



What have I got to do to make you love me?

Reattaching leather to the upper of a shoe is the only priority and initiative that counts. We can take all the great speeches and all the great conventions, and they won't put Humpty Dumpty back together again. Idealistically professing that leather is the only material that can save the planet, lower the carbon footprint and bring climate change to a halt is nice but it isn't going to sell more product.

The challenges we currently face address the basic fundamentals of our industry:

- a) How do we improve the value proposition for all tiers of the supply chain?
- b) How do we ensure a more reasonable and restrained pricing structure?

Forget about the theory of cyclical recovery because there are not enough warehouses large enough to hold the daily surplus of around 124,000 hides that are not being tanned. Forget about arbitration, trade missions and hide social club meetings. We need laser focus on an action plan to regain the market share lost to synthetics.

Consider that polyester has and continues to take market share away from leather. Polyester is not biodegradable. Polyester is a common plastic. To manufacture the material used for shoe uppers polyester requires disperse dyes. They are insoluble in water and, like polyester, have a complex molecular structure that does not easily break down. Wastewater containing leftover dye is problematic to treat and so can enter the environment, causing serious problems for plant and animal life.

We need to target the decision makers, who are not within the tanning community. It is the product designers, marketing gurus, purchasing agents and, ultimately, the consumer who will dictate the terms and conditions for the inclusion of leather as a valued substrate. This must be a bottom-up initiative where each segment of the leather manufacturing community provides a clear pathway towards delivering a value-based, cost effective and attractive shoe material.

The clock is ticking

"Perseverance pays off" was the message as a number of NGOs – representing vegetarians, vegans and animal rights groups – celebrated the footwear industry reducing its use of leather.

A spokesperson for this group stated: "Our combined actions have decimated the shoe leather industry, resulting in an avoidance of animal hides in footwear. We are proud of the accomplishment that synthetic feed stocks are increasingly being used as replacement materials, with major initiatives to begin harvesting plastic from the ocean. We are



not concerned about the increasing use of landfills to bury the surplus production of hides, or the associated biological disintegration. We remain focused on encouraging the replacement of hides with synthetics as we promote a reduction in the use of plastic drinking straws and shopping bags."

This fictional commentary is not far from reality and we are surprised that the anti-leather promoters are not proclaiming victory for synthetics.

We were therefore relieved when we discovered that a vegan news website published an article that declared July to be a plastic-free month. Are we to assume that all plastic used for the month of July is gratis and that manufacturers have agreed to provide that carcinogenic material for nothing? Or, will this become an annual event when the world abstains from using this demonic substance?

The article in question was a glorified commercial for skin care, but the anti-plastic sentiment suggested a mutual connection to leather's arch-enemy. It confirmed that the enemy of my enemy is my friend.

The author made the following statement: "Whilst some plastic can be recycled, it's only recyclable a maximum of seven times. When it can no longer be recycled, the plastic still exists, and its disposal can be hugely damaging to the environment."

We are finally seeing some alignment of issues, which should be the genesis of a strategy to promote shoe leather and to regain our lost market share.

It begs the question: what is the grand vision for the hide



and leather industries and who has the capacity and ability to craft the strategies required? For sure, local associations don't appear to be focused on long-term aspirations or to be addressing the declining usage of leather in the footwear segment. The "this is not my problem" approach is not a constructive or rewarding one. There is a sense that half of the industry's executives fully comprehend the sinkhole we are occupying while the other half are all relatively new to their jobs and have only operated in a seller's market. They lack the experience and knowledge required for the challenge.

The opportunity to counter the synthetics market is now. My biological clock is ticking and we need to consummate a plan to take back the shoe market. According to Break Free From Plastic, a group that campaigns for a future free from plastic pollution, global plastic production now tops 320 million tonnes per year. Furthermore, it says that of the 8.3 billion tonnes of plastic produced since the 1950s, only 9% has been recycled. The rest of it ends up in landfills, rivers, oceans or other parts of the environment.

A sad, sad situation

After the early summer of discontent, here comes the sun. The market tried to resist the temptation of further declines, although, in reality, any resistance is futile. The producers of major packer selections were sufficiently gratified to

establish a red line from which prices should no longer cede. This King Canute moment is undoubtedly short-lived as the mid-summer fling is about to end.

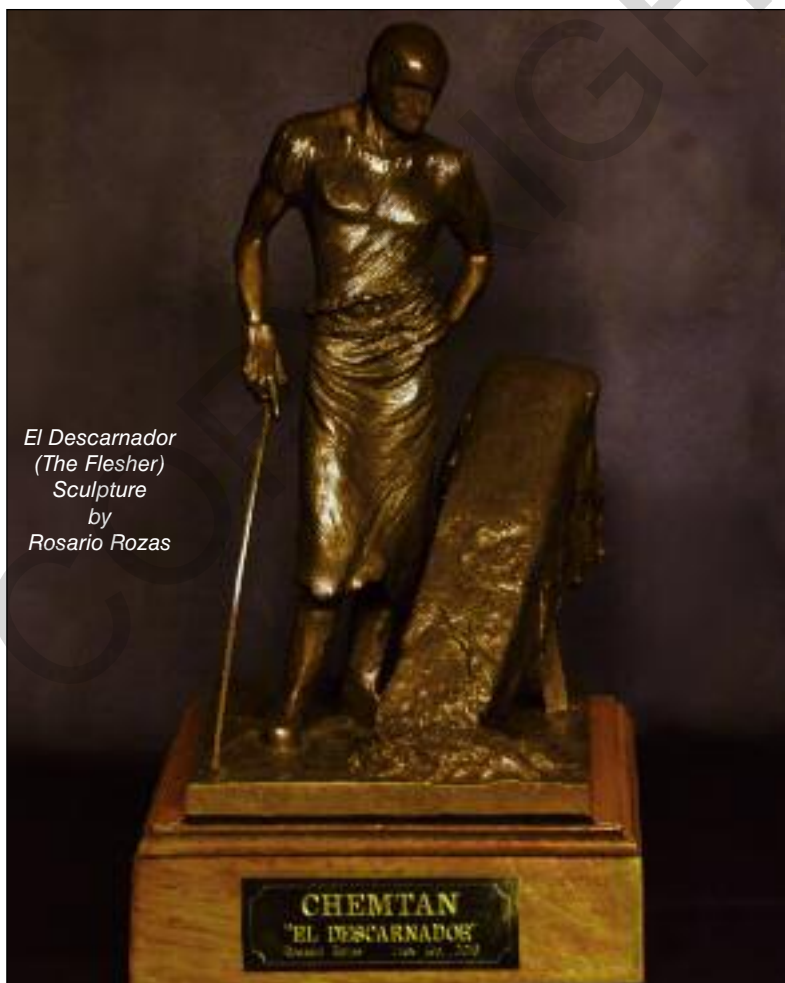
With operating margins remaining fantastic, protein producers will continue to run at capacity and therefore the hide spigot will flow freely. The firmness in steer and heifer prices is merely a bump in the road while processors look to establish a value for plump cows. July and August are not good months to have a sustained rally in prices as leather orders and associated hide coverage is temporary at best. Historically, the season only kicks off in September or perhaps October.

Yes, cows and low grades are going cheap, but so are parakeets and budgerigars. These economical selections at the lower end of the spectrum will remain a drag on the market and will provide leather manufacturers with options and opportunities, which will hopefully translate into new leather sales for 2020.

The rest of the summer will require patience and fortitude as supply is guaranteed to be large and new leather orders will be inadequate. It's a sad, sad situation, and it's getting more and more absurd*.

Plastic is an environmental calamity in progress while leather is a true recycled raw material. 🌍

*Headline and * - Elton John and Bernie Taupin.*



*El Descarnador
(The Flesher)
Sculpture
by
Rosario Rozas*

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