Zimbabwe Poultry Association
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Newsletter October 2015

Contents

Production News

Broilers: Typically third quarter broiler returns are the highest in a year. These trends however are not shown in 2015 where returns show continued decline in breeder production stocks with 3-year lows for numbers of growing and in-production birds (Table 1 and Figure 1). Production of day old chicks was also suppressed and averaged 6.3 million birds per month in the third quarter of 2015. This was 9% lower than production in the second quarter of 2015 and 15% lower than production in the third quarter of 2014 (Table 1, Figures 2a & b). Similarly, chick prices in the third quarter of 2015 were also depressed at $67 per 100 chicks (Table 1, Figure 3).

The number of birds slaughtered and total dressed weight of broiler meat in the large scale chicken abattoirs during the third quarter of 2015 were 1.9 million birds and 3,063mt per month, which was 10% down on the second quarter returns (Table 1, Figures 4a, b and c). Similarly, the average producer price decreased by 4% while wholesale prices of whole birds and chicken portions declined by 8 to 9% in the third quarter relative to the second quarter (Table 1, Figure 5). In September 2015, the price of 2kg chicken portions at $2.69/kg was equivalent to the producer price on a cold dressed weight basis (Figure 5). At the same time, average stockholdings in the third quarter of 2015 were 1,403mt/month (Figures 4a &b).

Layers: In-production layer breeders were at an all-time low in the third quarter of 2015 at an average stockholding of 25,584 birds per month (Table 2, Figure 6). However, stocks of growing birds continues to increase and stockholdings in the third quarter were 58% higher than those in the second quarter and 50% higher than stockholdings in the third quarter of

2014 (Table 2, Figure 6). Notably, breeder chick sales and retentions in the third quarter of 2015 were 105% higher than those of the third quarter of 2014 (Figure 6).

The reduced production of layer hatching eggs in 2015 were offset by a large increase in imports which resulted in record production of sexed pullets of 275,708 per month compared to average monthly production of 179,725 pullets in 2013 and 171,346 in 2014 (Table 2, Figure 7).

Production of table eggs in the large scale sector continues to decline and averaged 1.47 million dozen eggs per month compared to average monthly production of 2.05 million dozen in 2013 and 1.82 million dozen in 2014 (Table 2, Figures 9a). This decline however has been more than offset by an increase in production in the small scale sector as estimated from sales of sexed pullets (Figure 9b). As a result total table egg production (ie. small scale plus large scale) rose from a monthly average of 4.1 million in the second quarter to 4.3 million dozen in the third quarter. This has put downward pressure on prices that have crashed after peaking at $4.35 per dozen in March to $3.15 in September (Table 2, Figure 9a). This price decline has been accompanied by an increase in average monthly stockholding to 195,753 dozen in the third quarter of 2015 (Table 2).

Inputs and Raw Materials

Production of poultry feeds in the third quarter of 2015 averaged 31,821mt and reflected decrease in broiler chick sales and increase in sexed pullet sales (Figure 10). Prices of most raw materials and finished feeds in the second quarter of 2015 softened compared to the first quarter. The average procurement prices of maize and solvent extract soya meal were $306 and $654/mt, respectively, while the average weighted broiler and layer feed prices were $600 and $491/mt, respectively (Figure 11), about 4% lower than the prices in the second quarter of 2015.

Market Watch

Commencing in the second quarter and extending into the third quarter of 2015, the livestock sector has witnessed a reduced demand for livestock products. This has had enormous impacts as production has had to be reduced, prices in some instances have crashed and stockholding has increased. It is believed that the major drivers of this trend are reduced consumer purchasing power and general downturn in the economy and poor electricity supply. This situation is aggravated by imports as noted below.

Imports

Of particular concern are the statistics reported by the South African Revenue Service (SARS) which show that chicken is being imported into Zimbabwe but is not reflected in the national trade databases (see Table 3 below).

Table 3. Chicken Imports into Zimbabwe as Reported by South African and Zimbabwe Revenue Authorities

2015	Quantity (Kgs)	$ value
Jan	178,392	95,872
Feb	-	-
Mar	303,314	171,594
Apr	276,254	157,436
May	201,316	102,237
Jun	159,398	81,127
Jul	280,636	134,172
Aug	52,280	19,334
Sep	98,408	37,046

According to the SARS dataset, between March and September 2015, an average of 196mt of chicken have entered the country each month. The formal broiler market (supermarkets) absorbs approximately 2,500mt. These imports therefore represent 8% of the formal broiler market and hence the impact on the sector. In addition, because the imports have not been reflected in ZimSTATS records, it implies that they are illegal and no duties have been paid. Furthermore, the average price per kg of $0.52 suggests that the product is being under-declared or is time-expired.

Veterinary Report

Newcastle Disease has been reported in the peri-urban areas of Greendale, Borrowdale, Tynwald and Waterfalls and the source of the disease is thought to have originated from Mbare. All poultry breeders are urged to improve their bio-security to avert the continual spread of the disease.

Kind regards,

Zawe

Solomon Zawe
<u>Chairman</u>

Table 1. Zimbabwe Poultry Association Broiler Monthly Average Production Returns, January 2013 to September 2015

			2015		
	2013	2014	Jan-Mar	Apr-Jun	Jul-Sep
BROILER PRODUCTION					
Female Parent Stock					
Chick Sales - including exports	29,058	32,542	32,433	31,867	29,133
Chick Retentions/Placements	55,533	38,715	27,185	28,054	43,213
Growing	335,298	321,219	290,609	265,882	267,236
In Production	416,631	427,152	354,997	365,503	326,672
Chick Exports	26,808	29,619	32,433	31,867	29,133
Hatching Eggs					
Produced (ea)	6,595,316	6,824,403	6,270,520	6,093,697	6,534,855
Imported (ea)	657,877	1,672,047	2,143,048	3,225,095	2,433,780
Sales - including exports (ea)	512,130	742,390	331,920	280,000	235,320
Price		0.35	0.36	0.36	0.36
Exported (ea)	150	104,580	-	-	-
Day Old Chicks					
Retentions/Placings	1,115,985	1,053,060	918,500	1,150,066	1,157,074
Sales - including exports	4,251,959	5,478,107	5,032,649	5,935,582	5,335,906
Price per 100 chicks	79	70	72	73	67
Exports	21,167	63,123	114,533	148,126	149,037
Broilers					
Number slaughtered	1,719,340	1,738,026	1,766,629	2,113,180	1,897,403
Average live weight	1.54	1.87	1.82	1.88	1.96
Producer price, $/kg		2.04	1.99	1.99	1.97
Total dressed weight, tonnes	2,627	2,690	2,841	3,382	3,063
Wholesale - whole bird		3.26	3.22	3.27	3.02
Leg quarters		3.74	3.88	3.86	3.40
Breast		5.05	5.18	5.14	5.02
1kg IQF		3.12	3.21	3.22	2.90
2kg IQF		3.06	3.07	3.09	2.77
Exports (tonnes)	-	-	-	-	-
Stock Holding (tonnes)	744	688	346	884	1,403

Table 2. Zimbabwe Poultry Association Layer Monthly Average Production Returns, January 2013 to September 2015

			2015		
	2013	2014	Jan-Mar	Apr-Jun	Jul-Sep
TABLE EGG PRODUCTION					
Female Parent Stock					
Chick Sales - including exports	1,327	767	1,114	2,796	-
Chick Retentions/Placements	5,212	1,983	2,447	5,140	3,727
Growing	25,475	21,843	13,316	17,793	28,086
In Production	50,656	41,173	30,641	29,879	25,584
Chick Exports	894	800	1,114	2,796	-
Hatching Eggs					
Produced (ea)	888,319	813,477	521,759	558,923	505,081
Imported (ea)	13,350	54,030	232,240	224,000	329,280
Sales - inclding exports (ea)	26,340	39,483	10,680	10,920	3,360
Price		0.27	0.28	0.28	0.28
Exported (ea)	2,340	-	-	-	-
Day Old Chicks					
Retentions/Placings	84,571	48,710	94,937	63,507	64,958
Sales - including exports	115,948	145,728	164,424	251,319	225,579
Price per 100 chicks	120	129	134	138	135
Exports	20,794	23,092	6,600	17,800	13,200
Point of Lay					
Sales	16,191	11,789	21,761	27,935	30,268
Price per bird		10	10	10	10
Layers					
Growing	407,963	330,973	354,068	375,331	289,186
In-lay	1,090,607	1,009,925	850,277	831,951	791,941
Sale price of spent hens		4.05	4.11	3.82	3.56
Table Eggs					
Produced (doz)	2,050,442	1,819,507	1,522,087	1,462,280	1,426,884
Wholesale price per tray		4.21	4.31	4.14	3.46
Exported (doz)	117,511	9,750	-	-	-
Stockholding (doz)	232,315	178,686	158,780	177,570	250,910
Egg Pulp					
Sold (kg)	15,180	2,748	174	1,166	3,584
Exported (kg)	-	-	-	-	-

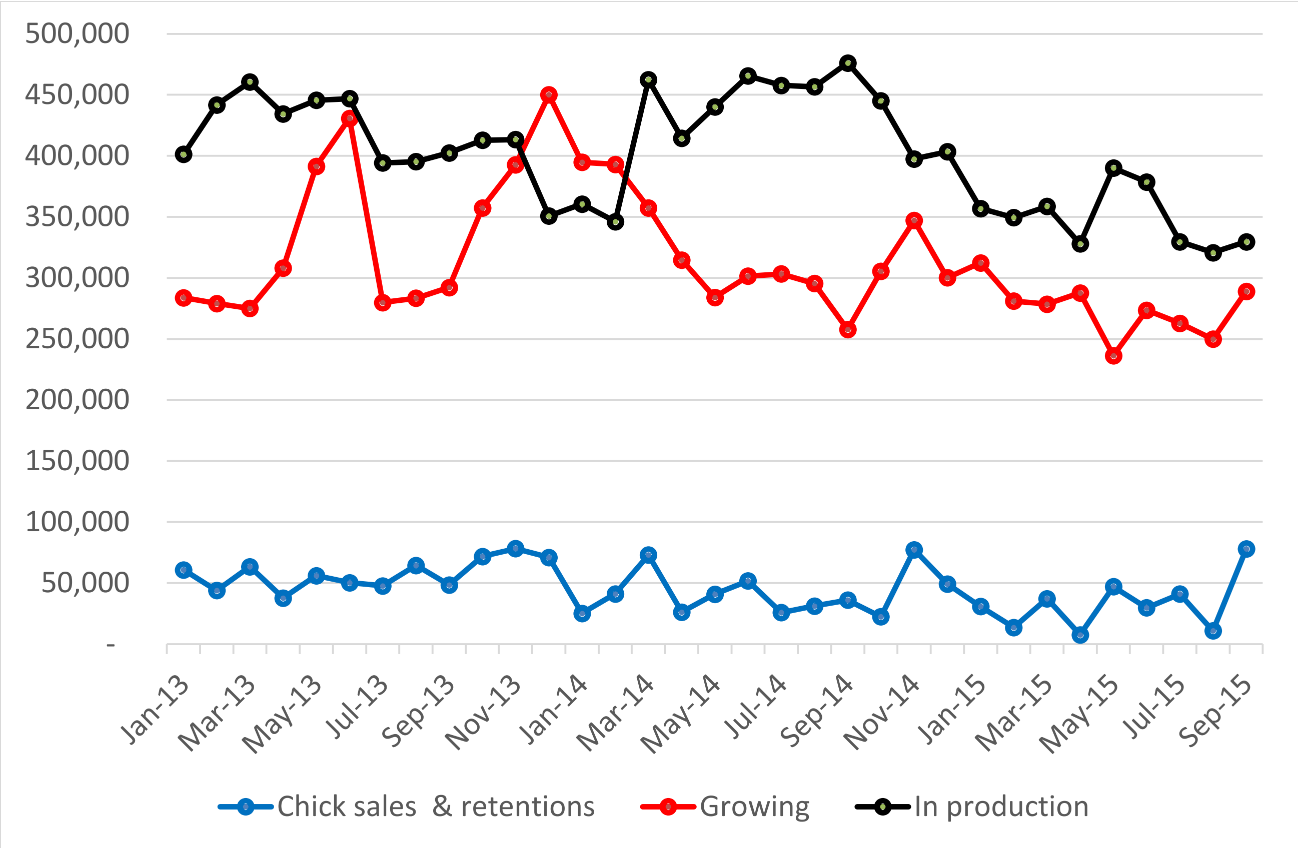

Figure 1. Broiler breeder production trends, January 2013 to September 2015

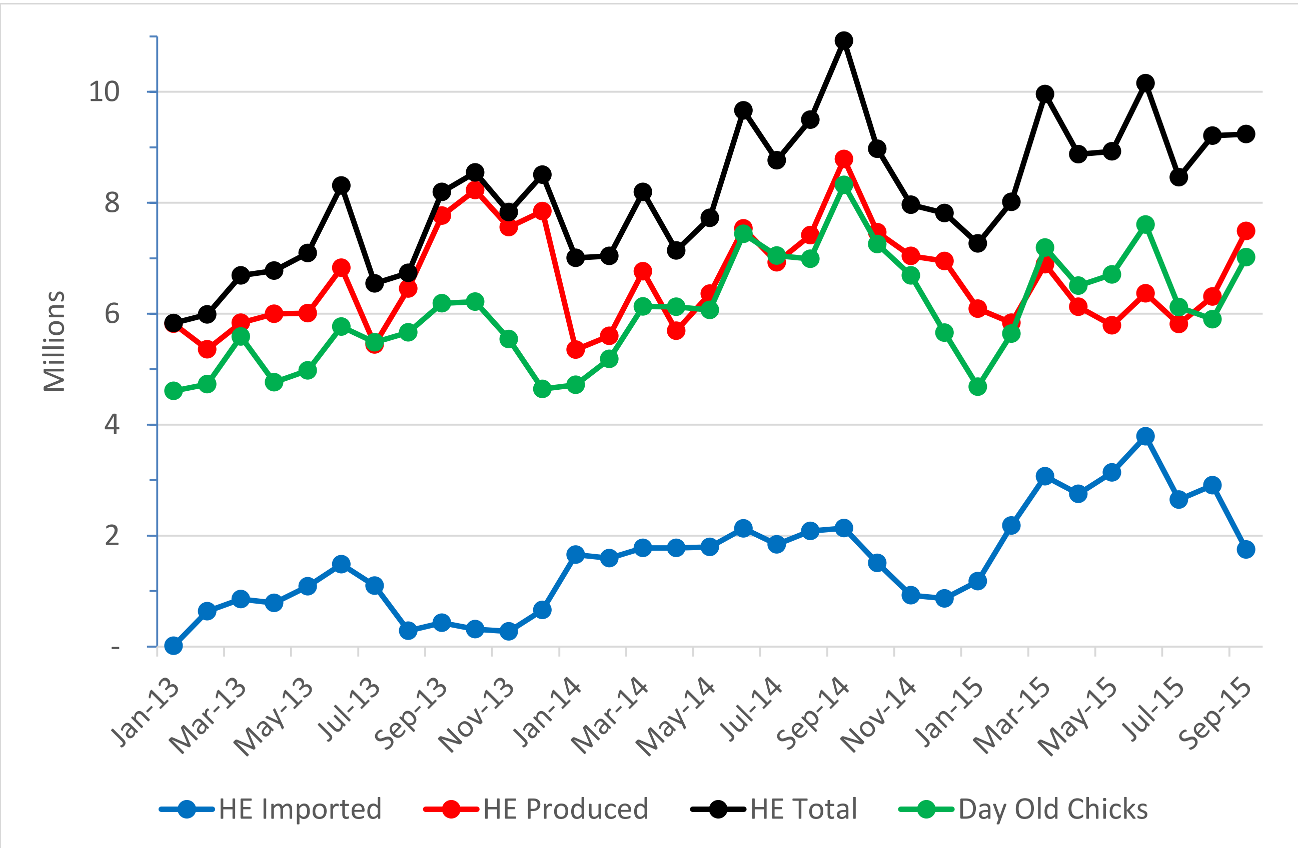

Figure 2a. Broiler Hatching Egg and Day Old Chick trends, Jan 2013 to Sept 2015

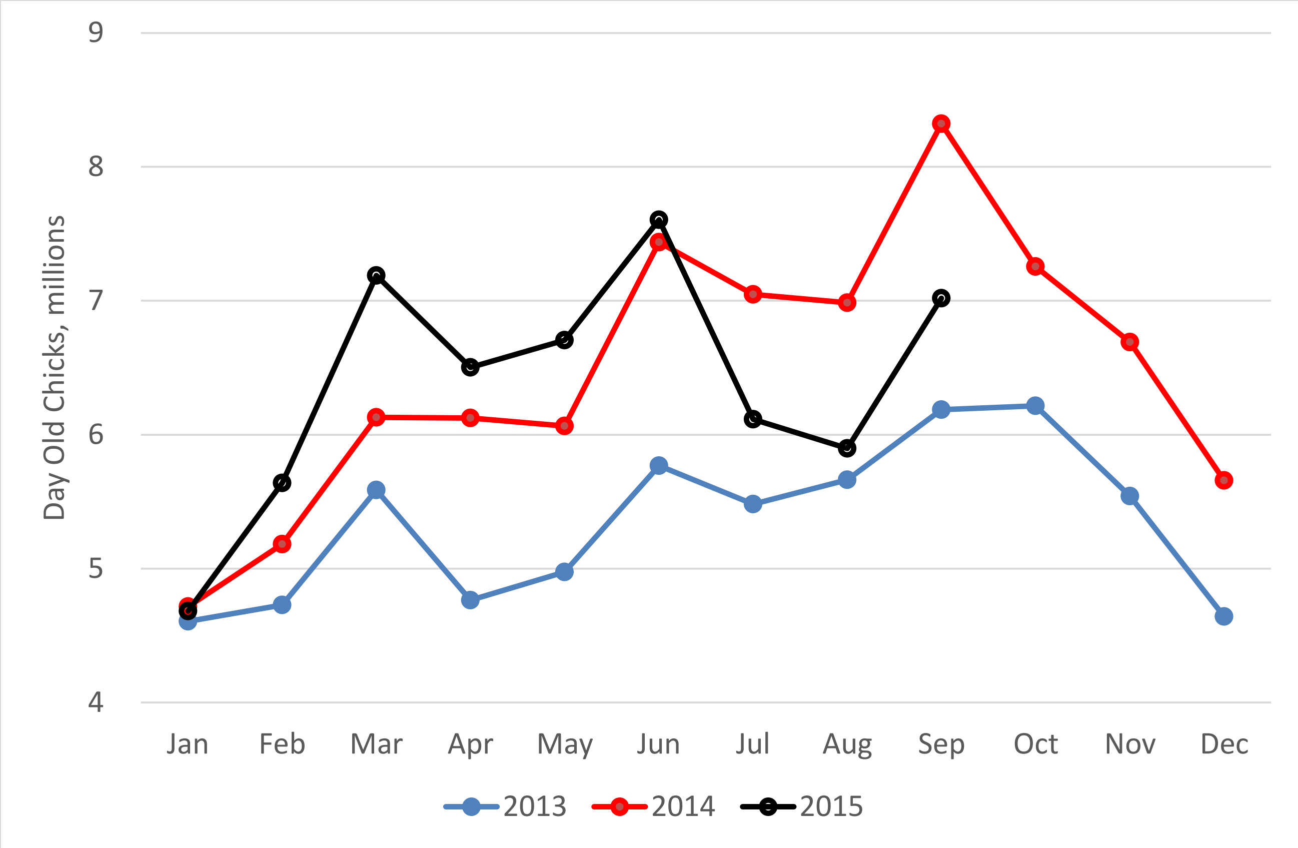

Figure 2b. Broiler Day Old Chick trends, January 2013 to September 2015

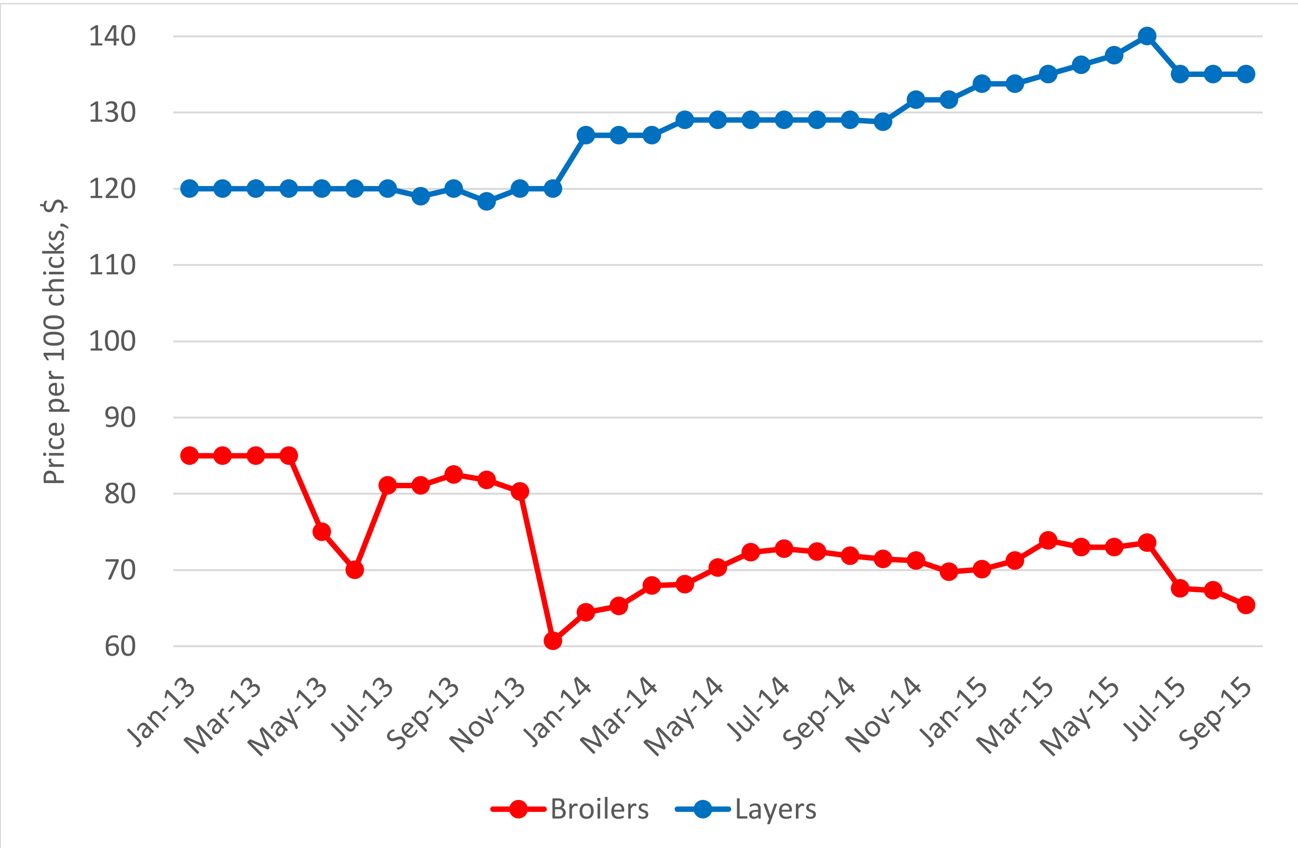

Figure 3. Broiler Day Old Chick and Sexed Pullet prices, January 2013 to September 2015

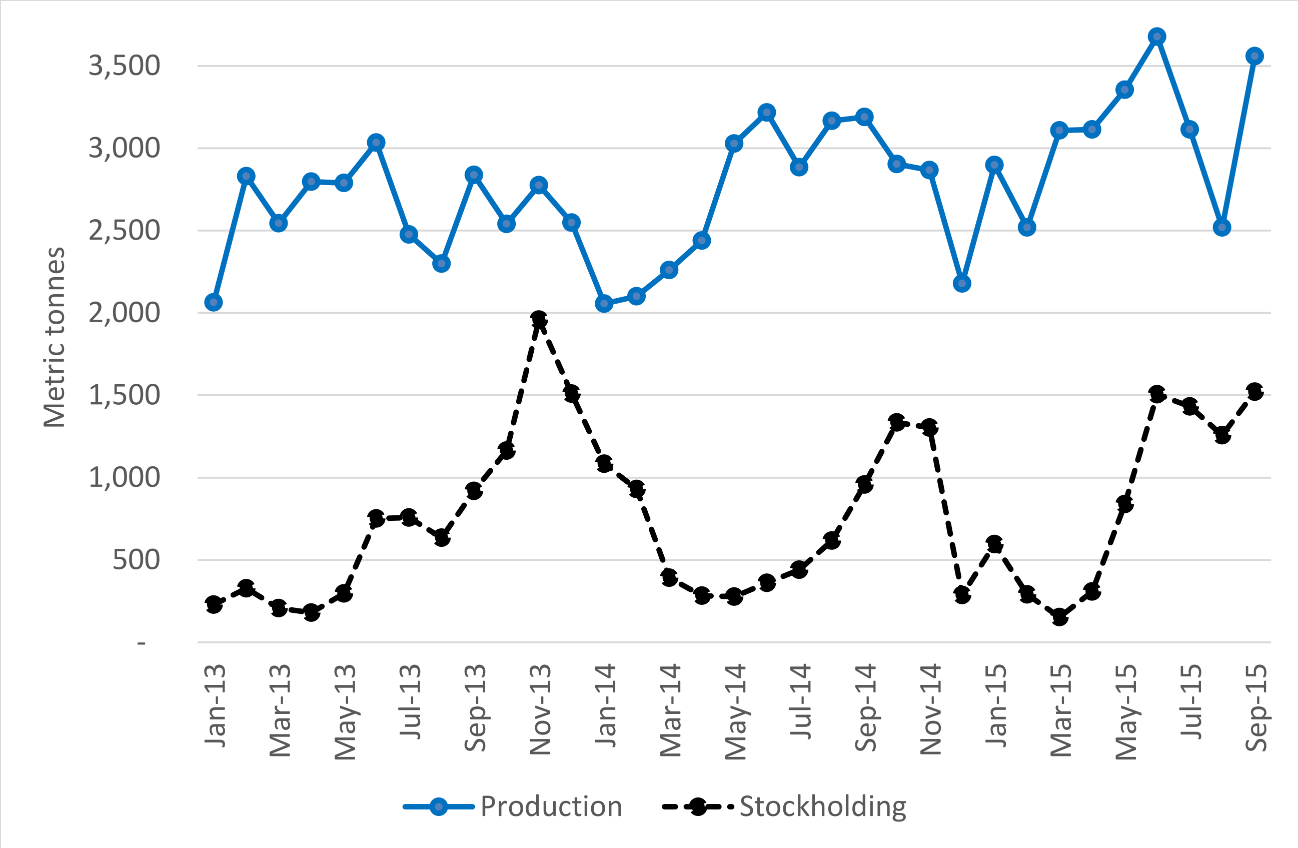

Figure 4a. Formal meat production and stockholding trends, Jan 2013 to Sep 2015

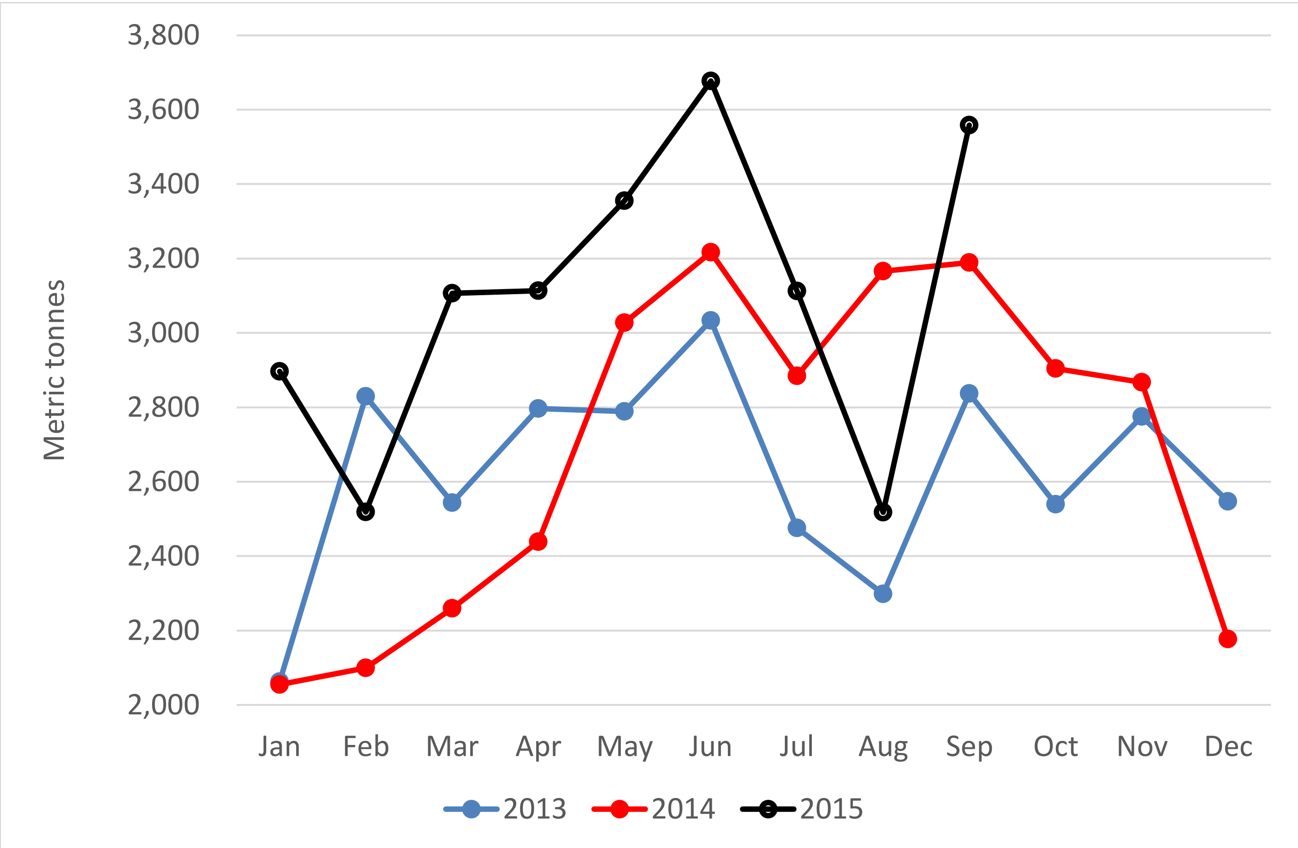

Figure 4b. Meat production, January 2013 to September 2015

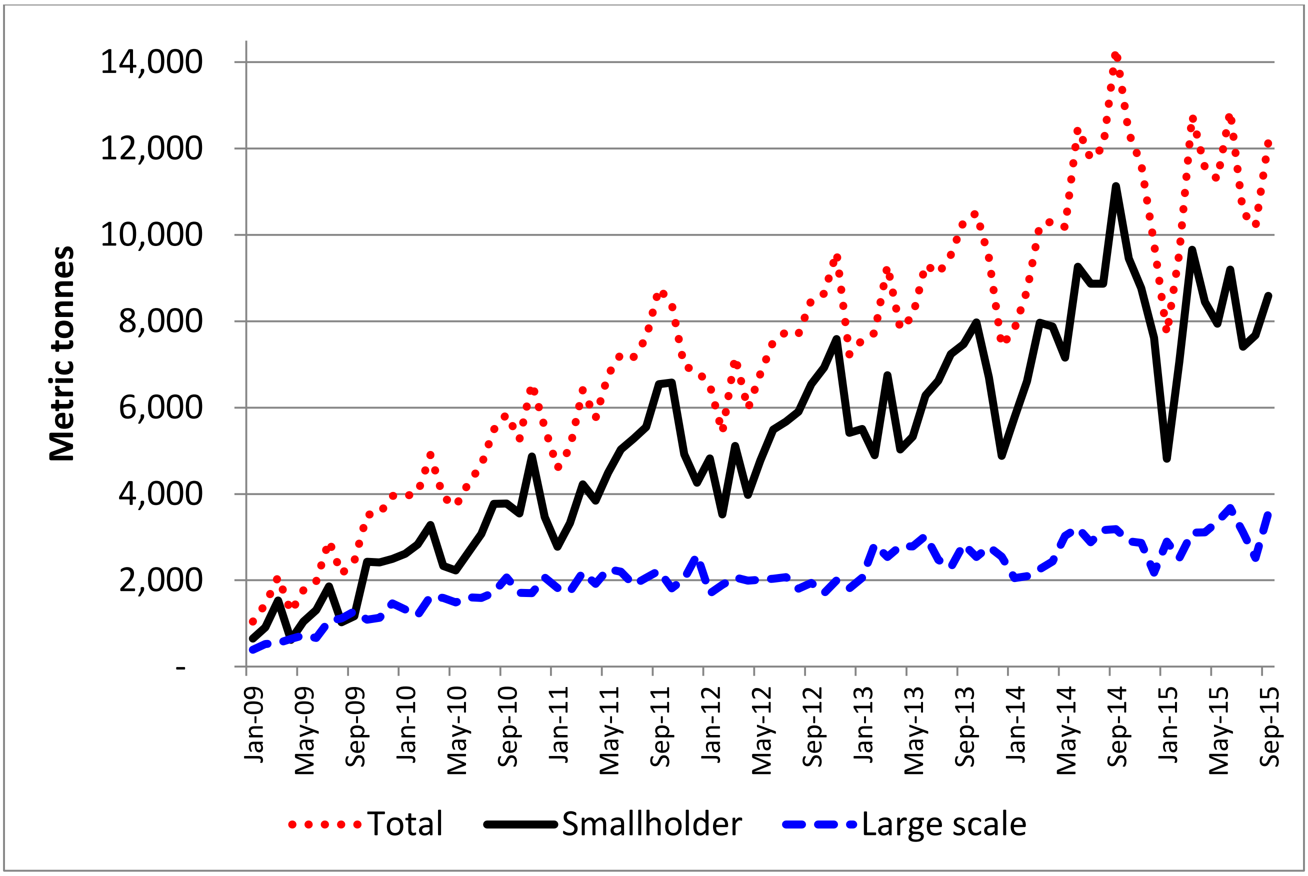

Figure 4c. Estimated total broiler meat production

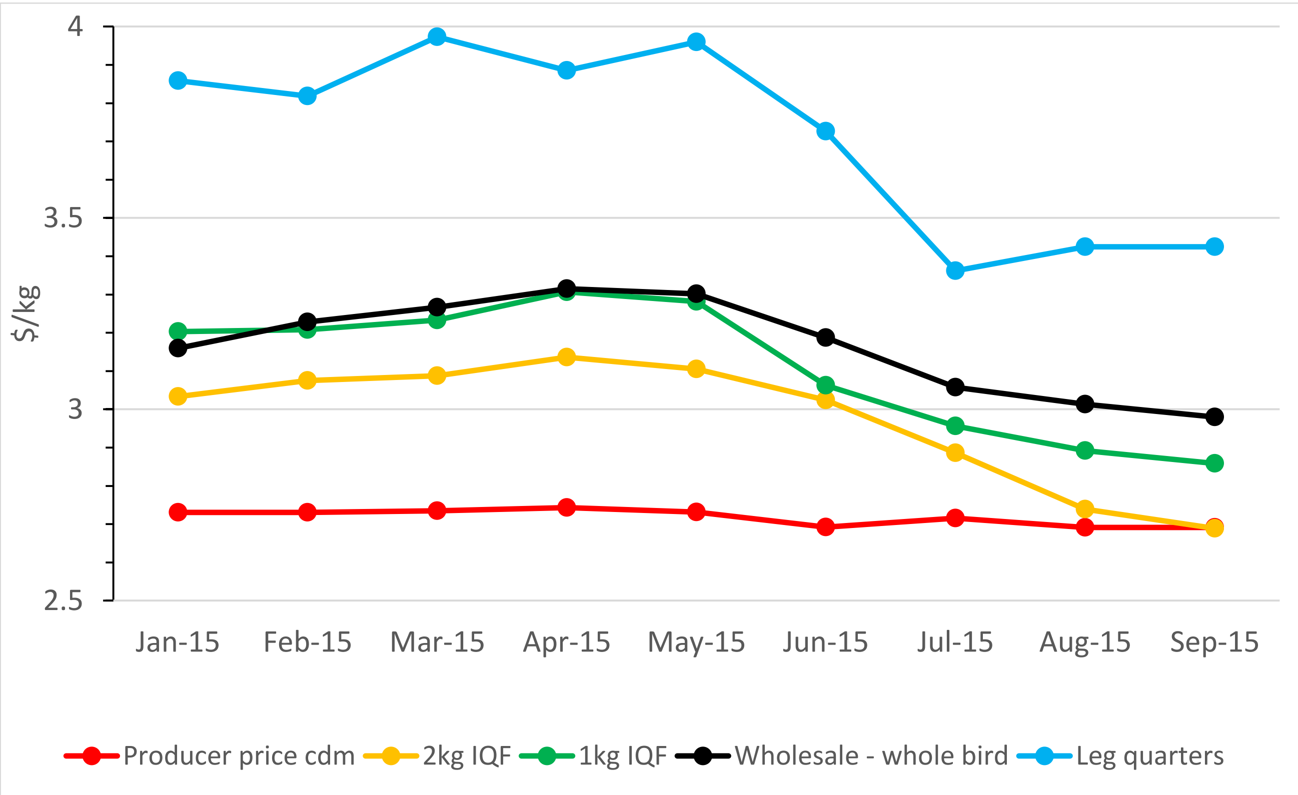

Figure 5. Broiler meat price trends, January 2013 to September 2015

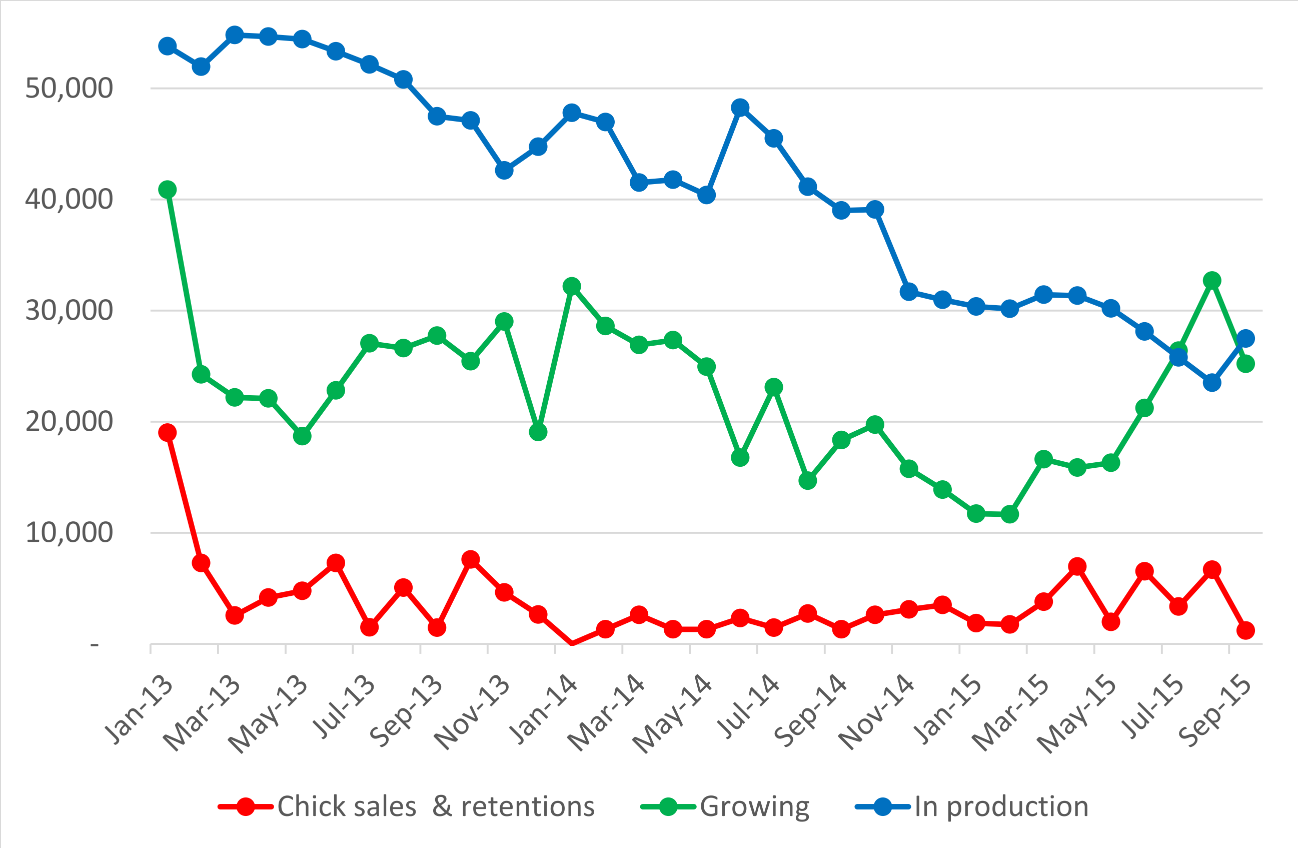

Figure 6. Layer breeder production trends, January 2013 to September 2015

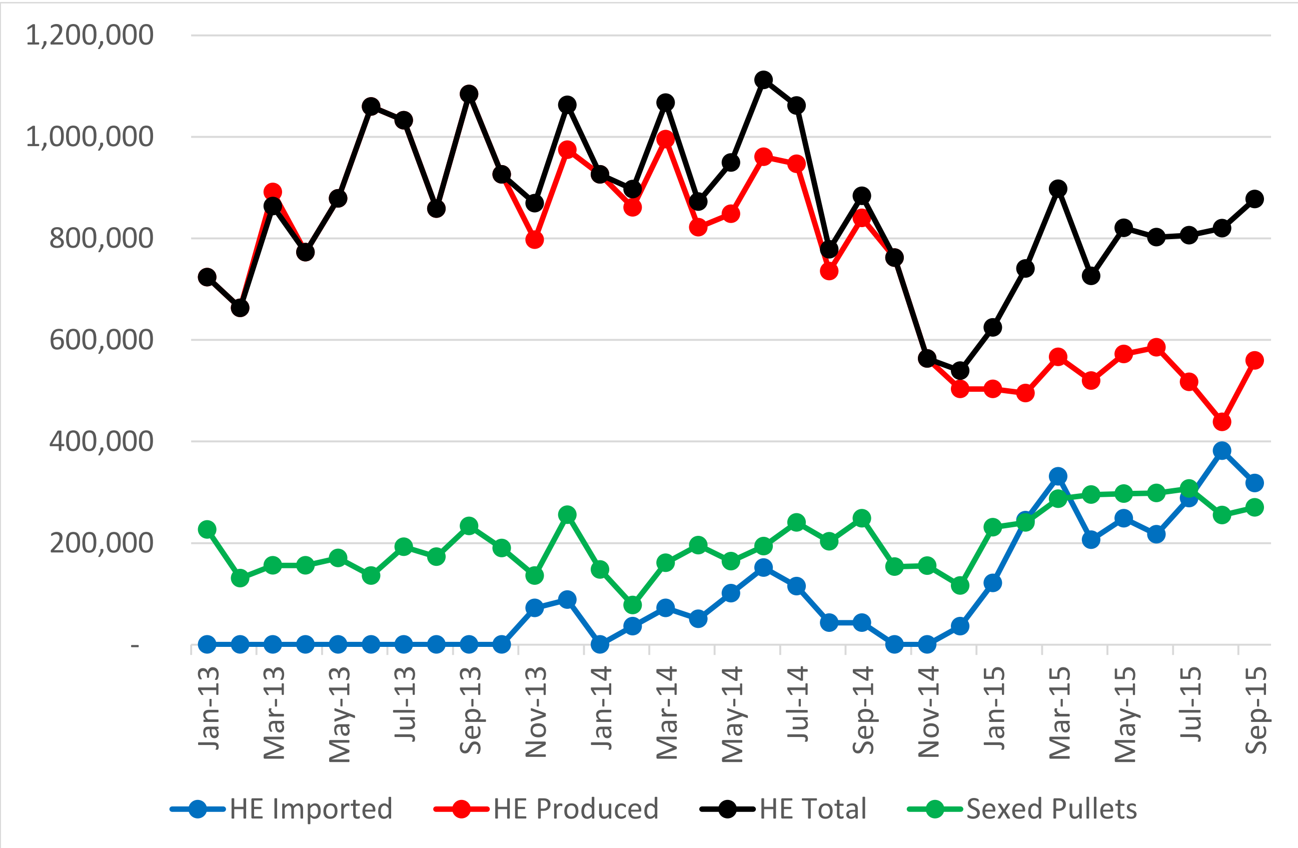

Figure 7. Layer Hatching Egg and Sexed Pullet trends, January 2013 to Sept 2015

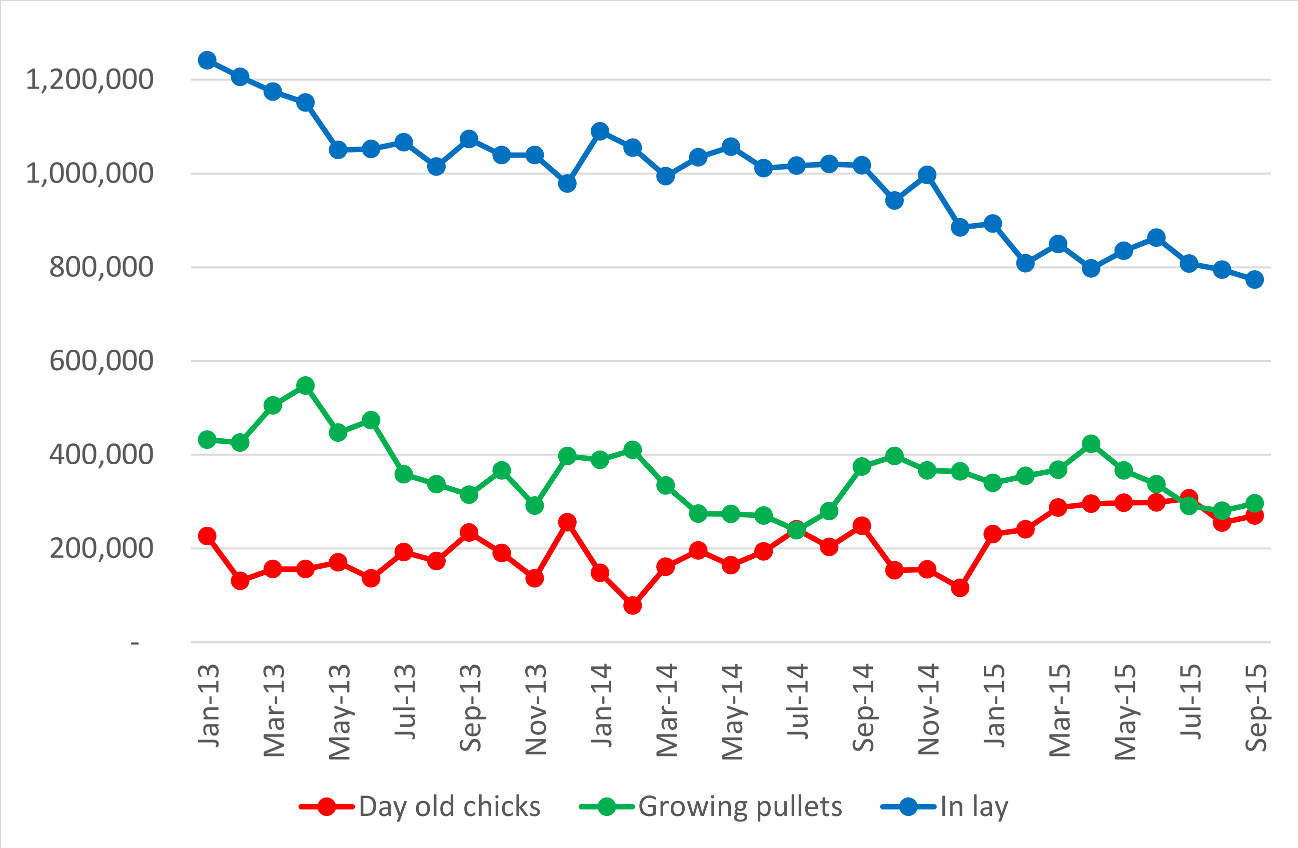

Figure 8. Layer production stock trends, January 2013 to September 2015

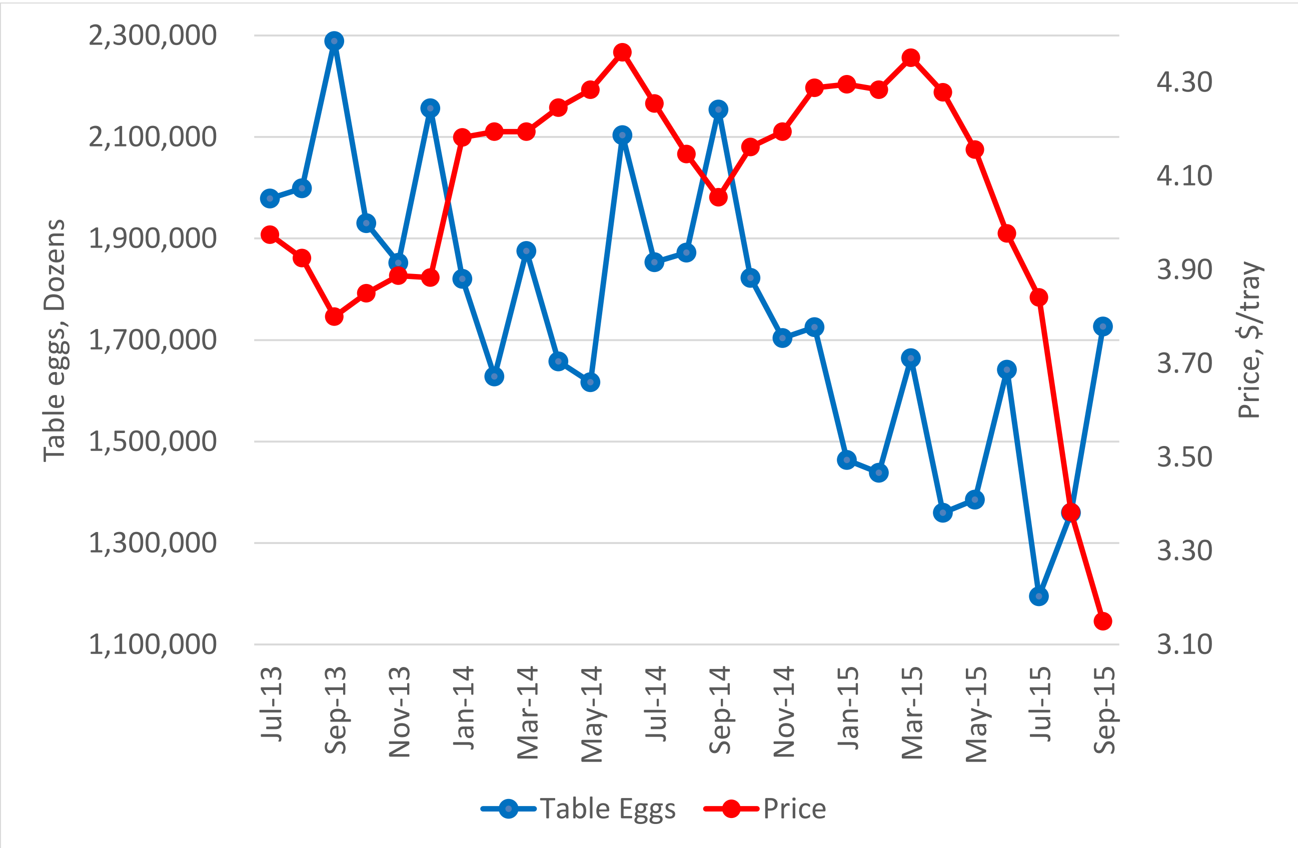

Figure 9a. Table egg production and price trends, July 2013 to September 2015

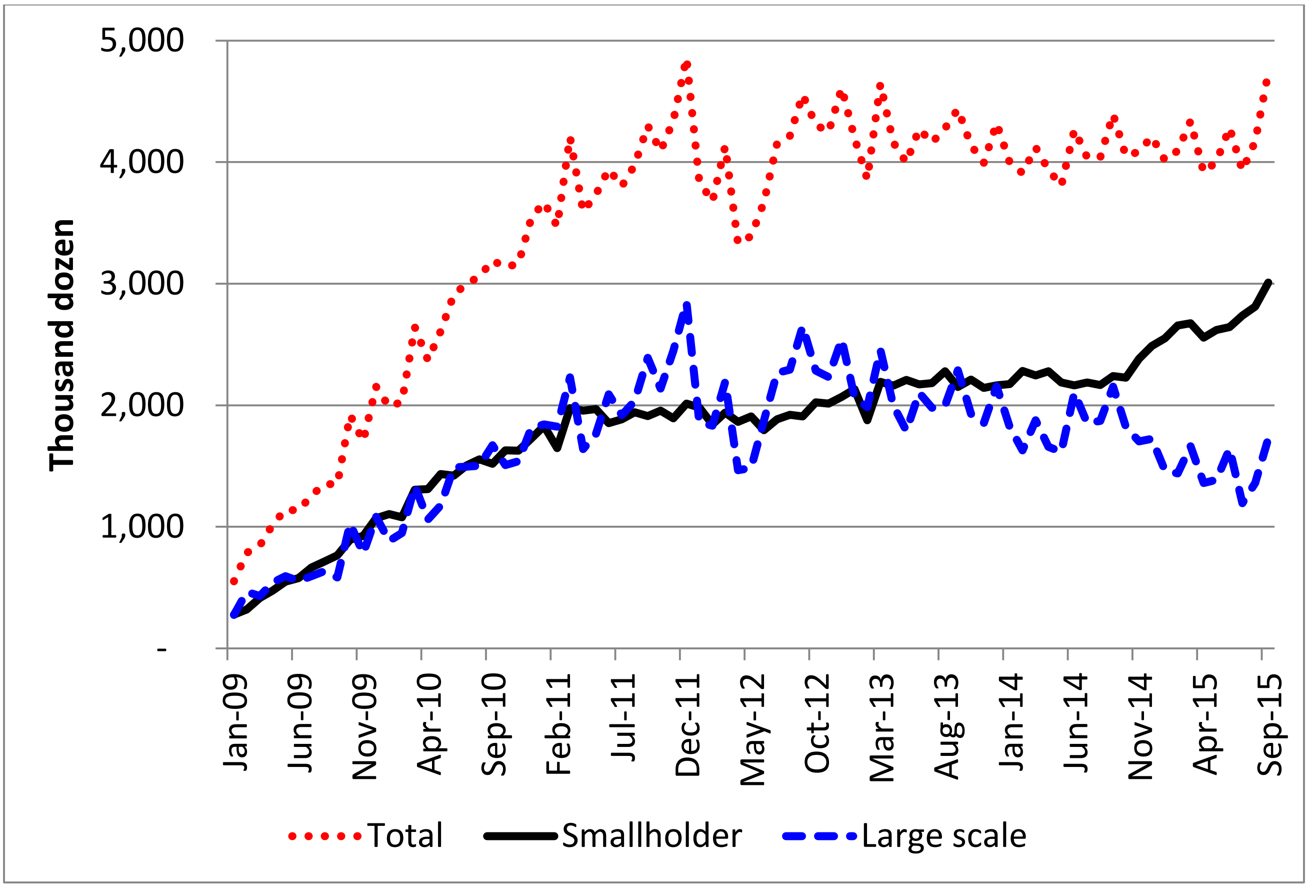

Figure 9b. Estimated egg production

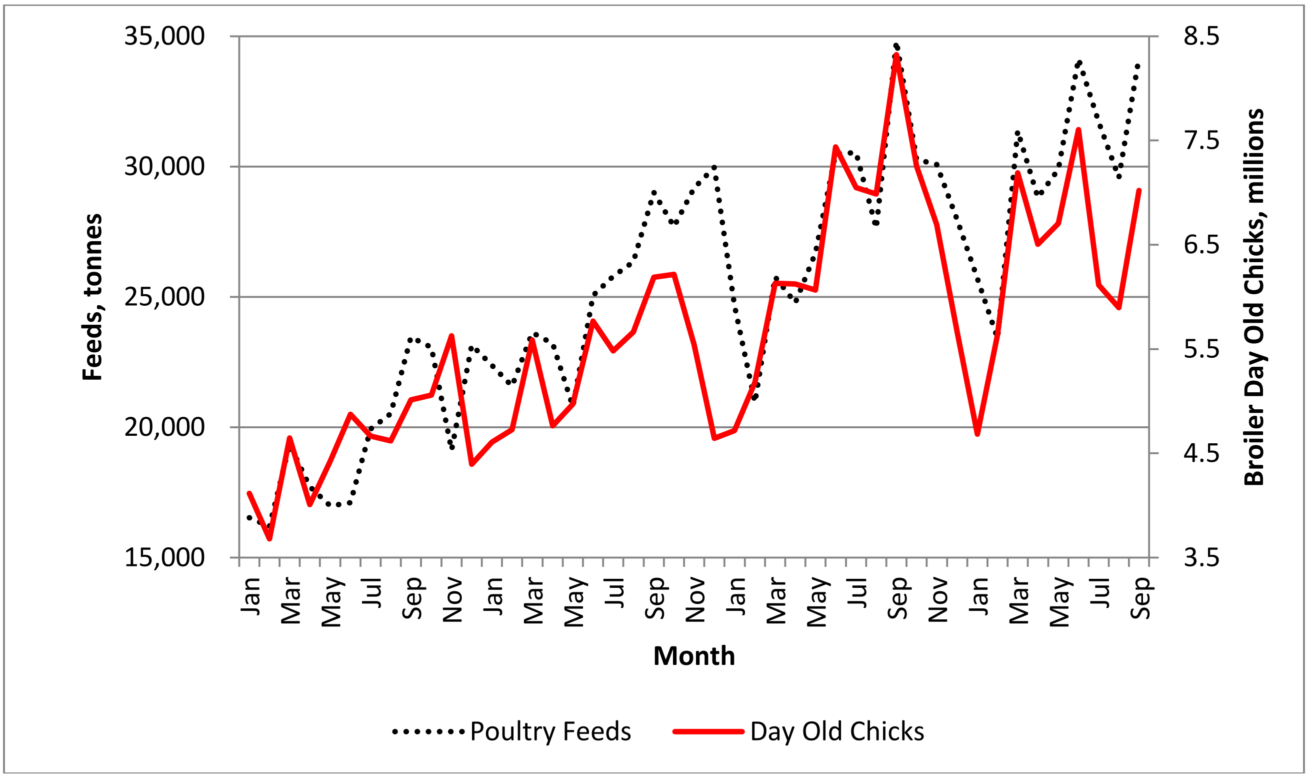

Figure 10. Poultry feed production and broiler day old chick production, January 2013 to September 2015

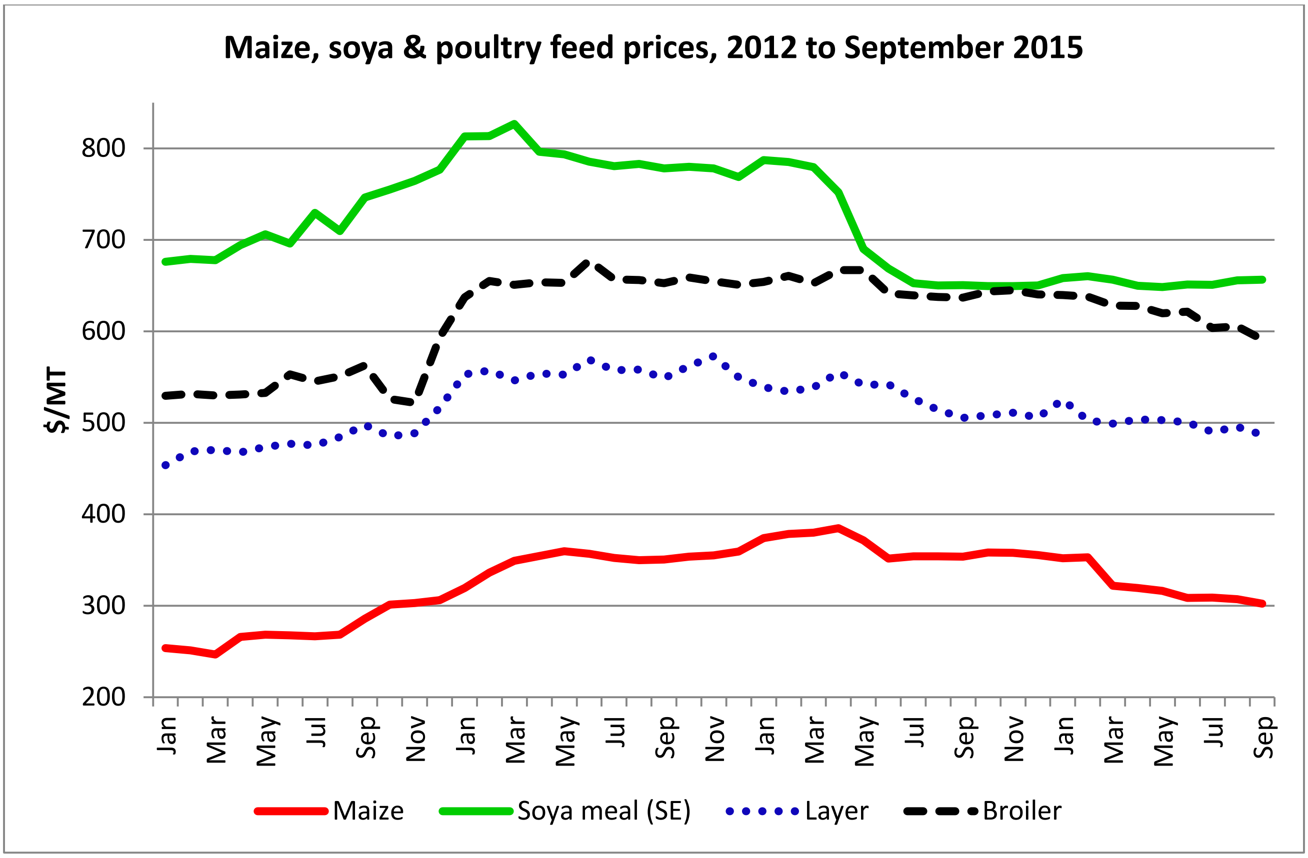

Figure 11. Prices of maize, solvent extracted soya meal and weighted broiler and layer feeds, January 2012 to September 2015