdom	1,419	1,216	1,277	707	965	1,213
Iran	4	346	2,004	1,029	1,232	3,499
Argentina	4,030	4,175	2,495	567	524	840
Brazil	1,143	77	30	944	1,100	1,235
Un. of So. Africa	1,098	316	15	0	64	172
Australia	1,173	3,509	2,729	1,320	1,002	1,268
New Zealand	8,699	11,087	14,404	13,306	14,320	16,350
Other	3,491	3,819	2,095	2,713	3,368	4,920
Total	21,057	24,545	25,049	20,586	22,575	29,497

1/ Less than 500 pieces.

Argentine Exports

Argentina regained its position as the leading exporter of cattle hides and calfskins in 1956. Total exports of 9.7 million pieces were 28 percent above the 7.6 million shipped in 1955. This increase was stimulated by a 20 percent increase in slaughterings and a revision of exchange rates. United States' exports of cattle hides, calf and kip skins were 8.0 million pieces in 1956 compared with 9.4 million pieces in 1955.

Argentina was especially effective in regaining some of the Western European market previously lost to the United States. Exports to the Netherlands, West Germany, United Kingdom and Belgium increased from 3.1 million pieces in 1955 to approximately 4.2 million in 1956. Exports from the United States to these countries during the same period declined from 3.7 million to 2.1 million pieces.

The domestic price of Argentine hides has been considerably higher than the price of United States hides, but a reduction of "aforo" values (the amount of foreign exchange earnings which must be converted at the official exchange rate) in July and again in November 1956 has made it profitable for exporters to buy high and sell cheap. Any foreign exchange earnings above the "aforo" value are converted in the free market at a much higher rate. The rise in value of the free market dollar was chiefly responsible for the rise in domestic hide prices in the closing months of 1956. "Aforo" values range from 50 percent of the world price to 80 percent for the high grade Argentine hides.

TABLE 5.--Argentina: Exports of cattle hides and calfskins 1/, annual 1938 and 1953-56

Country of destination	1938	1953	1954	1955	1956
	Number	Number	Number	Number	Number
Austria	2/	8,668	5,500	0	104,258
Belgium	610,670	41,059	108,342	119,498	188,278
Chile	-	142,106	350,614	440,197	165,096
Czechoslovakia	484,321	14,245	67,535	132,704	268,888
Denmark	3/	1,500	600	0	2/
United Kingdom	708,635	552,787	541,491	481,905	446,356
Finland	86,453	578,633	258,386	203,179	301,851
France	110,631	0	24,250	24,263	117,836
Germany, Western	1,751,181	776,475	938,388	1,034,913	1,513,855
Greece	2/	3,665	48,580	0	2/
Netherlands	240,319	1,738,255	1,382,720	1,464,510	2,098,788
Hungary	2/	111,332	245,944	123,125	222,854
Italy	703,527	545,160	1,102,605	736,536	1,079,336
Japan	348,138	216,232	27,801	164,069	117,912
Norway	3/	20,725	50,132	42,336	2/
Peru	2/	56,780	23,180	2/	2/
Poland	373,587	400,371	446,751	751,143	507,896
Roumania	2/	206,779	438,275	179,867	291,398
Spain	-	360,873	54,907	33,996	2/
Sweden	4/609,714	624,649	235,012	128,368	2/
Switzerland	-	142,371	46,252	49,300	2/
U.S.S.R.	-	77,810	333,253	1,116,205	1,500,618
Yugoslavia	2/	2/	91,392	216,541	181,957
United States	5/976,472	2,126	0	8,500	90,923
Other countries	489,407	5,690	207,354	140,129	529,033
Total	7,493,055	6,628,291	7,029,264	7,595,434	9,727,133

1/ Includes kipskins. 2/ If any, included in "Other countries". 3/ Included with Sweden. 4/ Scandinavian countries. 5/ Includes Canada.

Source: Resumen Mensual de Exportaciones de Frutas del Pais; 1938 data from Datos Estadisticos.

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CORRECTION

The above titled circular carries the wrong code symbol (FW 2-57) in the upper left corner. Please correct your copy to read FLM 2-57.