

Skin Quality Initiative

Growth and Employment in States - Wholesale and Retail Trade (GEMS4) is an economic development project jointly funded by the World Bank and DFID/UKaid. Its aim is to facilitate non-oil, private sector led economic growth. GEMS4 is focused on increasing incomes and employment opportunities in the wholesale and retail sector, by providing solutions to systemic constraints and the inclusion of small and micro enterprises into better functioning market systems. The overarching goal is the creation of 10,000 new jobs and increased incomes for 500,000 people, especially for the poor and for women. Utilizing the Making Markets Work for the Poor (M4P) approach, GEMS4 is working with market actors, linking them and changing market incentives so they serve each other better. The project is also building local capacity so the market better meets the long-term needs of the poor.

The Constraint

Cow skins (called Hide), Sheep skins and Goat skins are the main raw material for the leather industry. In the international leather market, Nigerian skins are ranked to be of superior quality. Consequently, the Nigerian leather industry is second only to the crude oil industry in annual foreign exchange earnings.

Annually, an estimated 40 to 50 million sheep and goat skins are processed in Tanneries in Kano - the hub of the leather industry. The animal skin supply chain starts with collectors who buy skins at abattoirs or homesteads and trade them up through an organized supply chain. Small dealers sell to bigger dealers and on up to a few major aggregators who deliver the skins to Tanneries. There are often up to four transaction levels from abattoir to tannery. About 90% of the actors in the skin supply chain - mostly lower level dealers and collectors - are poor.

Hides and skins are primarily composed of water, protein and fatty materials and immediately following animal slaughter, skins must be preserved up until tanning. Proper preservation ensures the skin is able to satisfactorily undergo tanning into leather. The most common method of preservation is to cure



the skins using special salts to produce a dehydrated wet-salted or dry-salted material. The supply chain involves rigorous selection at every transaction level where poorly preserved and otherwise damaged skins are rejected, this results in considerable financial losses to traders.

An estimated 20% of skins in Nigeria, downgrade to rejects and 50% of the time, the cause is poor preservation. The traditional method of skin preservation involves the application of table salt to the flesh sides of the skins. However, table salt is not formulated for preservation purposes and can only hold preservation for a week. Skin dealers are therefore pressured to sell, for fear of incurring losses when microbial damage becomes evident. The constant struggle of skin dealers to push skins up the supply chain with minimum losses denies them bargaining power and this impacts negatively on skin dealers' income. With estimated annual production of 40 to 50 million skins in Nigeria, financial losses due to poor preservation may be as in excess of N3bn each year.

Skin Quality Initiative

The Skin Quality Initiative was introduced by the now completed DFD project, GEMS1: Support to the Meat and Leather Industry.



with a focus on the major skin trade markets in Kano, Katsina, Kaduna, Bauchi, Sokoto, Zamfara and Kebbi.

This initiative will also provide support for the development of effective distribution channels for skin preservation salt.

In order to build local capacity to manufacture SPS, two GEMS4 partners have produced samples of their own versions of the SPS which were tested and found to be as efficient as the SPS imported from Germany. National Salt Company of Nigeria Plc has

since commenced commercial SPS production which has been launched in the market, packaged in clearly marked 50Kg.

Advantages of the SSP

- Preserve skins in excellent condition for a minimum of 3 weeks.
- Saves money as SPS costs less than table salt and smaller quantities are needed to achieve effective preservation.
- Increases the incomes of skin dealers through minimizing rejects during skin selection.

Results

The projected results for the Skin Quality initiative include:

- The adoption of SPS by key stakeholders such as the National Association of Hides and Skin Dealers
- An increase in the proportion of skin dealers with improved skin preservation skill, using SPS instead of table salt
- An increase in the incomes of skin dealers due to the use of the skin preservation salt

The GEMS4 Skin Quality Initiative is an access to skills intervention and is focused on improving the capacity of skin dealers to better preserve their product using Skin Preservation Salt (SPS) instead of table salt. The Skin Preservation Salt has been demonstrated to be three times more effective than table salt, as skins remain well preserved for a minimum of three weeks - as opposed to one week when treated with table salt. The initiative will enable traders maintain skin quality and preserve the sale value of their product, leading to increased incomes across the value chain. Initiative partners include: National Association of Hides and Skin Dealers, National Salt Company of Nigeria Plc and Jumbee Limited

The Strategy

GEMS4 is working in partnership with the National Association of Hides and Skin Dealers, National Salt Company of Nigeria PLC and salt distributors to demonstrate the efficacy of the preservation salt and encourage uptake among skin dealers.

The approach will be through market outreach programmes and mass media awareness campaigns. Market demonstrations to compare the effects of the preservation salt with table salt have been ongoing,

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