



## BRAZILIAN EXPORTS OF HIDES AND SKINS

JULY 2021

## SUMMARY

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## 1 - ANALYSIS OF BRAZILIAN EXPORTS OF HIDES AND SKINS

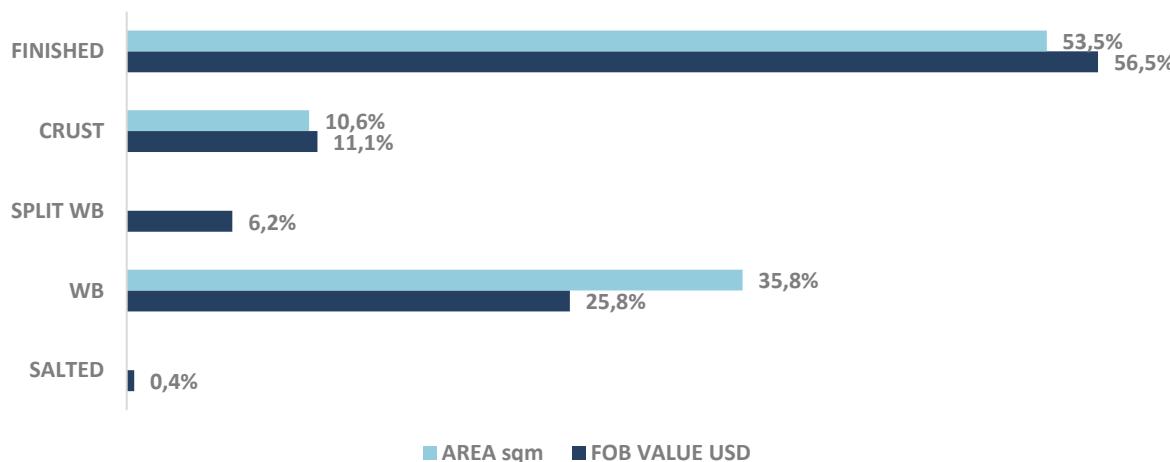
JULY 2021

The Hides and Skins Exports released by SECEX (Foreign Trade Secretariat) of the Ministry of Economy, for the month of July 2021, amounted to US\$ 114.8 million, an increase of 73.4% year-on-year, when US\$ 66.2 million worth was exported. Compared to the previous month, reflects a drop of 3.6%, when total was US\$ 119.0 million.

Considering exports in square meters, during July were shipped 13.0 million, 3.9% higher year-on-year, however down 8.9% compared to the previous month, when total was 14.3 million.

The first seven months of the year ended with a total of US\$ 794.3 million, 53.8% above the same period in 2020, and also an increase of 15.5% in traded area, with 104.3 million square meters.

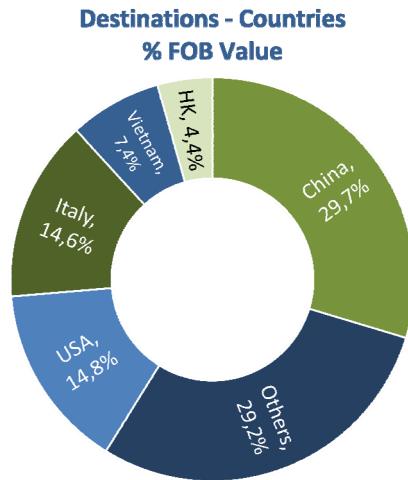
Below is the profile of 2021's bovine exports:



These are the variations of the Brazilian exports of bovine leather during the seven months of 2021, year-on-year:

- Salted hides higher 47.8% (previous +49.4%) in value, but a drop of 48.6% (previous -38.2%) in weight;
- Wet Blue growing 61.7% (+64.7%) in value, but still -17.7% (-12.1%) in area;
- Split WB higher 49.7% (+44.9%) in value and 36.8% (+37.3%) in area;
- Crust growing 54.5% (+47.2%) in value and also 28.3% (+25.1%) in area;
- Finished leather up 50.7% (+46.7%) in value, and also +33.9% (+32.2%) in area.

Below are the 2021 destinations:

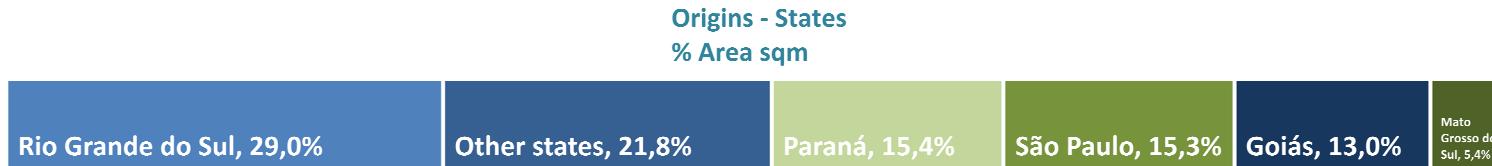


Some highlights of results for 2021 of the three main destinations for Brazilian leather:

- China (without HK) now with a share of 29.7% (before 28.7%) in value and 35.4% (before 34.2%) in area, with a monetary increase of 72.0% (+70.4%) and also +20.9% (+25.1%) in area;
- The United States, returning to second place in the ranking, with a share of 14.8% (14.6%) in value and 9.4% (9.1%) in area, has a monetary increase of 26.5% (+24.4%) and also 17.4% (+16.4%) in area.
- Italy, with a share of 14.6% (15.9%) in value and also 14.5% (15.7%) in area, with growth of 51.4% (+57.5%) in value, but still with a decrease of 9.0% (-3.2%) in area;

With another month of growth in total exports of hides and skins, only one destination now shows a drop in value compared to the same period last year, when we analyzed the thirty largest destinations. Tunisia, with a drop of 21.5%, is the only country with a decrease in this regard. India, which until last month was still showing a decline, is now recovering and is also showing an important revival. Considering traded area, we registered falls in Italy (-9.0%), Hong Kong (-23.3%), Mexico (-12.0%) and Tunisia (-67.4%).

Below is the share of the states with relevant exports to the sector during 2021:



Regarding the states, we can highlight the following:

- The ten largest exporting states continue to show positive indexes considering exported values, with the following highlights: Minas Gerais, with +113.8% (previously +99.1%); Paraná, with +76.5% (+72.8%); Ceará, with +74.4% (+75.3%); São Paulo, +70.9% (+64.6%); and Rio Grande do Sul, +65.9% (+60.9%);
- Regarding traded volume, we now have three states with negative indexes: Pará, with -42.9% in area and -39.9% in weight; Bahia, with area in decline of -34.9% and in weight of -42.3%; and Santa Catarina, with -6.6% in area and -0.7% in weight;
- The four largest state exporters continue to be Rio Grande do Sul, which now reaches a 30.2% share in value, São Paulo (16.2%), Paraná (14.5%) and Goiás (13.2%). Gauchos are also leaders in weight and traded areas. Paraná remains in second place in area, with 15.4%, and São Paulo in third, with 15.3%. Finally, in weight, São Paulo is in fourth place, with 13.3%, with Paraná in second (17.0%) and Goiás in third (15.5%).

The monetary growth of exports accumulated in 2021, compared to the same period in 2020, is quite positive. However, compared to the same period in 2019, the drops in volumes remain, with -3.7% in area and -12.4% in weight.

Regarding the types of leather, the growth in the indexes of higher added value leathers improved even more. Finished leather exports now show an increase in value of 50.7%, and 33.9% in area, compared to +46.7% and +32.2%, respectively, in the period until June. Crust leather, on the other hand, grew 54.5% in value and 28.3% in area, with results up to June of +47.2% and +25.1%, respectively.

The availability of hides remains low in the regions that hold the world's main bovine herds, where the exception remains the United States. In other countries and regions, such as Brazil, Argentina, Europe and Australia, there are still declines in slaughters for various reasons, such as economic crisis with an impact on red protein consumption, replacement of herds, burning and bans on meat exports. In addition, the difficulties and costs considering inputs and the logistics sector increase even more.-





## 4 - BRAZILIAN EXPORTS OF BOVINE LEATHER BY TYPE

TYPE OF LEATHER	FOB VALUE (US\$)			Δ		AREA (sqm)*			Δ		WEIGHT (KG)			Δ	
	Jan-Jul 2021	Jan-Jul 2020	Jan-Jul 2019	2021/2020	2021/2019	Jan-Jul 2021	Jan-Jul 2020	Jan-Jul 2019	2021/2020	2021/2019	Jan-Jul 2021	Jan-Jul 2020	Jan-Jul 2019	2021/2020	2021/2019
SALTED	3.476.971	2.352.071	1.782.087	47,8%	95,1%	-	-	-	-	-	4.368.510	8.504.902	3.129.125	-48,6%	39,6%
WET BLUE	203.036.091	125.528.219	186.372.936	61,7%	8,9%	26.938.438	32.717.089	39.965.961	-17,7%	-32,6%	112.304.319	138.575.891	165.087.764	-19,0%	-32,0%
SPLIT WB	48.440.571	32.356.663	34.875.385	49,7%	38,9%	-	-	-	-	-	81.094.963	61.818.067	64.783.080	31,2%	25,2%
CRUST	87.417.271	56.569.559	59.609.085	54,5%	46,7%	7.984.539	6.222.580	6.024.004	28,3%	32,5%	7.500.673	6.008.170	5.851.631	24,8%	28,2%
FINISHED	445.041.833	295.338.615	431.083.964	50,7%	3,2%	40.243.748	30.057.448	39.424.809	33,9%	2,1%	35.365.291	26.317.978	35.675.874	34,4%	-0,9%
<b>Total</b>	<b>787.412.737</b>	<b>512.145.127</b>	<b>713.723.457</b>	<b>53,7%</b>	<b>10,3%</b>	<b>75.166.725</b>	<b>68.997.117</b>	<b>85.414.774</b>	<b>8,9%</b>	<b>-12,0%</b>	<b>240.633.756</b>	<b>241.225.008</b>	<b>274.527.474</b>	<b>-0,2%</b>	<b>-12,3%</b>

Source: MDIC/SECEX - Prepared by: CICB

\*Only full grain

