A Rubicon moment for leather industries of Vellore District in Tamil Nadu - A practical panacea

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Abstract
Leather manufacturing industry in Tamil Nadu is a traditional industry dating back to 1830s. It has significantly increased as a foreign exchange earner for India in Post independence period. This industry is a breadwinner for millions of people in Vellore district across the centuries due to vast availability of labour and steady supply of raw materials. Now with the present turmoil and confusion caused by incumbent government at the centre, the states leather industry sees a negative growth in exports which in turn have shortfall in daily income of labourers. This paper gives a remedial approach in mitigating the adhoc bureaucratic policies to secure the steady supply of raw materials for the leather industry.

Introduction
The leather industry in India accounts for almost 13 percent of the world's production of hides and skins. According to the Council of Leather Exports, India has around 21 percent of the world's cattle and 11 percent of goat and sheep population, employs about 3.09 millions of labourers making it an ideal hub for the leather industry. The top leather markets for export of leather and leather based products are US, Germany, the UK and Italy; These four countries alone accounts for about 45 percent of total exports. Uttar Pradesh, Punjab, Bihar and West Bengal are the major sources of raw material for the billion-dollar leather export industry. In Tamil Nadu, Leather production units are located in Chennai, Ambur, Ranipet, Vaniyambadi, Vellore, Pernambut, Trichy, Dindigul and Erode; Vellore district of Tamilnadu alone contributes 36% of Indian capacity. The Leather Industry has been a source of livelihood for the lower strata of the society in semi-skilled and unorganised labour. Post independence, any policies on cattle, livestock has direct impact on economy of millions of labourers of low income group.

Features of The Prevention of Cruelty to Animals (Regulation of Livestock Markets) Rules 2017 notified by the Central government, with effect from 23.05.2017,

Gazette No. 396, issued by the Government of India on May 23 and titled the ‘Prevention of Cruelty to Animals (Regulation of Livestock Markets) Rules, 2017’, has given a severe blow to of small time cattle and dairy farming in India, and along with them the right to livelihood as guaranteed by the constitution is in stark contrast with the enactment of this draconian law. This order by Central Government, issued under the Prevention of Cruelty to Animals Act : imposes in section 22 a set of ‘Restrictions on sale of cattle’.

The rules defines 'cattle' to mean “cow, calf, bull, bullock, buffalo, heifer, steer and camel” Slaughtering means 'the act of killing or butchering of livestock for market'; Cruelty means 'disposed to inflict pain or suffering'. By equating 'slaughter' with 'cruelty' and criminalizing the trading of animals for slaughter at animal markets as an act of cruelty, the central government has enforced a country-wide ban on the slaughter of buffaloes and cattle, leather industry and the consumption of beef.

The law requires the owner of cattle being brought to the market for sale, in other words the farmer, to produce and submit to the Animal Market Committee a written declaration stating that “the cattle has
not been brought to the market for sale for slaughter”. In turn, the buyer of the animal has to undertake “that the animal is being bought for agriculture purposes and not slaughter. Before the trade, both seller and buyer will have to produce identity and farmland ownership documents. After buying a cow, a trader must make five copies of proof of sale and submit them at the local revenue office, the local veterinary doctor in the district of the purchaser, animal market committee, apart from one each for seller and buyer. The committee will further keep records of the sale of animals to ensure they are not resold within six months of purchase. They will also keep ID records of the buyer, seller and animal.

The Madurai bench of the Madras High Court on July 11, 2017 granted a four-week stay on the Centre’s notification banning sale and purchase of cattle for slaughter at animal markets. A division bench comprising Justices M V Muralidharan and C V Karthikeyan issued this interim order and has been upheld by Supreme court for the rest of India. This is a welcome move by the honourable high court for the industry as a whole, and break time to steer and stabilise the industry, in turn benefitting the economy of the country.

**Prevailing impediments for a declining Leather Industry**

The notification has a notion of prevention of cruelty to animals but the majority of citizens of this country who eke out a living on Livestock, Dairy and its allied industries of leather is wholly affected. The provisions of the act are apparently innocuous and penalising the Cattle and Diary Industry in general and Leather Industry in particular. These new rules choke the free movement of animals via the markets undermining the freedom and rights of farmers, traders and all others whose livelihoods are linked to this production cycle that sustains industry for cattle and buffaloes of this trade. The notifications breaks the steady supply of cattle to slaughter houses and disrupts daily operations of beef exporters. The rules will hurt mostly traders with no ruling party affiliations who face mounting violence by increasingly assertive cow vigilante groups.

Farmers will also be hit because they will be deprived of a traditional source of income from selling non-milch and old cattle. To maintain a cow shelter with no revenue, farmer is unduly burdened for the upkeep of bovine animals, which is past the productive life span. During drought times, everyone looks to sell their cows and bullocks for want of water and fodder and the farmers gets a reasonable price in the market because of traders involved in the trade of animals for slaughter. Slaughtering and the markets for beef and leather, complements dairying. Farmers rear cattle for dairy or as work animals, and when they become non-productive, they have value for its beef and skin used for leather. Beef is a by-product of dairying and draught, is another aspect of livestock economy. Declining leather industry will further weaken the foreign exchange reserves of India.

**Export Performance of Leather Industry**

Sagari Ramdas(2016) in her paper titled "Bovine Politics" in "Indian Seminar 2015" has stated that in meat production systems – whether meat from cattle, buffaloes, sheep, goat, pigs or poultry – it is the female which is reared carefully in large numbers to reproduce future generations, and the male that goes to slaughter. It is only the sick, old, infertile and non-lactating female that is sold for slaughter. In every society where beef consumption is not politicised, farmers know that eating the female bovine as a primary source of meat will compromise future production, and hence they are rarely consumed. Typically, 70% of a cattle herd or sheep/goat flock is female breeding stock; the rest comprises a couple of breeding males, and young male and female offspring. In India, buffalo population has grown by 21% since 1997. This is because buffaloes anchor milk and beef production in India. India is the 2nd largest exporters of buffalo beef in the world, with an annual export of nearly 2.4 million tons. Bovine meat contributes nearly 60% of total Indian meat production, as against small ruminants (15%), pigs (10%) and poultry (12%). Buffaloes survive well on limited, coarse, less nutritious crop residues, whilst cattle need more green fodder and green grass. This is evidence itself
that given all other conducive input factors for the animal to be reared (primarily feed, fodder, water, ecological adaptability, knowledge, labour, health care and a remunerative livelihood), allowing the slaughter of an animal actually drives its numbers up. The same holds true for goat and sheep. Between 1997 and 2012, the sheep population increased overall by 13%, and goats by 10%, despite a 33-38% slaughter rate. India’s beef production on the other hand, is one of the most sustainable and least ecologically damaging in the world. Beef is a by-product of buffalo rearing livelihood practices, and not its primary objective, which continue to be milk and milk products. Whilst male buffaloes end up in the slaughter houses, farmers also sell their infertile, old, diseased and non-lactating females. Indian animals are not fed on predominantly grain-based concentrate diets, but on crop-residues, and natural vegetation.

According to Harshkumar (2017) Indian beef is in great demand in the world market because it is cheaper and India is the largest beef exporter.

- Meat exports are over 1.3 million tonnes per annum of which 95% is beef.
- Meat exports industry is Rs.27,000 crores pa.
- Leather market is estimated at Rs.40,000 crores pa.
- Dairying is Rs.80,000 crores pa.
- Cattle trading is the livelihood of about 15 million Muslims.
- About 35 million people depend on slaughtering, beef & leather industry.
- In all, 50 million people are dependent on cattle related businesses.
- Majority of rural population supplement their meager incomes with dairying.
- Most workers in leather industry are Dalits.
- Only 10% of buffaloes heads for slaughter houses.
- The number of animals in milk - cows & buffaloes are about 100 million. Out of which approximately 10% i.e. 10 million unproductive cows & buffaloes are slaughtered every year.

As per the monthly export report of the Directorate General of Commercial Intelligence & Statistics (DGCI&S) the export of Leather and Leather products for the financial year April-March 2016-17 touched Rs. 380024.07 million in April-March 2016-17 as against the previous year’s performance of Rs. 383321.67 million registering a negative growth of -0.86%.

S.V. Kishnamachari (2017) has stated that India requires about 3 billion square feet of raw leather every year to support its $12 billion industry and a short supply would force manufacturers to resort to imports for raw material, raising costs.

Tapan Nandi (2017) convenor chairman for German Investment in India of the Council of Leather Export, expresses that "The crackdown on illegal slaughterhouses by the Uttar Pradesh government cannot be questioned, but a blanket ban will affect the domestic supply of raw material. Since illegal units were in the supply chain, some amount of short supply is expected. A blanket ban on slaughterhouses would nudge manufacturers to depend more on imported raw materials, which are costly. If the imports go up, that will add to the cost of Indian leather products and we will lose our competitiveness in the world market". According to Ranipet-based industrialist R Krishnamurthi (2017) confirms to the above statement by saying that "If they have to source raw materials from export firms, “tanneries would be dependent on them”.

Vellore - A semi-agrarian economy

Vellore district is primarily rainfall deficient and arid region with a majority of its population involved in leather industry and agriculture. The chief food grains cultivated are paddy, Maize, Millet and Redgram. Vellore is one of the top producers of sugarcane and coconut in the state. Oil seeds that are
cultivated are groundnut, coconut, sunflower and Gingerly. **Serena Josephine (2016)** Organic farming is steadily gaining momentum among farmers in Vellore district. In the last few years, many farmers have started to move away from inorganic farming to adopt organic means of raising crops.

According to The Hindu News Paper dated October 9, 2016 Farmers having lands in the areas affected by tannery pollution on the banks of the Palar in Vellore district have requested the Agriculture Department to suggest alternative crops suited for cultivation in the affected areas. Department was propagating the virtues of the system of rice intensification (SRI) method for maximising paddy yield in the district, the technique was of no use in the tannery pollution-affected areas.

**Palanisami.K (2008)** in his report submitted to Tamilnadu Agricultural University on District Agricultural Plan of Vellore DIstrict has stated that Vellore district is a drought prone district with erratic and less than normal rainfall recorded during the past several years. Most of the rivers in this district are dry for years together, and the major irrigation tanks which are mostly system tanks which are also dry for the most part of the year. This has resulted in over exploitation of ground water through open wells and deep bore wells. The area under the waste and fallow lands in the district also was around one – fifth of the total geographical area. Thus, Northern and interior Districts of Tamilnadu are rain deficient and are not arable thus weak for agriculture and cultivation. It will complement the agriculture and remove the stigma attached to the Leather industry

**Vellore- A Leather hub**

Post independence, for this arid region of Vellore district, leather industry has become a backbone for the livelihood of millions in Vellore district and has been a major foreign exchange earner just like IT industry boom. Due to natural and bureaucratic constraints leather industry has a bleak future for the livelihood of wage earners and blue collar workers alike.

With the rise in animal rights zealots in the administration there is now more difficulty in procurement of hides and skins from far flung north Indian states, where the rule of law is circumvented by vested interests and cartelisation. Added to the disadvantages in procurement of raw leather, raw skin from Northern states have been hazardous and at times fatal for the forces et al. According to S Faiyaz Ahmed, General Secretary of Ambur Tanners Association "The campaign against cow slaughter has already brought down sales. There are 1,230 leather companies in Vellore employing 1 lakh directly and 2.5 lakh indirectly, besides earning an estimated Rs 2,000 crore annually in foreign exchange, which would be hit by the notification. If the ban is extended to buffaloes, at least 250 companies in Ambur and surrounding areas will suffer directly.”

**Dairy Farming in Vellore - A Panacea for the ailing Leather Industry**

With all this prevailing scenario in mind it has become imperative to generate and procure raw material from local sources. To change the tide from loss, bankruptcy and closure into a sustainability, the success lies in changing the disadvantage situation into an opportunity. Main raw material of leather industry is hides and skins, this cannot be relied from far flung North Indian states where the political impediments for cattle and livestock are in vogue. The import raw material from volatile International Markets will have a negative impact on the revenues.

As the shortage of cultivable land in Northern Districts of Tamilnadu, It is a blessing in disguise to beef up this industry by having supportive industries like livestock for dairy farming, meat production, organic manure for agriculture and biogas for cooking. The Gobar gas from the dung is used as fuel for domestic purposes as also for running engines for drawing water from well. The surplus fodder and agricultural by-products are gainfully utilised for feeding the animals. The resources and spin off industries generated are varied and tremendous. There will be no cartelisation
from business counterparts from far flung states and thus reducing the influence of shenanigans during the lengthy duration of transport of cattle, raw skin and hides for the local tanneries. The suggested alternatives of cattle farming and dairy farming is the brick and mortar of the lifeline of the Vellore district leather industry.

Diversifying of industries also has a ripple effect as cattle and livestock will generate more employment opportunities, procurement of leather and increase milk production which can again be utilised for allied industries like confectionary, cold storage, transportation and more value added products of milk, meat and hide and skin. According to Sagari R. Ramdas (2017) "With the EU, Australia, New Zealand and the US waiting to dump large volumes of subsidised milk powder into India, and Indian dairy cooperatives fighting hard to stop this, it is extremely foolish of the government to literally kill dairying in the name of animal welfare."

Benefits of cattle farming helps in getting hides and skins as the custom needs in its cleaness, clearness and wholesomeness. Disease free skin means defect free skin and hide spin off for agriculture by the manure generated from cattle and dairy farming. This will also lead to greener environment, revival of Palar river. It is envisaged that cattle industry will improve dairy, meat, transport and refrigeration facilities. There will be no migration of labour, Improvement of living standards of impoverished areas of Vellore district.

Conclusion

No doubt, dairy farming is capital intensive and infrastructure intensive for start up but to prevent leather industry from closure. The need of the hour is to produce raw materials indigenously within Vellore district. This will lead from deficit to surplus in economy and around areas of Vellore contributing to the revenue generation and positive impact for Tamilnadu state. Subsidiary industry to sustain leather processing was a long present gap, with the inclusion of livestock based dairy meat production. It will ensure steady stream of raw materials directly benefitting reclamation of land with filled wastes for the purpose of bovine shelters, diary processing units. Proximity of Vellore district to port city of Chennai and Metropolitan city Bengaluru will have beneficial spin off along with dairy industry. This is the Rubicon movement upgrade now to prevent the challenges and hurdles unfolding in the near future.

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