

Raw Materials: Cuba wants to make more of its hides and skins

Figures for 2012 put the island's cattle herd at 4 million head and said a total of almost 1.4 million head of cattle, sheep and goats were slaughtered in the course of the year. Cuba also has more than 700,000 horses, and although the government recorded a figure of zero for horse slaughter, it has said some horse hides must have been produced, even if only from horses dying from natural causes.

What is missing is an account of how many hides and skins from these animals reached tanneries in Cuba, although official figures for the previous year, 2011, suggest that tanneries in Cuba, which are state-owned, exported 1.6 million finished or semi-finished hides. This contrasts with a figure of 3.5 million in the year 2000.

External critics of the government have said a lack of investment in the raw materials supply chain has held the tanning industry in Cuba back, with transportation, storage facilities for hides and skins and even salt severely lacking in some parts of the country leading to thousands of hides going to waste.

Tanneries Cuba has four state-owned tanneries employing around 1,000 people which produce finished leather for the local footwear manufacturing industry as well as exporting wet-blue primarily to Italy, Spain, Türkiye, Syria and Hong Kong, which then re-exports the wet-blue to Chinese tanneries. These four tanneries are:

* Teneria Habana with two production units in La Vaquita and Guanajay * Teneria Matanzas - one unit in Mártires de Ñancahuazú * Teneria Caibarien - two units in Patricio Lumumba and Hermanos Herrada * Teneria y Calzado Camaguey - one unit in Abel Santamaría **Production and export capacity** The production unit at La Vaquita produces one 20 foot container for export of wet-blue hides per month containing around 1,300 hides with three grades of quality B, C and D which in percentage terms are 30, 40 and 30% respectively. The unit at Guanajay has a similar capacity.

The Mártires de Ñancahuazú unit of Teneria Matanzas also produces a total of three containers of exportable wet-blue per month in varying weights. All the hides are complete with no offcuts or splits. The number of hides exported per month oscillates between 4,000-4,500.

The factory of Teneria Caibarien, Patricio Lumuba, is the largest tannery in Cuba. Depending on the weight, this unit has the capacity to export up to 6,900 hides per month in three containers with the same classification as La Vaquita and Guanajay.

The other unit of Caibarien, Hermanos Herrada, processes and exports two containers per month of wet-blue (no splits) and has an export capacity of approximately 4,500 hides per month when fully operational. The Abel Santmaría unit of Teneria y Calzado Camaguay is the only tannery in Cuba which produces leather soles for export. The quality classification is 70% grade 1 and 30% grade 2 soles. This production unit currently exports two containers per month with each one containing around 2,300 leather soles. Table 1 gives an overview of the total export capacity of the Cuban tanning industry as it currently stands.

Crust and finished leather Although the main export of leather from the Cuban tanning industry is wet-blue, the tannery sector can also offer crust and finished leather to meet client specifications. Crust is offered on the basis of one 20 foot container per month at an indicated price of between US\$1.50-US\$1.60 per sq ft FOB Havana depending on the thickness of the leather. Finished leather

can also be ordered and tanned to client specifications and colour. One 20 foot container per month is available for shipping and the indicated price FOB Havana is US\$1.70-US\$1.90 per sq ft. According to Gerardo Álvarez, export manager of Combell, the state-owned company responsible for Cuban leather exports, demand for Cuban leather has now outstripped supply. 60% of all production is destined for export with the remaining 40% entering the leather pipeline for the manufacture mainly of footwear to satisfy local demand for the island's 11.3 million inhabitants. Álvarez stated that the total number of raw hides used per year to supply Cuba's tanning industry and footwear manufacturing industry is approximately 350,000.

Machinery and chemical products are regarded as essential imports and hard currency is available to satisfy these needs. All chemical products for tannery operations are imported with the exception of sulfuric acid and hydrated lime.

Cattle numbers In an article published on January 29, 2007, the Cuban News Agency reported that cattle numbers had increased by more than 33,000 after the ten year drought in Cuba's eastern province of Las Tunas. At that time, slaughter was reduced by 100,000 head due to lack of rainfall. Enrique Rodriguez Labanino, head of the National Centre for Cattle Control (CENCOP), stated that the favourable rainfall averages in 2006 benefited the cattle-raising areas across the country. Estimates of the size of Cuba's cattle herd vary wildly. In the 1950s some figures place the herd size at around ten million with the lowest estimate being 5.3 million at that time. Current herd size is impossible to judge with figures as low as two million being thrown around whereas other sources indicate a herd size of around five million animals. Based on the use of 350,000 hides per year, the upper estimate of five million head would appear more reasonable. Nevertheless, it should be taken into account that the decade-long drought in the cattle rearing areas caused the death of around 100 animals per day.

Footwear According to FAO figures, production of leather shoes in Cuba was estimated at 15.8 million pairs in 2001 and based on two pairs/per capita/year and an 11.3 million population, current demand for footwear in Cuba is around 22.6 million pairs. This figure would obviously include sandals, sports shoes and other economic options indicating that Cuba hardly imports footwear and is effectively self-sufficient when it comes to satisfying internal demand. Overall footwear production in Cuba has not been possible to estimate due to lack of available data. In 2001, the first athletic shoe factory was opened in the western city of Manzanillo to produce 100,000 pairs a day using Dutch and Mexican technology. The aim was to offset imports of this popular type of footwear and the product is being marketed under the brand name of Tower. Previous to this, in 1998 the Cuban government inaugurated a joint-venture company with the Chinese government to manufacture four million pairs of 'Caribbean Beach Sandals' per year in Santiago de Cuba some 850km east of Havana. This factory employs 250 operatives and is exporting to other Caribbean nations.

Looking ahead With the existing tanneries operating at almost full capacity to satisfy client demand, Cuba will be obliged to increase production in the future. The recovery in the number of cattle after the crippling decade-long drought will make raw materials more easily available. The solution envisaged is to work with tanneries in other countries where there is abundant supply of raw material and thus increase production in this way, with the objective of supplying more wet-blue to the international marketplace. According to Gerardo Álvarez, Cuba has the clients and the markets and now, with the necessary financing behind them, this could well be the next step in the development of the Cuban tanning industry, by internationalising their operations.