

New Zealand Light Leathers Ltd

Deer Industry Conference

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Managing Director

# A LITTLE HISTORY

- 1974
- Lamb only
- Garment only
- USA focused
- Early 21<sup>st</sup> Century difficult
- Restructure 2004

# Winter of Discontent



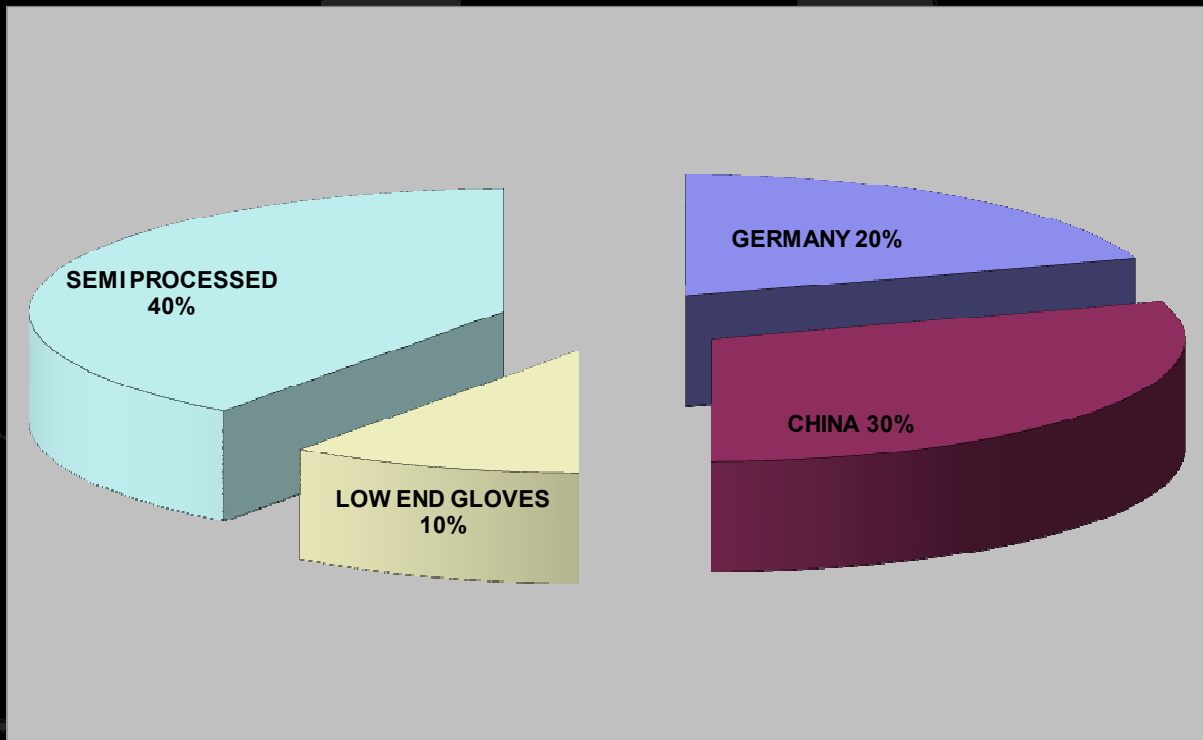
# WHY DEER?

- 2004 – 20% of Production
- Niche market
- Desirable article
- Anything is better than lamb
- Versatile
- Unique

# The Tannery



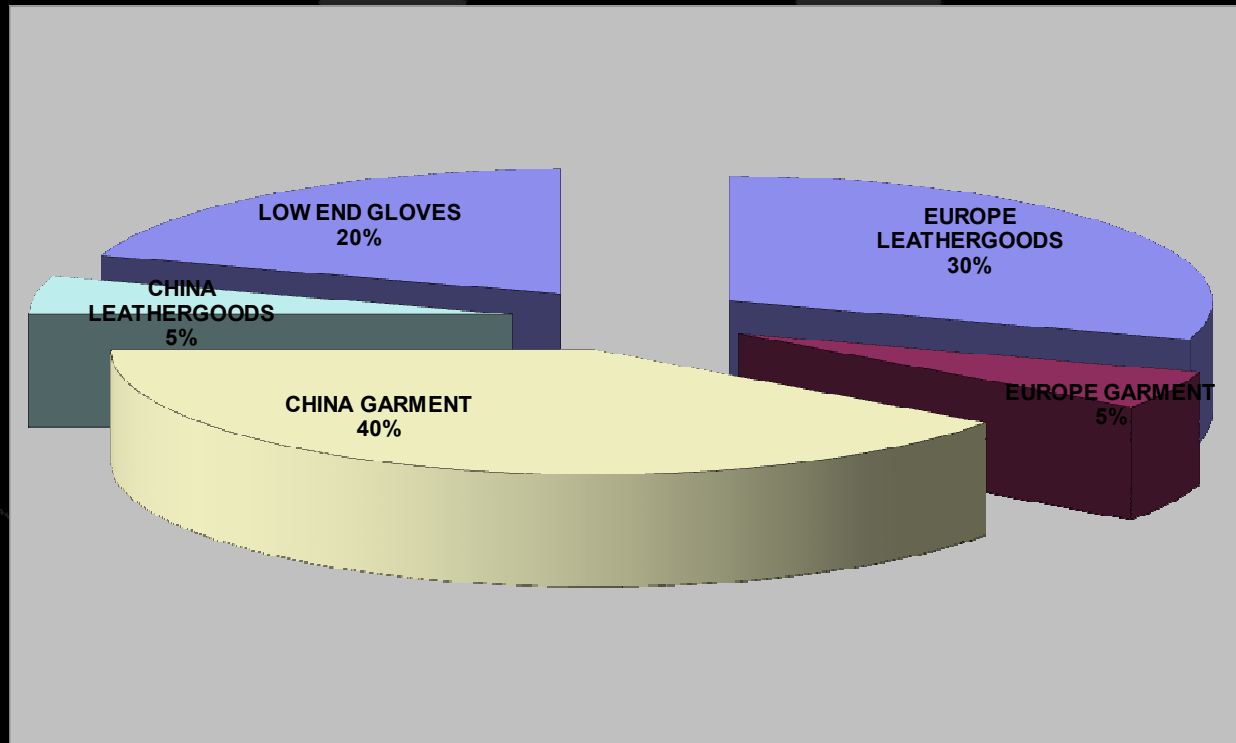
# Sales Proportions 2004



# Post 2004 Markets

- Leathergoods 10 times bigger than Garment
- Shoes 10 times bigger than Leathergoods
- Europe Leathergoods Luxury Market
- China Garment Luxury Market

# RESULTING IN





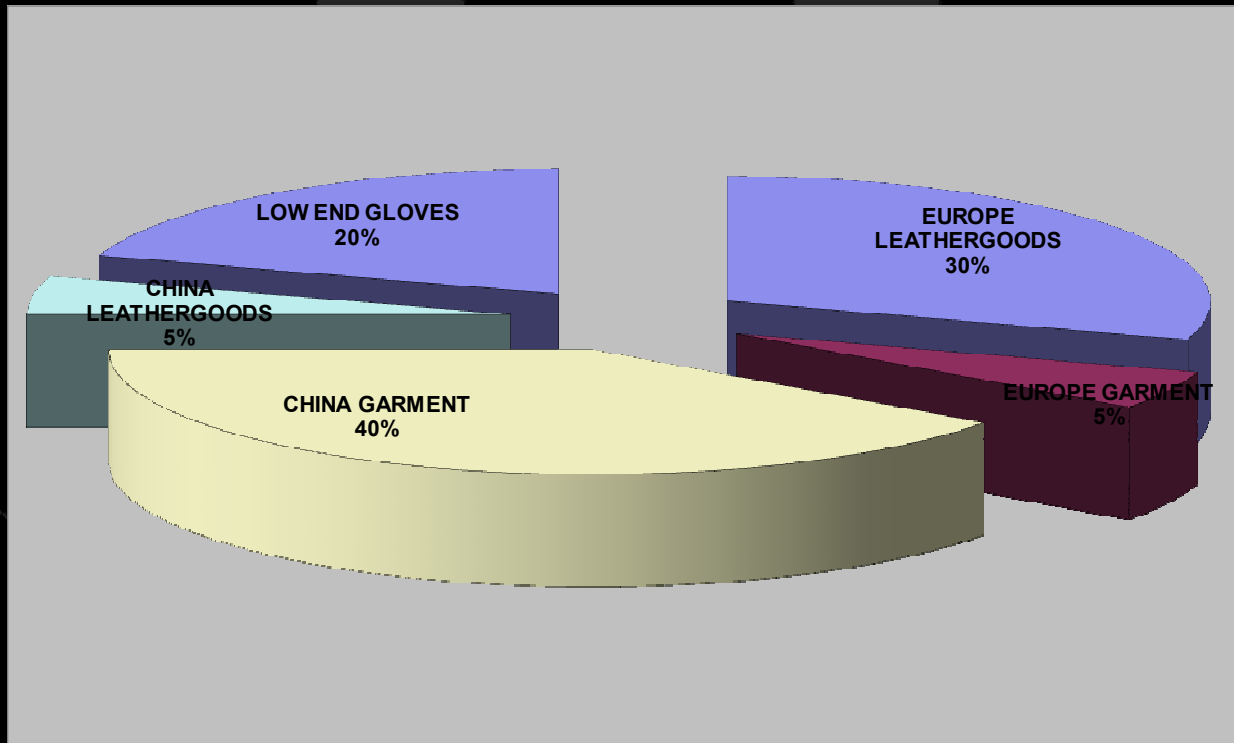
# SIGNIFICANT CHANGES

- 99% Export of Finished Leather
- No Semi Processing
- Extensive customer base Europe
- 15 years in China domestic market

# BUT

- Low end is a problem!

# Outputs



# Commodity leather

- No differentiation between leathers
  - All on price



# LOSS OF VALUE

- Premium skins sell up to US\$75/skin
- Low end sells for as little as US\$14/skin
- Some we cannot sell
- The challenge remains.

# CONCLUSION

- NZLL Specialist Deer Tanner
- Innovation
- Beautiful, versatile, unique product
- NOT a Commodity

# What is Next?

- Technical Developments
- Customer Driven Opportunities
- Luxury and Niche Markets

# AUDI A8





# Future Markets?



# Introducing....

Carlo Cioni

New Zealand Light Leathers

Representative

Italy and France

# Carlo Cioni

- Family Business Started in 1978,
  - Develop Leathers
- Based in Florence, Italy
- 25 years in the trade
- NZLL Representative in Europe since 2000

# Develop Leathers

- Warehousing Facility in Italy
- Quick reaction to clients
- Close to European Design Houses

# Client Base

- GIORGIO ARMANI
- GUCCI
- HUGO BOSS
- LANCEL
- PRADA
- SALVATORE FERRAGAMO



# The Deer Market

- American Deer is

- Small Size
- Compact
- Tight/Even Grain
- Thin Skins
- Feral (Shot)
- Larger Numbers

- NZLL Deer is

- Big Size
- Soft
- Spongy Grain
- Thick Skins
- Farmed
- Small Herd

# Building the Business

- New entrant to the Market (2004)
- Distance to Market
- Building Client Confidence
- Unable to inspect pre-shipment

# The Process

- Start of Season
- Pre Production Sampling
- Designers Choose
- Overall Business Decision
- Small Orders
- Main Production Delivery Schedule



# The Future Challenge

- Key Clients Demand NZLL Deer
- Low Skin Numbers
- Skin Quality
- Consistency of Supply
- Long Term Planning
- Price

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- Thank you for your time