



Livestock & Meat Advisory Council

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LMAC Monthly Livestock Market Update: February 2014¹

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Stockfeeds Report

Maize

Spot prices for maize are \$430/mt and one large parcel recently traded at \$455/mt. Though imports of late have been erratic, most of the maize being used by industry is being imported from Mozambique and South Africa. The tight restrictions placed on maize importation at the end of last year have eased but the process has become more tedious and costly. In addition to existing requirements, a letter of support from the GMB is now also necessary.

Small volumes are being exported by Zambia who will be harvesting an early late crop and it is highly unlikely that they will export in the early part of the season. SAFEX prices have been forecast at \$260 - \$280/mt for May/June.

Harvesting of the local crop will commence in late March, and pricing for March / April / May is likely to fall to just below \$400/mt. A steady decline is further predicted in July and August to between \$350 - \$360/mt before rebounding upwards again. There is early speculation that the crop may yield 1 – 1.2 million mt, a notable increase from last year's tonnage of 760,000mt. There seems to be a good distribution of the crop across the country.

All maize being imported from SA is being treated as GM maize and is expensive. The crop is looking fair and losses from drought in the North Western Province will be offset by improved yields in other regions. Regionally, SA is predicted to have a very large export capability of GM positive maize (3,000,000mt) which may be potentially landed from August onwards at between \$300 - \$350/mt.

Soya

This season's crop is expected to yield 75,000 – 90,000mt of beans and is smaller than last years' crop. 60,000mt of soya meal will be produced. Soya beans are expected to trade at \$550/mt on the domestic market.

Zambia still has a surplus of soya meal and it is landing at \$690 - \$700/mt and both Zambia and Malawi anticipate being able to export carry over soya beans. They have the capacity to export both solvent and mechanically extracted soya meal with prices at \$700 - \$730/mt, landed in Harare.

Maize and wheat bran

Bagged maize bran is available and is being traded at \$200/mt with parcels available in Mutare, Bulawayo and Harare. Uptake is minimal and letters of support to export some of the commodity have been requested.

Wheat bran, also bagged, is available and is being traded at \$190/mt and uptake of the product is also low. One major barley producer has reduced their contract growing significantly, and this should result in a larger wheat crop being planted and therefore improve the long term local supply of wheat bran.

Cotton

This year's crop will be better than the previous season's and no concerns have been yet been raised by industry about the supply of cotton meal and cake.

Molasses

There is currently insignificant amount of molasses from the cane crushers. The supply of molasses will resume once crushing of sugar cane restarts in May. Zambia is an alternative source of supply but they are also out of stock.

Regional News

The Department of Agriculture, Forestry and Fisheries (DAFF) Crop Estimates Committee indicated in its February 2014 report that South Africa's total maize crop may increase by 6% in 2014 owing to a surge in white maize output. White maize output will increase by 18% to 6.55 million tonnes while yellow maize output will decline by 5% to 5.85 million tonnes in the 2014 season. The Committee also raised its forecast for wheat production to 1.8 million tonnes.

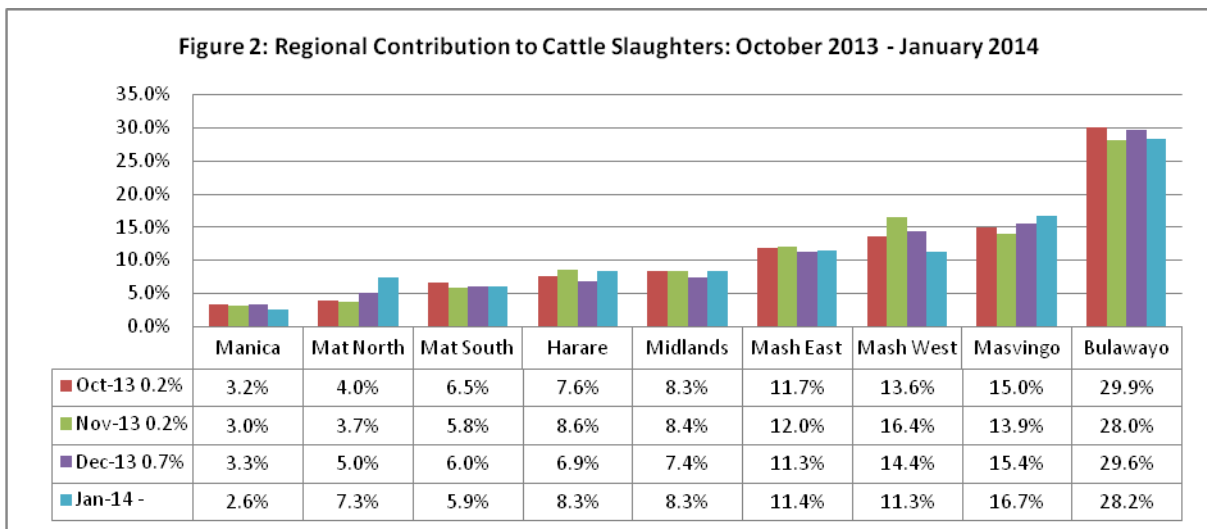
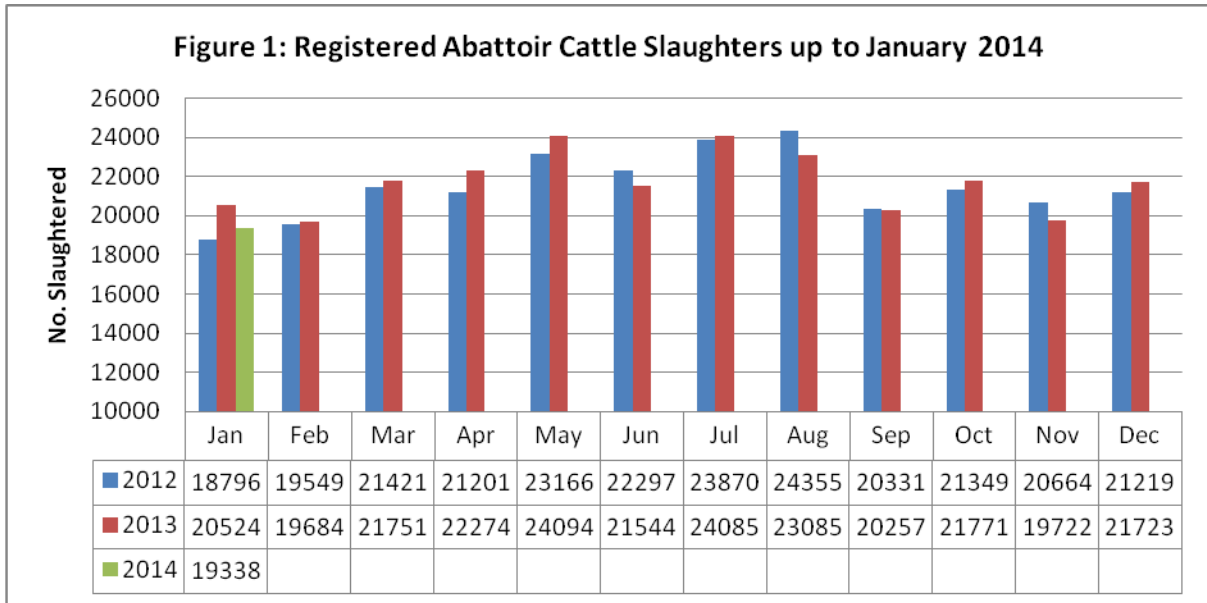
Beef Sector Report

1. Market situation

The prices of economy (\$3.00 - \$3.10/kg) and commercial grade beef (\$3.50/kg) are at par with prices from previous years, while that for super grade (\$4.70 - \$4.80/kg) is lower by \$0,50/kg.

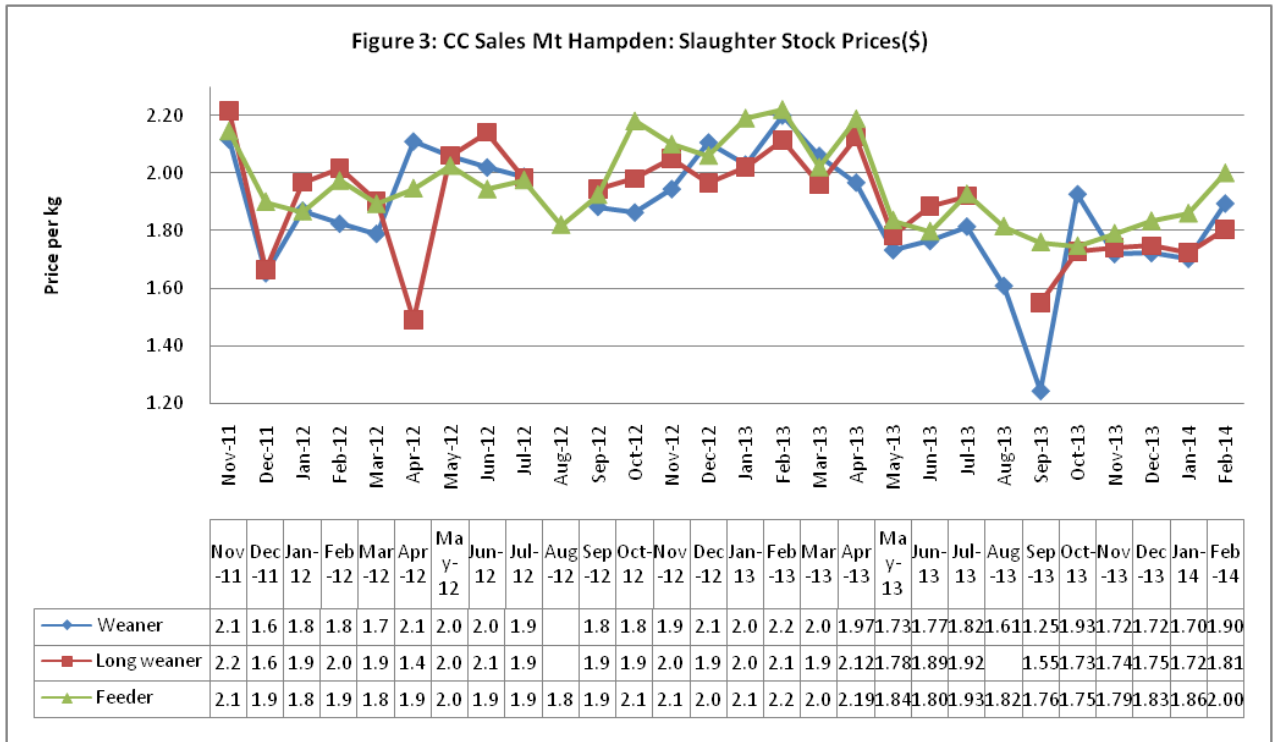
2. Beef Slaughters

The latest monthly beef slaughter figures from the Department of Livestock Production and Development (DLPD) show that beef slaughters were down by 2 300 head in January, reflecting depressed demand (Figure 1) as well as the halt in live cattle imports from Botswana in the month of January(see Figure 4 below). Matabeleland provinces still account for most of the kill, providing 41% of national slaughters (Figure 2).



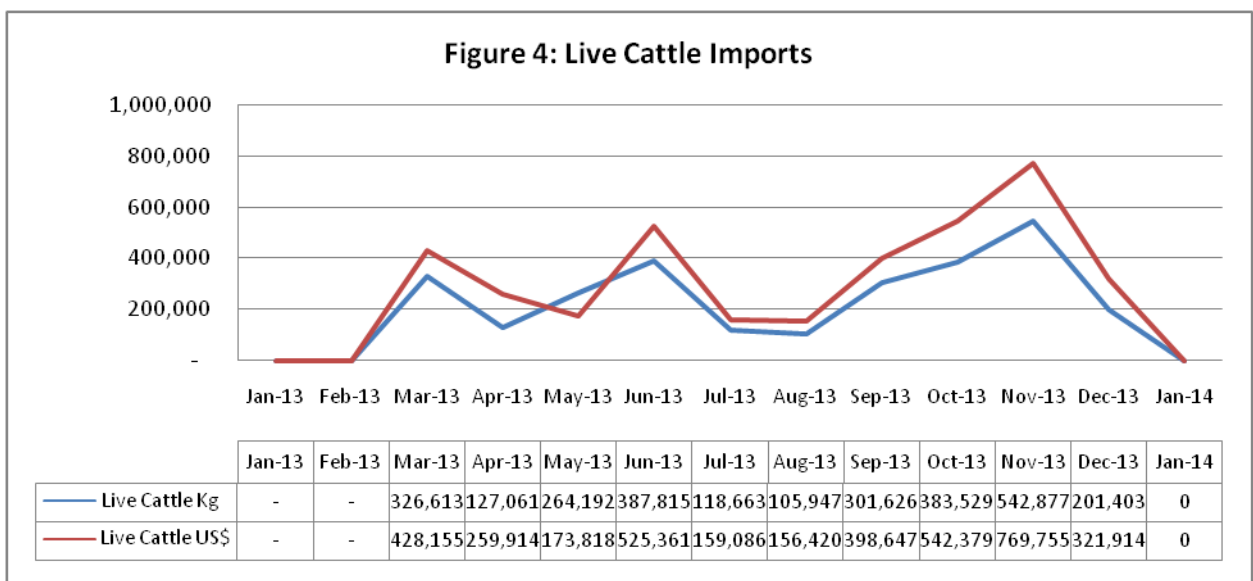
3. Live Cattle Prices

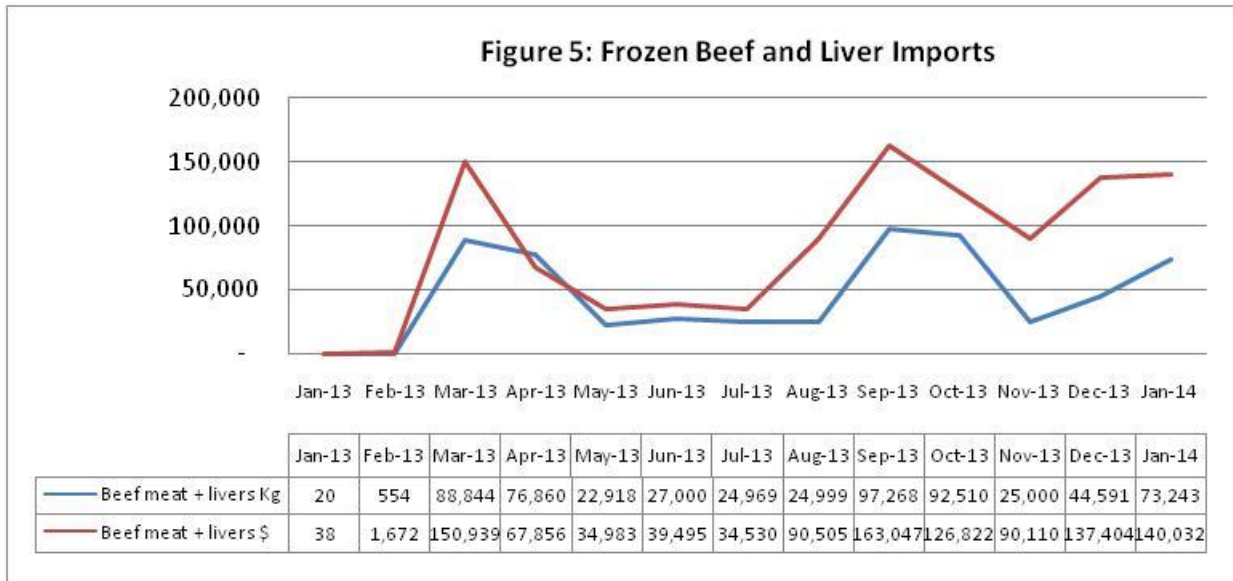
At Mt Hampden, prices of live cattle increased between mid-January and mid-February 2014 (Figure 3). Weaners improved from \$1.70 to \$1.90, long weaners from \$1.72 to \$1.81 and feeder steers from \$1.86 to \$2.00 per kilogram live weight during the period.



4. Beef Trade

After peaking at 543 mt live weight in November 2013, live cattle imports reduced to zero in the January 2014 according to the latest ZIMSTATS statistics (Figure 4). This should help stabilize prices for locally sourced beef. However, frozen beef and bovine liver imports tripled from 25 mt to 73 mt between November and January (see Figure 5).





Chicken Sector Report

Breeder returns for 2013 from the Zimbabwe Poultry Association for show that Day Old Chick production increased by 17% from 57 million to 64 million. Meat processed through abattoirs increased by 37% increase although egg production was flat.

Although the quantity of sales has improved, there is a cost-price squeeze because of high feed prices and viability is low with shrunken margins. While the egg market is stable, prices of layer feed have increased.

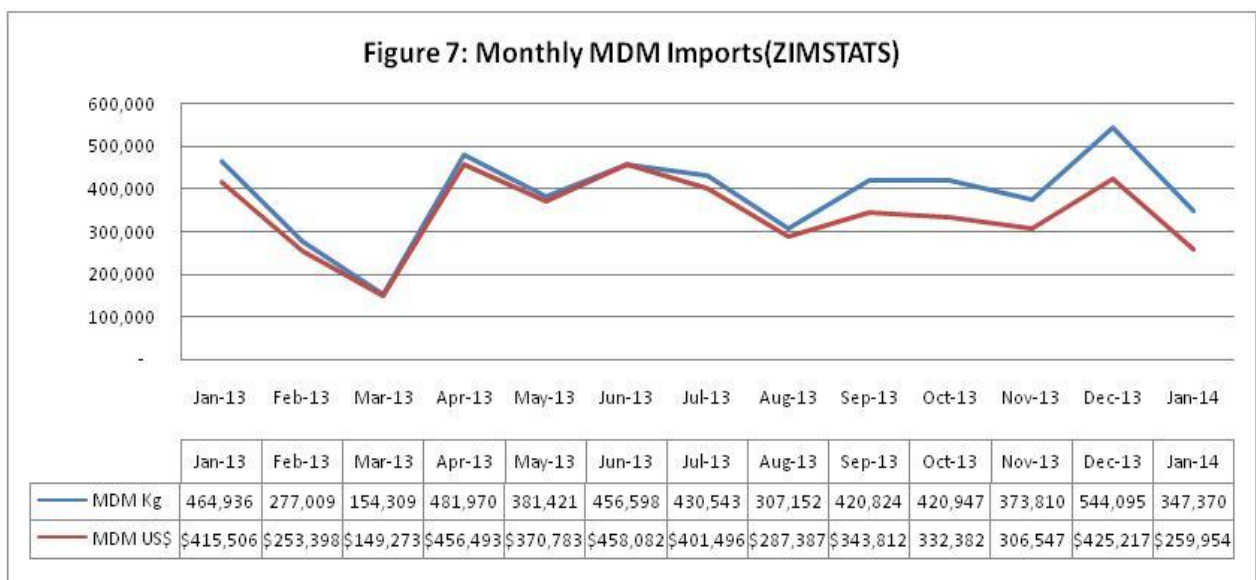
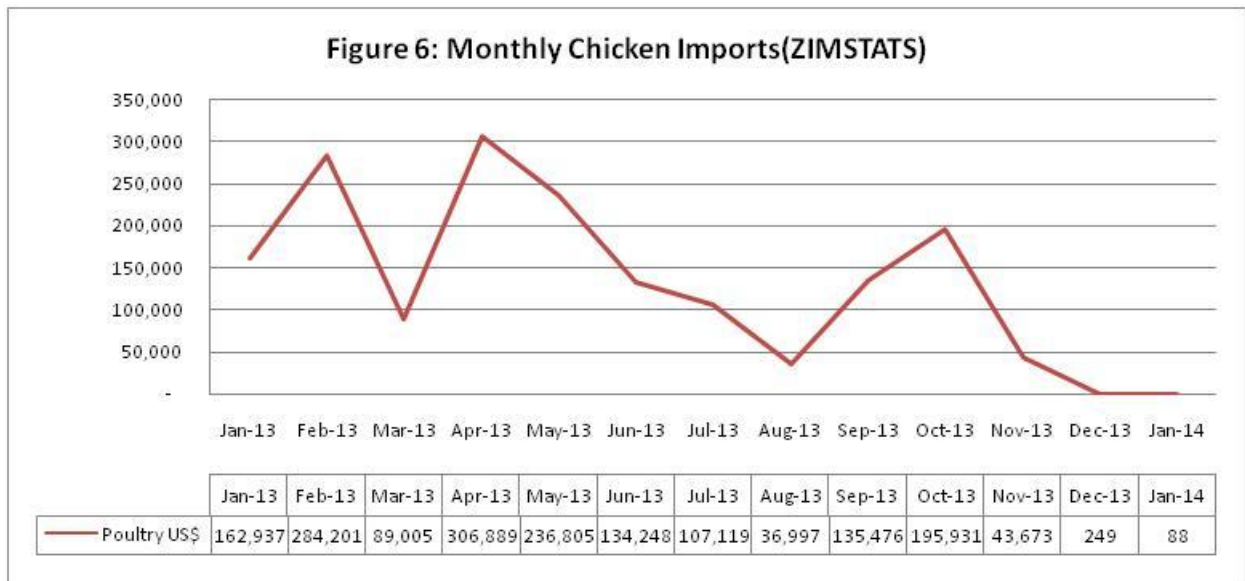
A poultry abattoir operator has been requested by ZIMRA to withhold 10% tax on amounts over US\$250 from producers selling live birds who do not hold an ITF 263 certificate, despite the notice circulated in 2010 that exempts producers who sell directly to abattoirs from this provision in the regulations. Particularly worrying is that this instruction may discourage abattoir operators from engaging in contract marketing arrangements with small scale broiler producers, most of whom do not hold ITF 263 certificates. Such farmers currently account for half of the national broiler production and experience problems in marketing their chickens.

Uptake of Day Old Chicks was low in the first five weeks of 2014 and has started to improve although prices have been reduced. Following direct communication between DLVS and South African veterinary authorities, the ban on importation of fertilized eggs from South Africa has been rescinded, removing a major obstacle to chick supply.

Major outbreaks of Newcastle disease have been reported in the Gokwe and Nembudziya areas in a number of indigenous commercial flocks and DLVS is working flat out to and contain the spread of the disease.

Following the tightening of policing by authorities, the quantity of imports on the market has significantly reduced. At the last Agricultural Imports and Exports meeting, the Permits Department noted that no import permits for chicken and chicken products had been issued in the last six

months. This is supported by the latest statistics from ZIMSTATS shown in Figure 6 below. Mechanically deboned meat imports were also depressed in January 2014 (Figure 7).

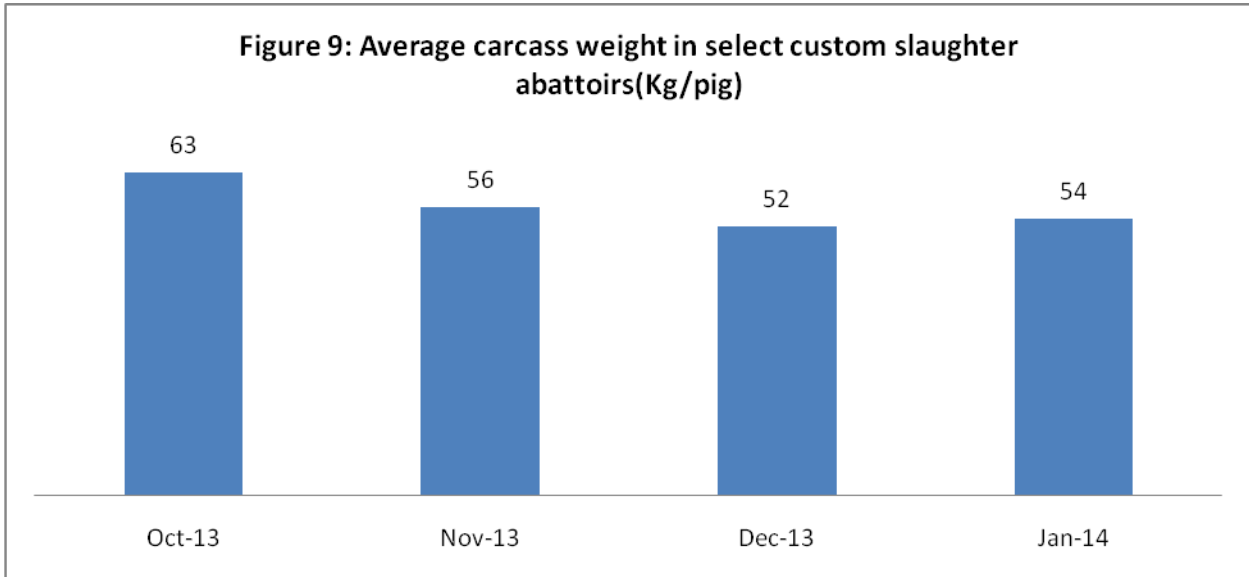
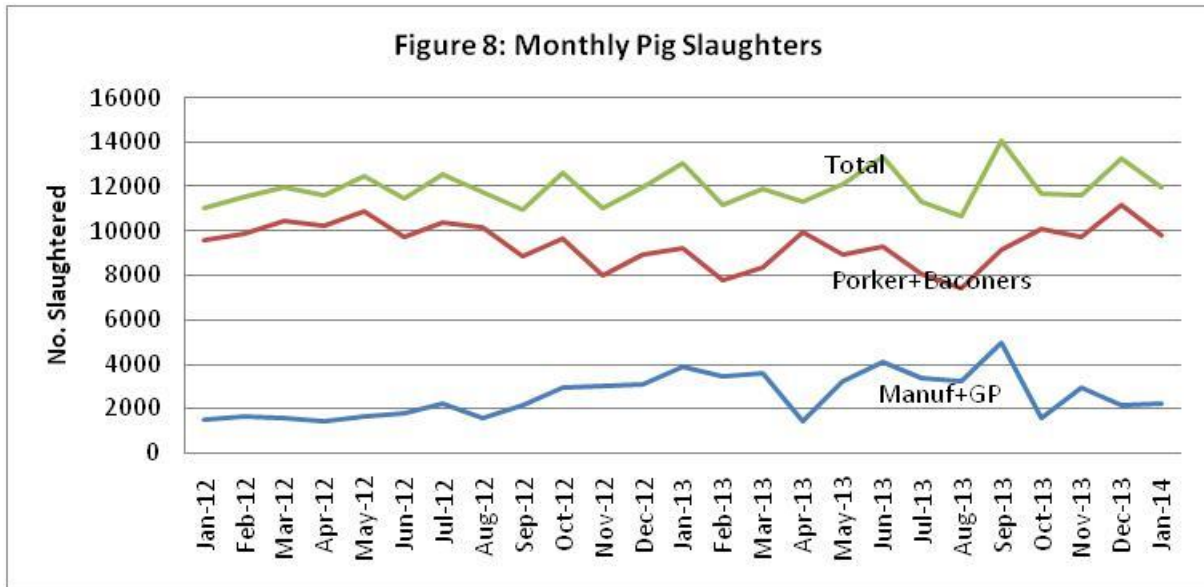


Pork Sector Report

Pig farmers are still experiencing viability stress. Members of the Pig Producers Association of Zimbabwe note that farmers are receiving between \$2.40 - \$2.50/kg for headless carcasses against a breakeven price of \$2.70/kg. Wholesale prices for porkers have averaged \$2.90/kg. In January, DLPD reported 11 960 pig slaughters, down by 10% from December 2013 (9 790 in the porker and baconer grades and 2170 in the general purpose and manufacturing grade) (Table 1 and Figure 8). Compared with December, porkers and baconer slaughters dropped by 12% while general purpose and manufacturing slaughters increased by 3%. Abattoirs also reported reduced carcass weights which they attribute to less than optimal feeding because of high feed costs (Figure 9).

Table 1: Changes in Pig Slaughters – December to January

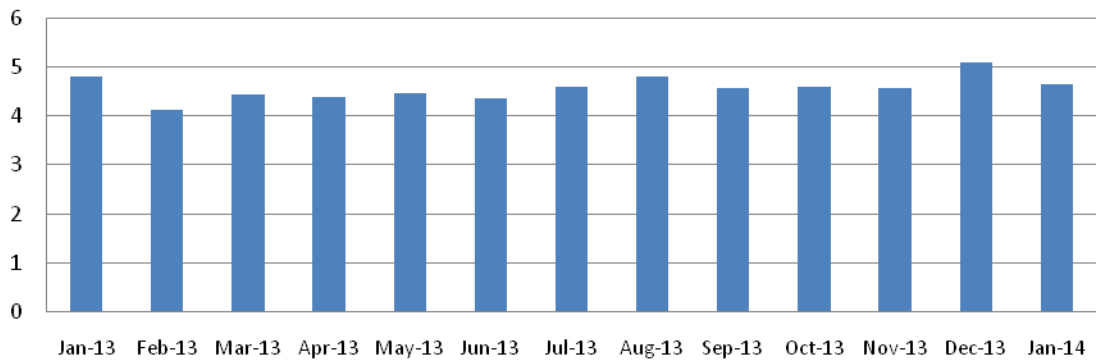
	January 2014	% Change from Previous month
Porker and Baconer Grades	9 790	-12%
General Purpose and Manufacturing Grades	2 170	+3%
Total Slaughters	11 960	-10%



Dairy Sector Report

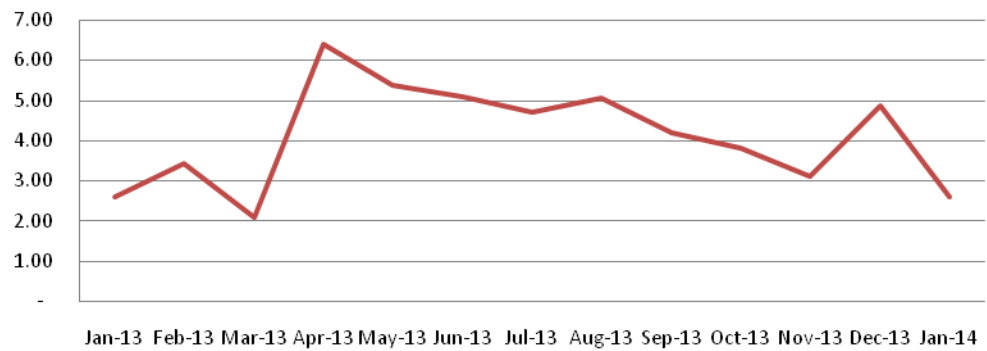
Dairy Services report that in January 2014, milk production dropped to 4.6 million litres, 9% less than in December 2013 and 3% less than in January 2013 (Figure 10). The value of imported dairy products decreased by 47% from \$4.87m in December to \$2.6m in January 2014 (Figure 11).

Figure 10: Milk Production January 2013-January 2014(million litres)



	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
■ Production	4.78332	4.11469	4.42236	4.36717	4.44129	4.36177	4.58113	4.80654	4.57139	4.58142	4.56027	5.07570	4.63427

Figure 11: Dairy Products Imports



	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
— Dairy Products US\$ million	2.58	3.41	2.08	6.40	5.37	5.11	4.71	5.06	4.20	3.82	3.11	4.87	2.60