

Evolution over the decades

A+B HIDES looks back over the past 10 years and forward into the next decade, providing insights on the evolution of the leather trade.

Could you provide a brief history of the company and how it was founded?

The company was founded in 2006 when Marc Aengenheyster (procurer), Toni Baltes (CEO) and his brother Karl-Josef Baltes (senior advisor) brought their family businesses together to form A+B HIDES. It was a bold move that combined over 100 years' worth of experience and brought a sophisticated and up-to-date methodology to this ageless sector.

The founding fathers, Franz Aengenheyster and Toni Baltes (senior), began collecting hides from local German slaughterhouses and butchers just after the Second World War. The two founders would collect the hides every day with their cars and take them back to their premises. Here they would categorise, conserve and then deliver them to the tannery.

Over time, the industry saw the centralisation of slaughterhouses and a decline in butchers thanks to a rise in supermarkets. To keep up with this development, the businesses changed from collecting hides in cars to collecting them in trucks. In 2018, after many years of trusting and successful cooperation, A+B HIDES became part of the OSI Group. This step ensured a constant, high-quality and sustainable supply of raw material to our customers.

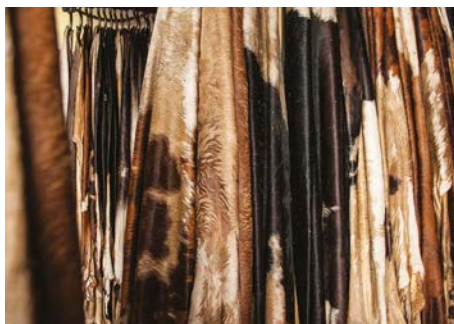
As we are celebrating 10 years of ILM – how has the business evolved or changed over that time (since 2013)?

As the trend towards larger slaughter units has continued, while the number of small to medium-sized businesses has decreased, a similar development has occurred in the marketing of hides, concentrating on a small number of large marketers. Some slaughterhouses have incorporated the marketing of the most valuable by-product, the hide, into their operations.

Especially in recent years, there has been an increasing emphasis on sustainability and traceability. Enabling traceability for a single hide back to the slaughterhouse or farm has confronted the industry with great technical challenges, which we have overcome successfully.

Is raw material traceability and sustainable processing more important for A+B's customers in today's market?

Sustainability has been a focus for us and our customers for years, as we have moved to purchasing only green energy, built an extensive solar panel array on the rooftop of our largest warehouse in Kapellen



Where are your locations and how many people work in the company today?

We have four locations in Germany, two in Kapellen and Wegberg (Midwest), one in Eisenhüttenstadt (East) and one in Hartmannsdorf (Mideast). Another two sites are located in Memmingen (South Germany) and Simontornya (Hungary) and are operated by contractors. At our locations, we collect fresh material with our own modern truck fleet and classify hides into different categories and weight classes according to customer demands as well as prepare them for further processing to leather by trimming and conserving them by cooling or salting. From the warehouses, the hides are shipped to customers in Europe and overseas. We have about 100 people working for A+B directly and about 80 people working for our contractors.

What kind of materials do you supply to the global leather industry?

We supply fresh, wet-salted and wet-blue/wet-white bovine hides. Ranging from calfskins to heavy bulls and everything in between for all different kinds of applications. Luxury leather goods, shoes, upholstery for furniture and automotive and even technical leather. Through our extensive product portfolio, we are able to serve a diverse range of customers.

and updated our truck fleet to the cleanest exhaust gas class currently available (EUR 6). Over the past five years, we have developed a physical traceability system. The ear tag code that is the "animal's passport" is lasered into the fresh hide upon customer request and thus can be traced all the way back to the birth farm, while remaining visible throughout all stages of leather production.

As a certified trader and active member of the Leather Working Group, we hope to be able to contribute to the certification and auditing process, not just for tanneries but also traders of raw material.

How do you see the raw materials market for leather evolving over the next decade?

Today, the use of leather is often questioned. Veganism, factory farming and climate change, to only name a few arguments, are brought forward to rethink the consumption of leather.

However, bovine hides remain the most valuable by-product of the meat and dairy industry and thus a natural renewable resource. It is our view that if you eat meat, which is of course entirely up to the individual, it is only ethical to utilise the whole animal, including the hide and, from that, create natural, long-lasting and beautiful leather products. We strongly believe in the advantages of leather over synthetic materials and despite all the criticism look optimistically into the future. |