

SE News

HD Sheepskin traders are wary of Putin

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SHEEPSKIN processors are anxiously watching for any more trade bans following Russia's decision last week to stop some food and fibre imports.

The already depressed skin market would be even tougher according to traders, with even the best sucker skins only attracting about \$8 at Bendigo on Monday, compared to up to \$25 in the past.

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Victoria's most valuable exports to Russia are skins and hides, worth about \$29 million a year. To date, sheepskins are exempt.

Australian Lamb Skin Processors director Darren Vinton said he had sheepskins on ships heading to Russia when the bans were announced.

"It would have been hard if sheepskins had been banned, because we would have needed to bring those skins back." Mr Vinton said.

"If a ban was put in place, it could have a major impact on our **business**." Mr Vinton said the two major customers for sheepskins were Russia and **China**, and half the skins bought by **China** ended up in Russia anyway.

"The end result if there is a ban placed on Australian sheep skins is that less will be paid to the producer," he said.

Sutton Grange lamb producer Noel Davis said he didn't factor skin values much into the income he received for lambs, including those he **sold** for \$105 at Bendigo on Monday.

But when skin prices were good, they could boost returns.

KREMLIN CANNED Australian food and fibre on the black list ■ Beef (fresh, chilled, frozen) ■ Chicken ■ Pork ■ Fish ■ Fruit and vegetables ■ Milk, cream, butter, whey, cheese, buttermilk, yoghurt and curd Source: Department of Agriculture AUSTRALIAN EXPORTS TO RUSSIA 2013 Total value \$404.7 million ■ Meat \$309.9 million ■ Dairy \$78.1 million ■ Horticulture \$10.4 million Source: Department of Agriculture VICTORIAN EXPORTS TO RUSSIA 2012-13 Total value \$89 million ■ Skins and hides \$29 million ■ Dairy \$29 million ■ Meat \$25 million ■ Horticulture \$5 millionSource: Victorian Government

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