



The Jacobsen

Hide & Leather

INTRODUCING



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Jacobsen Hide Index™ 10/3/2019

	Today	Last Trading Day 10/2/2019	Week Ago	Year Ago
Price	26.3500	26.3000	26.1687	36.2750
\$ Change		0.0500	0.1813	-9.9250
% Change		0.2%	0.7%	-27.4%


Latest Price	Change From	Week Ago	4 Weeks Ago	1 Year Ago
10/3/2019	10/2/2019	9/26/2019	9/5/2019	10/4/2018

[VIEW LIMITED PACKER HIDE PRICE GUIDE](#)

Heavy Native Steers


60-65 - \$/pc	35.0000 - 39.0000	0.0000	37.0000	37.0000	51.0000	+
60-65 - \$/lb	0.4550 - 0.5075	0.0000	0.4813	0.4850	0.6575	+
65-70 - \$/pc	35.5000 - 39.5000	0.0000	37.5000	37.5000	53.0000	+
65-70 - \$/lb	0.4250 - 0.4675	0.0000	0.4575	0.4688	0.6363	+
70 and up - \$/pc	-	-	39.0000	39.0000	61.5000	+

Heavy Native Dairy Steers

70 and down - \$/pc	35.5000	0.0000	35.5000	35.5000	47.5000	
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Heavy Texas Steers

62-70 - \$/pc	25.0000	0.0000	24.2500	25.2500	36.0000	
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70 and up - \$/pc	26.0000	0.0000	26.0000	26.0000	41.0000	
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Branded Steers


62-70 - \$/pc	20.0000 - 24.0000	0.0000	22.0000	22.0000	30.5000	
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70 and up - \$/pc	25.0000	0.0000	25.0000	25.0000	36.0000	
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Butt Branded Steers

60-65 - \$/pc	29.5000 - 33.0000	0.0000	31.2500	31.2500	39.0000	
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60-65 - \$/lb	0.3825 - 0.4225	0.0000	0.4025	0.4025	0.5063	
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65-70 - \$/pc	30.5000 - 35.5000	0.0000	33.5000	32.0000	41.2500	
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65-70 - \$/lb	0.3650 - 0.4125	0.0000	0.4113	0.3963	0.4950	
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70 and up - \$/pc	-	-	34.0000	34.0000	51.0000	
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Colorado Branded Steers

60-65 - \$/pc	18.0000 - 21.0000	0.0000	19.5000	19.5000	28.5000	
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60-65 - \$/lb	0.2350 - 0.2725	0.0000	0.2538	0.2538	0.3638	
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65-70 - \$/pc	18.5000 - 22.0000	0.0000	21.0000	20.0000	28.7500	
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65-70 - \$/lb	0.2225 - 0.2550	0.0000	0.2625	0.2475	0.3400	
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70 and up - \$/pc	21.0000 - 24.0000	0.0000	22.5000	22.5000	30.0000	
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Heavy Native Heifers

51-57 - \$/pc	23.0000 - 25.0000	0.0000	24.0000	24.0000	34.0000	
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51-57 - \$/lb	0.3525 - 0.3825	0.0000	0.3813	0.3813	0.5200	
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Heavy Branded Heifers


51-57 - \$/pc	16.5000 - 19.5000	0.0000	18.0000	22.0000	25.5000	
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51-57 - \$/lb	0.2525 - 0.2975	0.0000	0.2863	0.3500	0.3825	
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Heavy Native Dairy Cows

Northern - 51-57 - \$/pc	15.5000 - 18.5000	0.0000	17.0000	17.0000	19.5000	
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Northern - 51-57 - \$/lb	0.2375 - 0.2825	0.0000	0.2600	0.2650	0.2925	
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Southwestern - 51-57 - \$/pc	14.5000 - 18.0000	0.0000	16.2500	16.2500	17.5000	
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Southwestern - 51-57 - \$/lb	0.2225 - 0.2750	0.0000	0.2488	0.2588	0.2675	
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Heavy Native Cows

Northern - 51-57 - \$/pc	6.2500	0.0000	6.2500*	6.2500	14.5000	
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Northern - 51-57 - \$/lb	0.0950	0.0000	0.0950*	0.0950	0.2138	
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Southwestern - 51-57 - \$/pc	6.0000	0.0000	6.0000*	6.0000	11.0000	
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Southwestern - 51-57 - \$/lb	0.0925	0.0000	0.0975*	0.0975	0.1675	
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Branded Cows



Northern - 51-57 - \$/pc	3.2500 - 4.0000	0.0000	3.6250	5.0000	9.7500	
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Northern - 51-57 - \$/lb	0.0500 - 0.0600	0.0000	0.0550	0.0775	0.1388	
Southwestern - 51-57 - \$/pc	3.0000	0.0000	3.0000	3.5000	7.5000	
Southwestern - 51-57 - \$/lb	0.0450	0.0000	0.0475	0.0550	0.1100	


Native Bulls

100-120 - \$/pc	6.0000	0.0000	6.0000	6.0000	10.0000	
100-120 - \$/lb	0.0600	0.0000	0.0600	0.0600	0.1000	

Branded Bulls

100-120 - \$/pc	4.0000	0.0000	4.0000	4.0000	8.0000	
100-120 - \$/lb	0.0400	0.0000	0.0400	0.0400	0.0800	

Kip Skins

25-35 - \$/pc	22.0000	0.0000	22.0000	22.0000	24.0000	
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Small Packer Hides

58-62 - \$/pc	2.0000	0.0000	2.0000	3.0000	12.0000	
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Slaughter Data

Animal	Today <i>10/3/2019</i>	Week Ago <i>9/26/2019</i>	Year Ago <i>10/3/2018</i>	Week to Date <i>9/30/2019 - 10/3/2019</i>	Last Week to Date <i>9/23/2019 - 9/26/2019</i>	Last Year Week to Date <i>9/30/2018 - 10/3/2018</i>
Cattle	117,000	117,000	121,000	467,000	467,000	475,000
Hogs	489,000	490,000	462,000	1,957,000	1,878,000	1,860,000
Sheep	7,000	7,000	8,000	31,000	31,000	32,000

North American Hide Bulletin

Please Note

Friday Trade Reporting Deadline 2 p.m. CST

Friday publication deadline for trade reporting will be at 2 p.m. CST with publication of the Hide & Leather Price Guide/Commentary soon after.

Market Activity & Analysis

This week—as expected—is quiet for the US hide market with Korean tanners now on holiday along with China celebrating National Day holiday week. Most hides are trading closes to steady, although there have been a few reports of sales \$0.50 to \$1 under previous trading levels. Several industry participants said cured steer hides are easier to move than wet blue. There is not much to be said for branded cow hides except that it is difficult to find buyers even at prices below input cost.

USDA Cure Hide and Wet Blue Export Sales Recap

For week ending September 26, cured hide and wet blue export sales increased 34% to 786,668 from 586,749 and shipments dropped 3.83% to 539,734 from 561,221 the prior week. The same week slaughter for comparison was 648,000 head with sales significantly above and slaughter slightly below production and their weekly year-to-date (YTD) averages. Through week #39, the average YTD slaughter is tracking at 629,976, sales are 540,458 and shipments 543,036. The sales numbers were the highest since May 23, 2019.

Today's Market

The day remained on the slow side with a small number of packer and processor sales quoted at steady prices. Several people in the trade speculated the large export sales report today could have been influenced by buyers doubling up ahead of the China and Korea holidays this week as well as the pressure to ship ahead of November 1 in order to avoid potential tariffs.

Today's Trades

Packer Sales

BS 64/66 @ \$24.00

BS 70 MIN @ \$25.00

Processor Sales

BS 62/64 @ \$20.00

U.S. Export Sales & Shipments for Week Ending September 26

2019 USDA Slaughter, Hide Export Sales & Export Shipments

Week #	Date	Slaughter	Hide Sales	Wet Blue Sales	Total Sales	Hide Shipments	Wet Blue Shipments	Total Shipments
36	Sep 05	571,063	335,221	99,681	434,902	317,479	135,049	452,528
37	Sep 12	636,125	465,682	141,954	607,636	525,827	144,246	670,073
38	Sep 19	660,857	473,004	113,745	586,749	407,871	153,353	561,224
39	Sep 26	648,000	594,235	192,433	786,668	386,828	152,906	539,734
YTD Total		24,569,061	16,003,758	5,074,089	21,077,847	15,683,057	5,495,363	21,178,420
YTD Weekly Avg		629,976	410,353	130,105	540,458	402,130	140,907	543,036

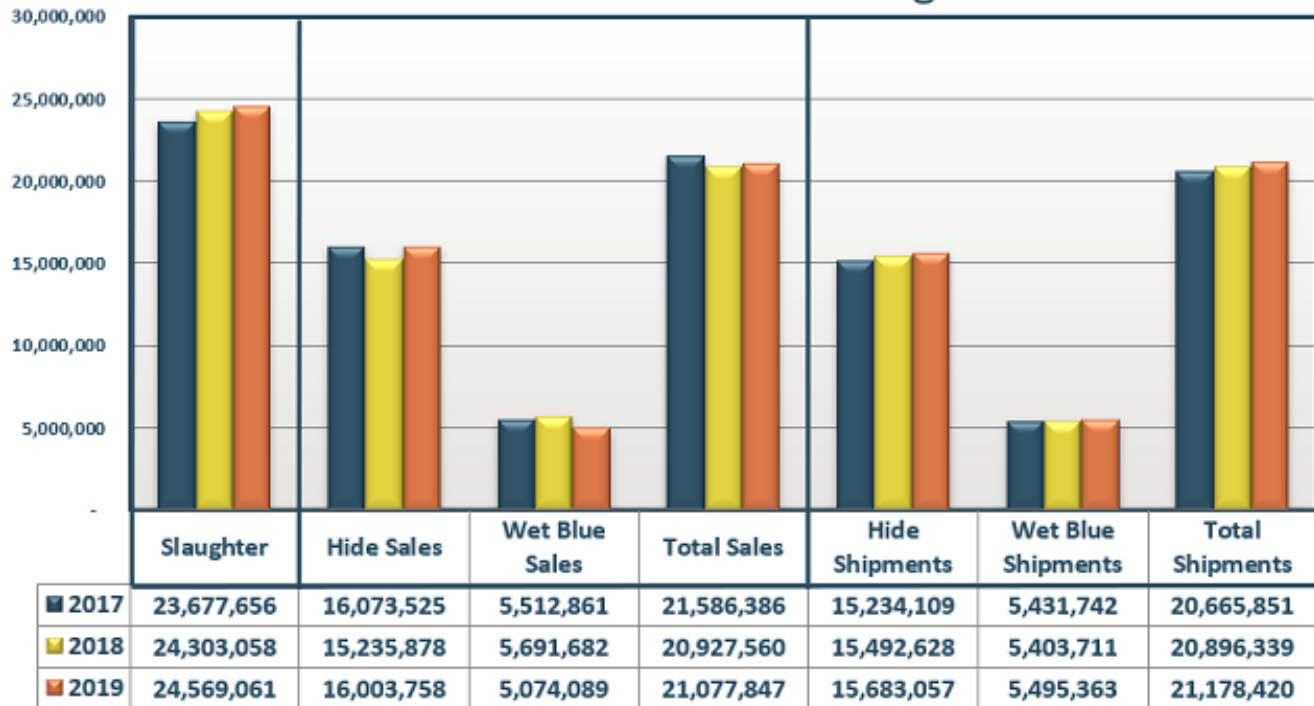
Source: USDA

Prepared by The Jacobsen



NOTE: For week-ending September 26, there were 150,400 wet blue sales reported for 2020. The YTD total sales in the table includes 210,400 forward-sold wet blue sales for 2020.

Slaughter Export Sales Export Shipments 2017 ■ 2018 ■ 2019 Through Week #39

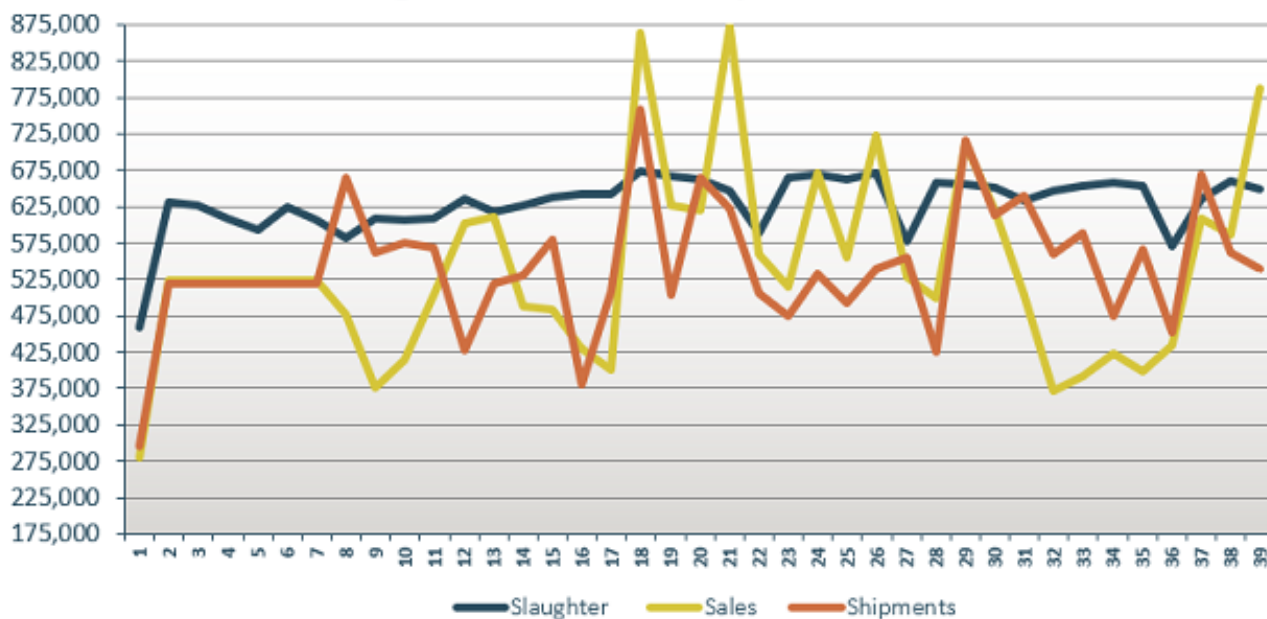


Source: USDA

Prepared by The Jacobsen



Slaughter ♦ Export Sales ♦ Export Shipments Through Week #39 September 26, 2019



Source: USDA

Prepared by The Jacobsen



USDA Hides and Skins Report

Net sales of 613,800 pieces reported for 2019 were up 29% from the previous week and 52% from the prior four-week average. Whole cattle hide sales totaling 594,200 pieces primarily for China (425,700 pieces, including decreases of 3,800 pieces), South Korea (88,500 pieces, including decreases of 2,300 pieces), Mexico (60,700 pieces, including decreases of 100 pieces), Taiwan (7,200 pieces, including decreases of 100 pieces), and Vietnam (7,000 pieces), were partially offset by reductions for Thailand (1,900 pieces) and Brazil (100 pieces). Exports of 392,400 pieces reported for 2019 were down 4% from the previous week and 8% from the prior four-week average. Whole cattle hide exports of 386,800 pieces were primarily to China (235,900 pieces), South Korea (60,900 pieces), Mexico (58,000 pieces), Thailand (18,500 pieces), and Taiwan (7,500 pieces).

Net sales of 192,400 wet blues for 2019 were up 69% from the previous week and 88% from the prior four-week average. Increases primarily for China (69,800 unsplit), Vietnam (51,900 unsplit), Italy (31,700 unsplit), Thailand (20,900 unsplit), and Mexico (9,800 grain splits), were partially offset by reductions for the Dominican Republic (200 unsplit). For 2020, total net sales of 150,400 unsplit were for Italy. Exports of 152,900 wet blues for 2019 were unchanged from the previous week, but up 8% from the prior four-week average. The primary destinations were China (47,100 unsplit and 1,200 grain splits), Italy (43,100 unsplit and 3,600 grain splits), Vietnam (32,700 unsplit), Mexico (6,400 grain splits and 1,000 unsplit), and Thailand (5,900 unsplit and 1,300 grain splits). Net sales of splits totaling 141,100 pounds for 2019 were primarily for Taiwan (82,800 pounds) and China (49,900 pounds). Exports of 338,500 pounds were to Vietnam (286,700 pounds) and China (51,800 pounds).

Link to Complete USDA Report: [EXPORT-SALES/HIDESFAX \(http://www.fas.usda.gov/EXPORT-SALES/HIDESFAX.HTM\)](http://www.fas.usda.gov/EXPORT-SALES/HIDESFAX.HTM)

The International Market

Europe

Today is the second day of the Lineapelle fair in Milan, which will end tomorrow (Friday). While it is surely too early to have a complete overview about its final outcome, there are a couple of hints one is already able to collect from the operators. In the first place, the

overall attendance is satisfying: most booths are full, and tanners are busy meeting up potential customers as well as suppliers. In spite of this positive element, it is, however, undeniable that the amount of orders for finished leather following summer vacations did not match the expectations. Most tanners were indeed hoping for a slight increase of business volume in the month of September, but unfortunately this was not the case.

Such an unexpected slowdown makes tanners careful when it gets to purchasing new hides, in spite of the very low price of most origins and material, the hope is that, by the end of the month, some more orders will finally come and the leather industry will be able to get back some more pace.

French cow price is reported steady since they are at rock bottom level (the only exception is Bretagne 32+, reported 0,05€ lower than two weeks ago). German cows are 0,05€ lower on the heavy southern material.

German bulls price is reported to be slightly increasing, 0,05€ higher on the lower end of the price gap.

Italian calf price is also moving. On the one hand, the 12/16 are decreasing 0,10€. On the other hand, the 14/19's gap is increasing with a +0,10€ for the best production against the -0,10€ of the lower end of the gap. The impression is that the market is adding value to higher-quality material and depreciating the lower quality, which is the reason for gaps becoming wider. French calf price is reported decreasing 0,05€ on both Bretagne and Centre origin.

Polish Ox/Heifers are 0,10€ up compared to two weeks ago.

****Visit our International Hide & Leather Bulletin to see market news for additional countries across globe.****

Industry-Related News

Oct. 2 (Footwear News) HONG KONG -- Hong Kong's Plummeting Retail Sales Put a Chill on Luxury Brands

Nearly four months after ongoing pro-democracy protests broke out in Hong Kong, the territory's status as a global hub for luxury retail may be in jeopardy. The clashes between police and demonstrators, which began as a dispute over a proposed extradition bill, have taken a toll on tourism, with the total number of visitors sinking nearly 40% in August to 3.59 million, according to data released this week by the Hong Kong Tourism Board. The bulk of this drop comes from visitors from mainland China, who have historically been a reliable source of income for high-end brands in Hong Kong, spending the majority of their travel budgets on shopping. On Wednesday, the government reported the worst year-over-year on record, decline in retail sales with sales falling 23% in August. Among the sectors affected is luxury fashion, as analysts estimate that Hong Kong accounts for between 5 and 10% of global sales of luxury goods. [READ MORE](#)

Oct. 2 (Bloomberg) US -- Auto Sales Decreases Bode Consumer Deals

U.S. auto sales took a big step back in September, setting the stage for hefty incentive spending by carmakers struggling to clear old models from dealers' inventory. Toyota Motor Corp. and Honda Motor Co. each suffered double-digit declines that were worse than analysts expected. While a fuller picture will emerge today when General Motors Co. and Ford Motor Co. are due to report, the poor performance suggests that overall deliveries of cars and light trucks could come in worse than the 12% drop anticipated by analysts, based on six estimates. [READ MORE](#)

Oct. 2 (The Detroit News) US -- U.S. Auto Sales Down Through September, but Automakers Still Selling Strong

U.S. auto sales are down for the Detroit Three and at several foreign carmakers for the first nine months of the year as the economy slows. But experts still expect the industry to finish 2019 with near-record numbers. Industry-wide sales fell 1.4% through September, due in part to a 12% decline last month, according to California-based analysis company Edmunds. [READ MORE](#)

Oct. 2 (Reuters) US -- Top 20 Selling Vehicles in the United States Through September

The Following are the 20 Top-Selling Vehicles in the United States, as Reported by the Automakers and Ranked by Total Units: 1. Ford F-Series P/U; 2. Ram P/U; 3. Chevy Silverado-C/K P/U; [READ MORE](#)

Sep. 25 (Nutraceutical Business Review) PORTAGE, Indiana/PARAGUAY -- Brazilian Gelnex Builds First US Facility

Brazil-based Gelnex has announced that it will build two new facilities, one in the US and one in Paraguay, says WholeFoods Magazine.

One of the new locations is in Paraguay. This facility will streamline the supply chain as it positions the manufacturing process adjacent to the raw material sources. These raw will be sourced from grass-fed, pasture-raised South American cattle hides. The other new build is in Portage, Indiana. This is Gelnex's first US facility and it will serve the purpose of hydrolysing gelatine into collagen. [READ MORE](#)

Please contact Gary Gagnon at 816-279-8889 or gary@thejacobsen.com for any questions, comments, or to report any trading.

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Footnotes

1. All prices are FOB unless otherwise noted.
 2. An asterisk (*) denotes a price correction/adjustment versus the previously reported price.
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