

COMMERCIAL REPORTS.

THE HIDE MARKET.

IN view of the enhanced value of hides and skins on New Zealand markets, the Director of the Live-stock and Meat Division of the Department, Mr. C. J. Reakes, D.V.Sc., M.R.C.V.S., asked Mr. A. Crabb, M.R.C.V.S., the Government's London Veterinary Officer, to investigate the hide and skin position in Great Britain. Mr. Crabb's report is as follows:—

I note the conditions existing in New Zealand, as described in your memorandum, and find, on making inquiries, that a similar state of affairs obtains here—namely, that values have had an upward tendency for some considerable time, that the demand undoubtedly exceeds the available supply, and that it is considered more than likely that such conditions will not only continue but may probably become more acute.

Dealing first with the actual prices: An examination of the ordinary market quotations shows that the value of hides has been increasing more or less regularly for some years, and the following extract from the *Leather Trades Review* of November, 1912, shows the position: "Since February last, hides have gone up as much as $\frac{3}{4}$ d. per lb. From 1894 to 1906 the prices went up steadily, dropped slightly in 1907, since when they have ruled gradually higher until, in the spring of this year, they touched 7d. To-day, $7\frac{1}{4}$ d. has to be paid for hides of good quality."

The above refers to Great Britain, while an American report of October, 1912, states, "Market active; prices high—fully $\frac{1}{2}$ d. higher than record prices of 1909; up to 19 cents."

As an illustration of the more or less steady increase in value the following quotations may be of interest; they are London prices and refer to ox and heifer hides (first); but a similar rise in price is noted in hides of all grades:—

				90 lb. and upwards.	59 lb. and under.
				Per lb.	Per lb.
January, 1909	..	..	..	$5\frac{1}{4}$ d.	$4\frac{3}{8}$ d.
" 1910	..	..	..	$6\frac{3}{8}$ d.	$5\frac{5}{8}$ d.
" 1911	..	..	..	$5\frac{3}{8}$ d.	$5\frac{1}{4}$ d.
" 1912	..	..	..	$5\frac{7}{8}$ d.	$5\frac{3}{4}$ d.

During the year 1912 the rise in value was very marked, the price increasing month by month until in December last 90 lb. and up were quoted at $7\frac{3}{8}$ d. and lighter weights at $7\frac{1}{4}$ d. per lb. During this month the prices have eased slightly, the latest quotations being $6\frac{3}{8}$ d. and $6\frac{3}{4}$ d. respectively; even this, however, being an increase of $1\frac{1}{2}$ d. to 2d. per lb. in four years.

As to the cause, I find that this question has been exercising the minds of those interested in this country for some considerable time, and various reasons have been given for the disturbed state of the market; it is not, however, considered to be due to any trust or market manipulations, but the result of a genuine and gradually increasing shortage.

Statistics show that in most countries the increase in the number of cattle is not in proportion to that of the human race, and that *there are now less cattle per thousand of the population than was the case some years ago*. Other contributing conditions are (as in New Zealand) increase of dairying resulting in decrease in weight of hides, increase of individual wealth and of demand for luxuries, the last named involving a decided increase in the uses to which leather is put.

Again quoting from the *Leather Trades Review* of November, 1912, I find the position dealt with as follows: "Owing to a variety of causes, one of them being the rapid development of the motor-car industry, there is an unprecedented demand for leather and a great shortage of hides . . . there is apparently not the slightest likelihood of any drop in prices taking place; indeed, the tendency is rather the other way."

Then, dealing with the cause, the same report continues, "A greatly increased demand has, doubtless, contributed something to the shortage of hides, but the more important factor is that, both here and abroad, fewer cattle are being reared. In America alone during the last twelve years, while the population has increased 25 per cent., the supply of cattle has shrunk by 7 per cent."