The U.S. meat industry generates over 32 million cattle hides a year, along with 4.7 million pig skins and nearly 2.2 million goat and sheep skins. In the U.S., every hide used for leather comes from animals that were raised for food; the leather industry does not slaughter a single animal. Rather, the industry purchases these hides and skins – which otherwise would go to waste – and transforms them into leather.

Hides: A Fraction of the Overall Value of an Animal

WHEN LIVESTOCK ARE PROCESSED, NO PART OF THE ANIMAL GOES TO WASTE. Instead, additional value is captured for every part that U.S. consumers do not eat, including the hide, head, organs, and blood. This value is referred to as the “drop credit.”

Edible cuts that are not consumed are often exported to countries where demand for those products is strong, while bones and blood are turned into animal feed, and other parts of the animal are made into fats and greases used in the production of renewable diesel and other important goods. Hides, meanwhile, are processed into leather.

Together, these by-products add to the overall value of the animal, with recent byproduct drop values averaging approximately 8 percent of the value of the live fed steer. Although the hide comprises a larger share of the total drop credit value compared to the other by-products, hide prices have experienced substantial declines in the last few years, leading hides to account for lower percentages of the overall drop value during that time – falling from about 50% of the total value of the drop credit to below 35%.
Animal Agriculture Will Continue Regardless of Global Leather Demand

At no point would the overall drop in credit value, or the value hides provide, either encourage or dissuade livestock production and animal agriculture. In short, animal agriculture, and livestock production and processing, would occur even in the absence of the leather industry. The replacement of natural leather with synthetics or other alternatives (such as so-called "vegan leather") will not keep a single food-producing animal – cattle, hogs, etc. – from being processed.

But, because hides are used to make leather, the environmental impact of animal agriculture is greatly reduced. Without the leather industry, nearly two billion pounds of unused cattle hides would be diverted to landfills. In fact, were it not for rendering, animal by-products would fill all available U.S. landfills within four years.

RESOURCES:

- American Farm Bureau Federation
- USDA AMS
- Nothing to Hide
- Hides & skins: use or lose it