



Livestock & Meat Advisory Council

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LMAC Monthly Livestock Market Update: September 2013¹

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Stock Feeds Report

Maize

- Local crop is drying up both in terms of volume and quality and priced at \$340 to \$360 per MT.
- Reports from Lusaka are that Zambia's Food Reserve Agency has begun to fulfil its obligation to export maize under the government to government deal to export 150,000mt of maize to Zimbabwe.
- Industry experts are of the view Zambia does not have a surplus as initially anticipated and will need to retain stocks. The FOB price of maize in Zambia is likely to go up as the FRA has only secured half of its strategic reserve requirement of 250,000mt against a target of 500,000mt.
- Zambia has through Statutory Instrument SI 85 (dated 9 Sept 2013) banned all exports of maize, maize bran and no. 3 meal from Zambia except under Government to Government agreements and to WFP. The SI also cancels all outstanding permits.
- An alternative option is to import GM maize from South Africa and industry awaits outcome on GMAZ application to import GM maize. Cost to land GM maize is \$317 per MT in Bulawayo and \$340 per MT in Harare.

Soya

- Stocks of local soya beans are drying up and are priced at \$570-\$580/MT, up from \$550-\$560 in July.
- Soya meal from Zambia is available and is being landed at \$740-\$760 per MT. Zambia has healthy stocks and may end up with 70,000 MT surplus of beans.

Maize and wheat bran

- Local high-starch maize bran is trading at \$220 MT and is in short supply on the market.
- Wheat bran is also scarce due to an influx of imported flour which has led to millers scaling down on wheat milling operations. Small pockets are locally available at \$230/MT. The commodity is being imported from Zambia at \$270-\$280/MT and from Malawi at \$230/MT, up from \$190/MT in August.
- The estimated harvest for wheat bran for the season is 20,000-30,000mt. Local bakers and millers signed an MOU where it was agreed that the bakers would procure a certain percentage of local flour for use in their operations and it is hoped that this will encourage uptake of local flour and production of wheat bran.

Cotton

- Cotton seed is trading from about \$255-\$300/MT compared to the 2012 price of \$220/MT. A 40-45% drop in supply of

ginned seed is anticipated and it is expected that about 125,000MT of seed will be made available to processors.

- Ginnerers are demanding cash upfront for cotton seed and this has slowed down uptake due to severe liquidity constraints.
- Oil processors are now resorting to importing crude oil for further processing to remain in business. A decrease in availability of cotton meal is anticipated.

Molasses

Molasses is readily available on the markets.

Other Feeds News

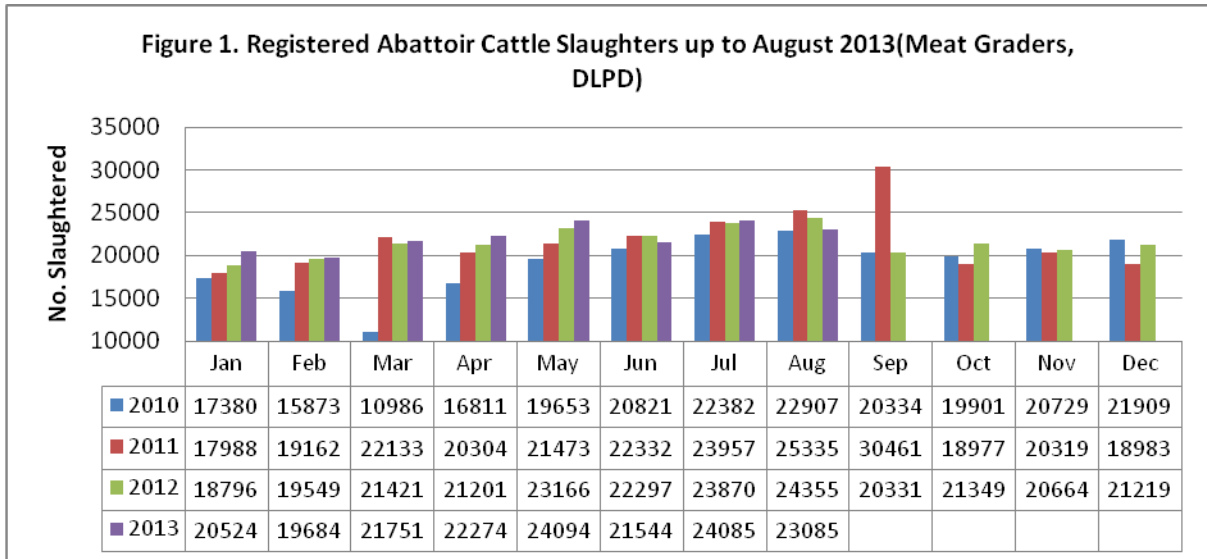
The Stockfeed Manufacturers Association Raw Materials Usage, Feed Production and Average Prices Report for the period January 2012 to June 2013 is now out. Highlights from the report are:

- Total raw material procured averaged 33,034MT/month during the period Jan-Jun 2013 and has been increasing by approximately 953 MT/mo from January 2012, representing a 28% increase over the past 18 months.
- Average monthly maize and soya bean equivalent procurement over the period Jan-Jun 2013 was 15,318MT and 10,156MT respectively and represented 44% and 29% of all raw materials procured by weight.
- Production of processed feeds over the period Jan 2012 to Jun 2013 increased by 1,161MT/month and represented an increase of 29% over the past 18-months.
- Poultry feeds accounted for 82% of feeds produced (57% broiler, 27% layer).
- While raw material prices in 2013 generally softened, especially soya beans and mechanically extracted soya meal, there was a 4% increase in the maize price and price of wheat bran increased by 10%.
- Between January and June 2013 the blend price of broiler feeds increased by 5% while layers feeds remained static but prices of these feeds were 26% and 25% higher, respectively, compared to the average over the same period in 2012.

Beef Report

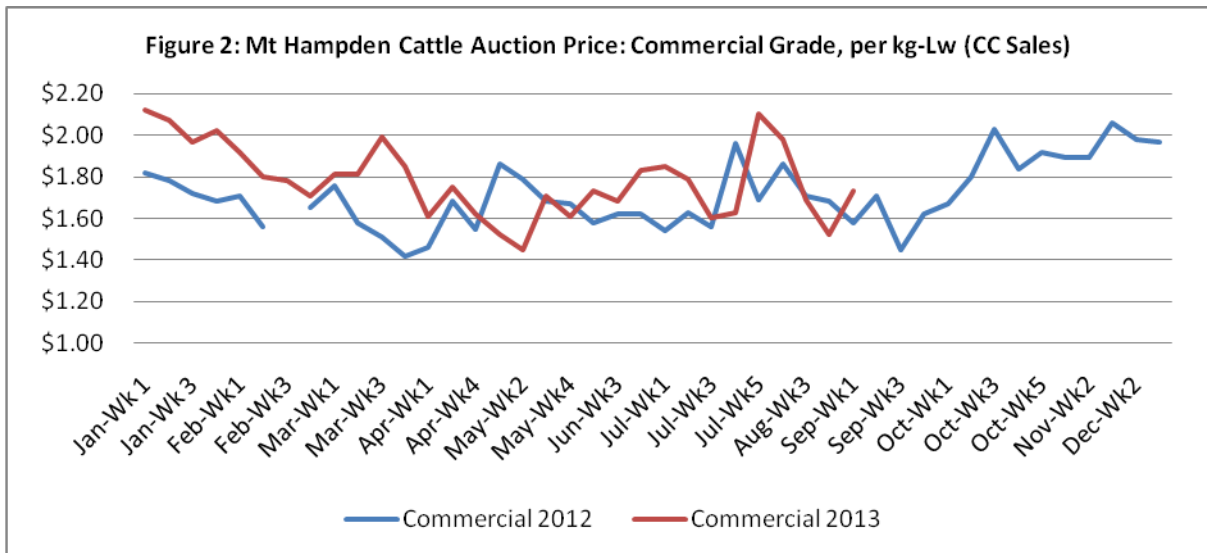
1. Beef Slaughters

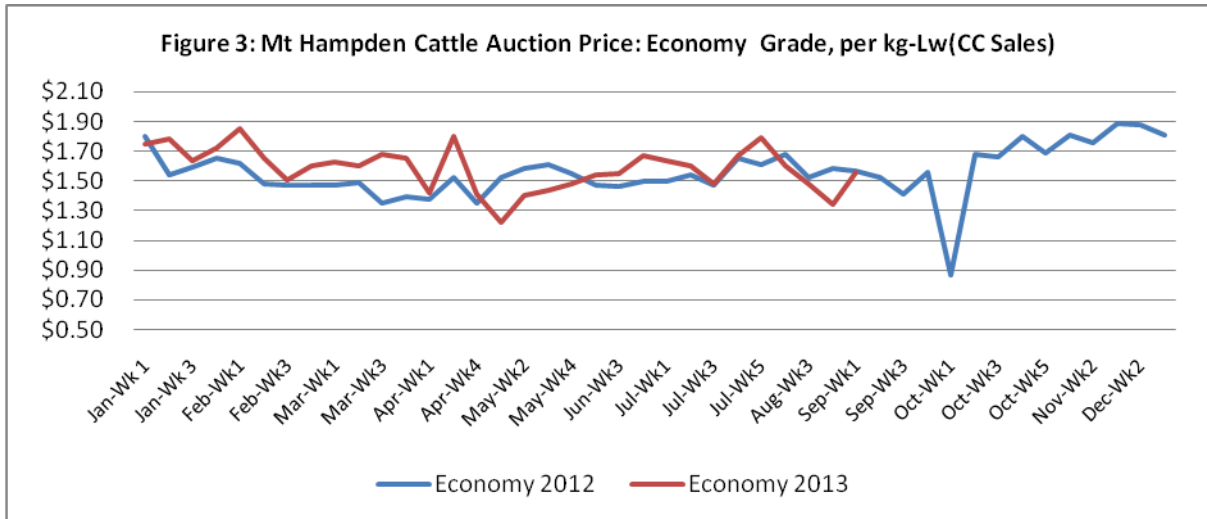
July to August is generally a high cattle slaughter period. Meat Graders monthly slaughters for August 2013 were 23,085 heads down 1000 animals from the July slaughters (Figure 1). The August slaughters were also down 5% on last year August figures reflecting the tight liquidity constraints facing consumers countrywide.



2. Live Cattle Prices

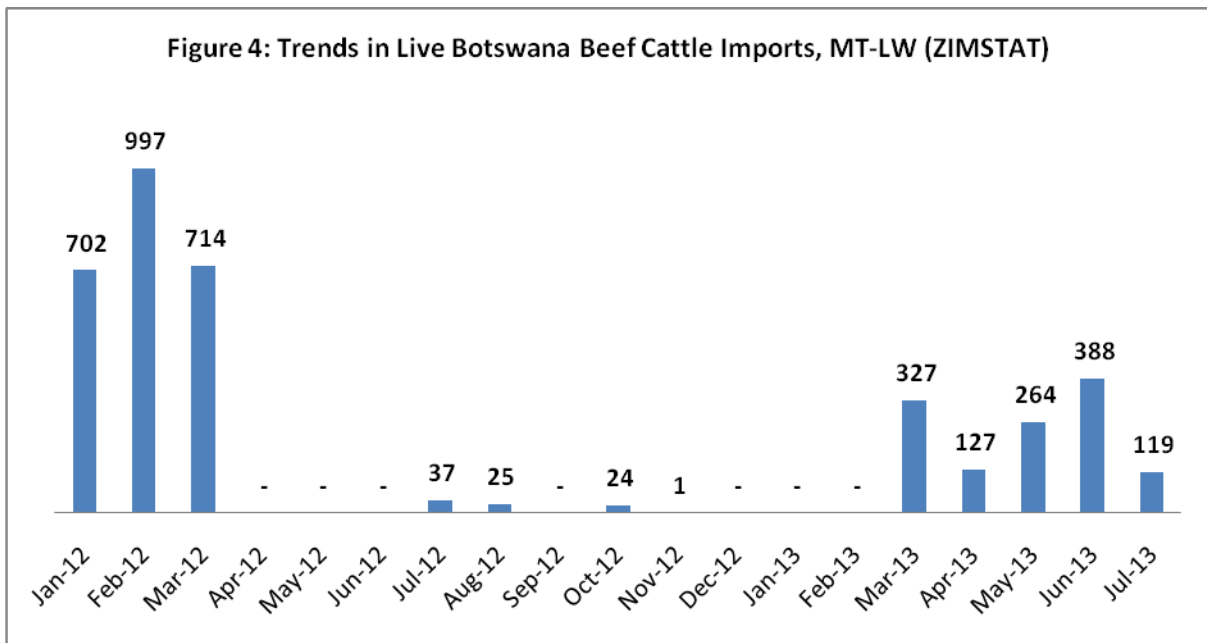
Live cattle prices which were in decline in July and August due to offloading of cattle due to reduced grazing and increased cattle sales to cover third-term school fees are on the rebound in the first two weeks of September (see Figures 2 and 3). At the Mt Hampden CC Sales, economy grade cattle fetched \$1.56 per kg-LW up from \$1.34 per kg-LW the previous week, while commercial grade cattle prices moved from \$1.52 to \$1.73 per kg-LW over the same period.

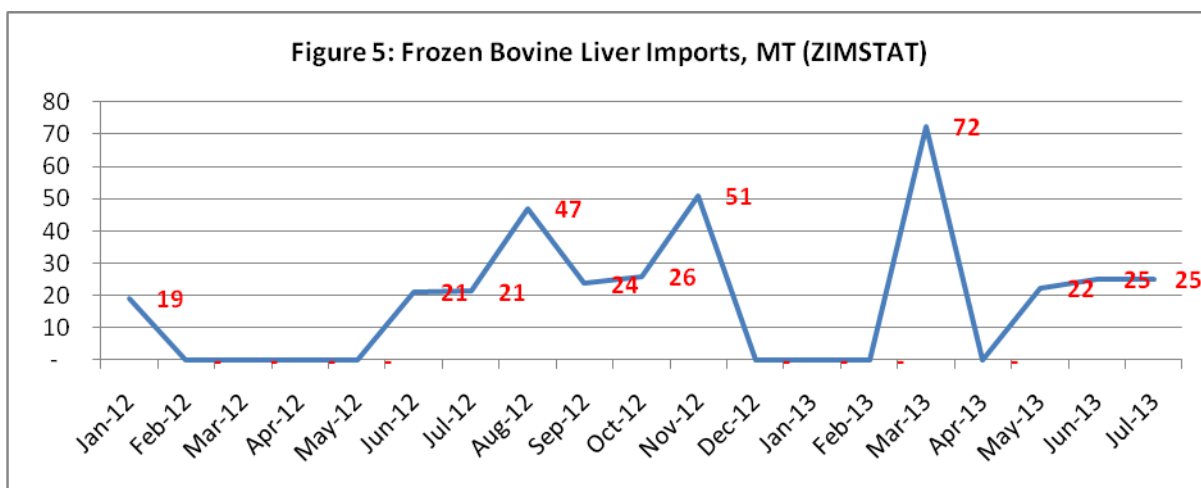




Beef Trade

Live cattle imports under a revised deal with Botswana in early 2013 continued through July according to recent data from ZIMSTAT (see figure 4 below). At 119 MT live-weight, the July cattle imports are the lowest they have been since the start of the programme in March. This represented less than 1% of official slaughters and was too low to have profound impact on markets. However, industry players are concerned at the continued, though small volumes, of frozen beef livers, in contradiction to stated policy banning imports of offals due to the disease risk posed (see Figure 5).





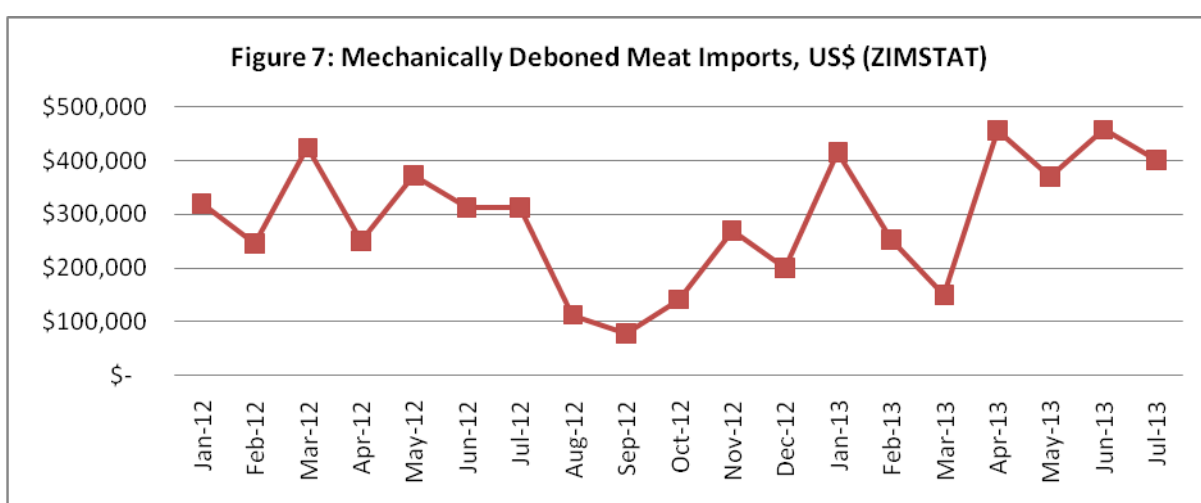
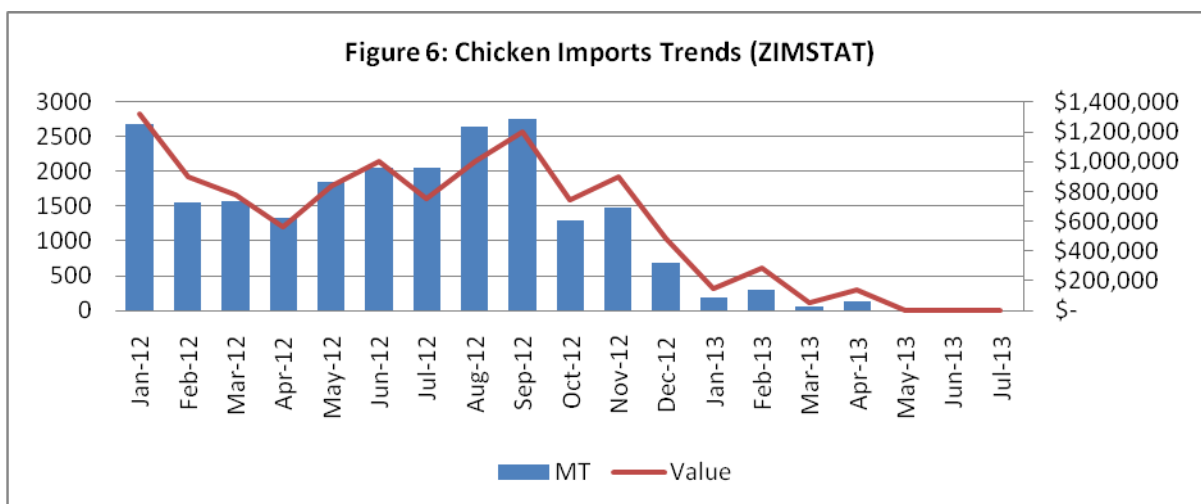
Chicken Report

The September newsletter is out. Table egg production for the six month period in 2013 was 11.7 million dozen, an increase of 9% over the same period in 2012. The renewed surge in the broiler industry has resulted in an increase in broiler chick sales to 29.5 million for the period January to June, an increase of 15% over the same period in 2012. This has been supported by increases in breeder stock holding (21% growing breeders and 24% mated breeders). The egg and meat market are generally soft, partly reflecting reduced consumer expenditure and liquidity constraints accompanied by surge in local production.

The soft market is also adversely affected by large volume of imports: beef is being imported from Botswana, poultry products being retailed at prices below legitimate landed costs (\$2.90 to \$3.33 compared to \$3.65; although ZIMSTAT imports figures to July show limited chicken imports – see Figure 6), large volumes of imports of processed meats (mainly polony) and of mechanically deboned meats (see Figure 7). Sausages are being retailed in clear packaging in contravention of labeling law for as little as \$2.00/kg. There are also reports of poultry products from unapproved plants, e.g. Las Camelias poultry products from Argentina.

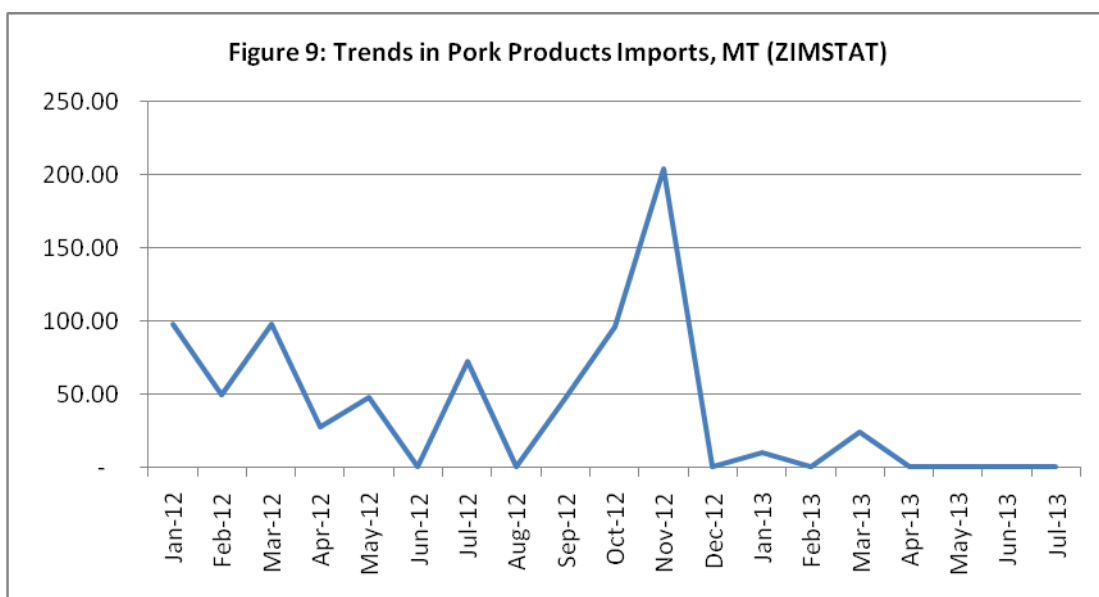
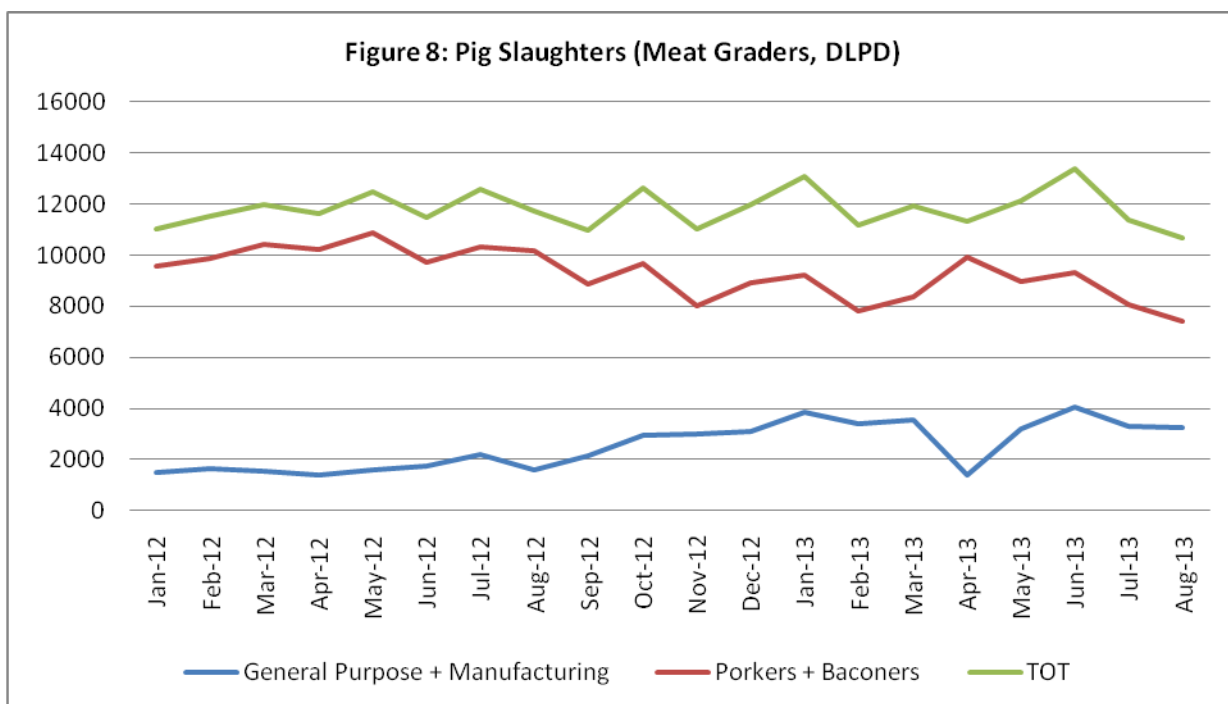
South Africa has revised upwards duties on chicken imports from none-SADC and none-EU countries with effect from 30 September 2013 (See table below).

HS Code	Import Duty in 2011	New rate (30 Sept 2013)	EU and SADC
02071220	27%	31%	Free
02071290	27%	82%	Free
02071410	5%	12%	Free
02071420	27%	30%	Free
02071490	5%	37%	Free



Pork Report

At the Pig Producers Association of Zimbabwe (PPAZ) meeting held on 5th September, it was reported that farmers were facing difficulties in marketing their pigs as the selling price is low. The wholesale price has reduced from \$3.20 to \$2.70/kg as the market has been soft and the situation has been worsened by the influx of cheap imports. Though the number of pigs slaughtered has remained relatively stable, the trend of productive stock slaughters (porkers and baconers) going down and cull slaughters (manufacturing and general purpose) going up, suggests continuing destocking in the pork farm sector (see Figure 8). There seems to be a downward trend in overall pork demand as shown by the corresponding decline in imports of pork products (see Figure 9).



Dairy Report

Since May monthly volume of milk produced lagged their 2012 counterpart months (Figure 10). In August milk production was about 4.8 million litres, 5% more than in July but 4% less than in August of 2012. This disturbing trend has been compensated by a rise in monthly imports of dairy products that have exceeded last year's levels by 30% or more (see Figure 11).

Figure 10: Milk Production, Litres (Dairy Services)

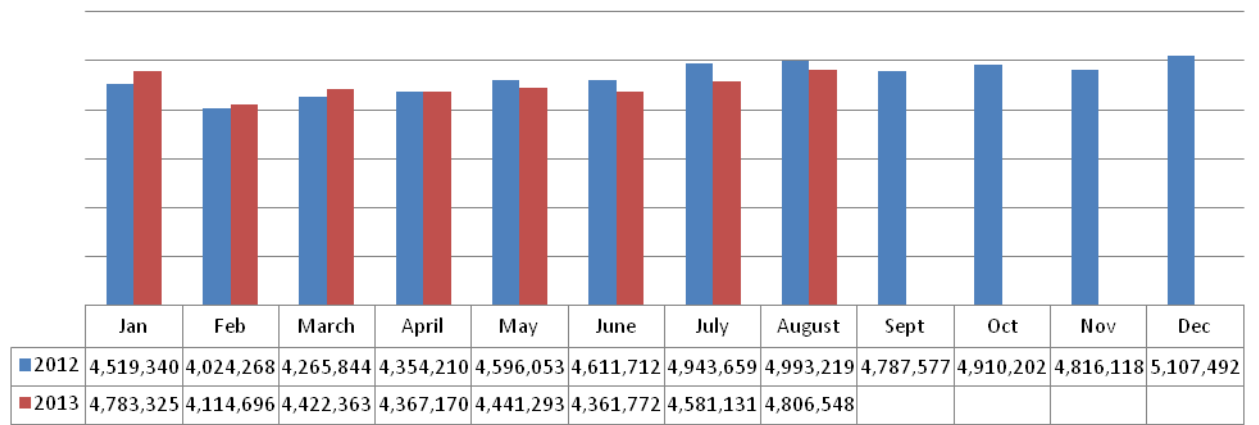


Figure 11: Dairy Product Import Value (ZIMSTAT)

