



Livestock & Meat Advisory Council

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Industry Update for week ending 16th September 2016

Validation Workshop of the Industry Development Policy (2017-2021)

As the current Industry Development Policy (2012 – 2016) is coming to an end a new policy is being developed which seeks to revive the country's manufacturing sector. The Ministry of Industry and Commerce with funding from COMESA is coordinating the process. The validation workshop of the draft policy was held on 6th September in order for various industry stakeholders to appreciate the policy and also give their own insights about the policy. The Policy seeks to revive Zimbabwe's manufacturing base by increasing the sector's GDP contribution to 18% by 2021 from 2015 contribution of 9.3%. This is anchored on year on year growth of 1.5%; capacity utilization and direct employment are expected to also increase from 34.3% and 88200 in 2015 to 50% and 145900 in 2021 respectively.

It was emphasized that an enabling environment that fosters business growth should be created among all economic units including statutory bodies that continually interface with industry and various financing models should be created to fund the diverse needs of industries in Zimbabwe. The ease of doing business review process which is currently underway is likely to play a positive role in initiating the necessary reforms that stimulate economic growth and attract investors.

The impact of imports flooding the local market which are also imposing unfair competition to domestic products has been given due consideration in the policy. The policy will seek to protect vulnerable industries not as individual companies but on a sectoral basis. The protected industry sectors will continually be monitored on an annual basis to ensure that domestic consumers are not short changed by the protected industries. Business Membership Organization (BMO) have been identified as a key catalyst in ensuring that their members overcome the current challenges impeding the smooth implementation of the policy during the five-year period by establishing performance indicators and through lobbying government to create enabling policies that are pro-business growth.

Zimbabwe Poultry Association Council Meeting

Firm day old chick sales have been reported since the end of August. DOC wholesale prices are ranging from \$0.60 - \$0.65 with an additional \$0.05 for retail prices. However, hatcheries have indicated that prices are not viable. The firm demand is expected to continue through September, and possibly drop in October, then increase again in November; as growers place broilers for the Christmas time. Most

abattoirs reported a good run on stocks from early August through to mid-month. Sales then slowed to end of the month, but have picked up since early September. Live prices for broilers ranging from \$1.75 - \$1.90/kg. The ongoing concern of the industry is the pressure on stockfeed prices due to the imported maize & soya. Table egg market still very depressed with wholesale prices ranging from \$3.15 - \$3.50 per tray. Demand for DOC layer pullets has plummeted, as a result of the prolonged depression in egg prices.

14 cases of New castle diseases were reported in urban and peri-urban areas around Harare and the Veterinary Department is working hard to address this. There has been a marked improvement reported in cases of chick mortalities. Producers have raised concern over the yellow skin colour of chickens and are being advised that this is due to the yellow maize used in making stockfeed.

Indigenous Poultry Indaba

The Zimbabwe Free Range Poultry Producers Association (ZFRPPA) in collaboration with USAID-funded ENSURE program organized a half-day Indigenous Poultry Indaba at Holiday Inn Harare on September 8th, 2016. The workshop brought together free range producers from smallholder farming areas from as far afield as Chipinge, Buhera and Masvingo to meet and share value chain development experiences and bottlenecks with SMA-member stock feeds manufacturers (e.g Capital Foods), credit providers (Metbank, Untu, Virl Finance, Create Fund) and regulators (DVS, LPD, SAZ). LMAC made a presentation highlighting its national policy advocacy and technical advisory support role to organized associations along the livestock and meat value chains. The presentation also summarized the state of the domestic meat market and egg market and cross-price sensitivity of urban consumer taking different meats (broiler, indigenous free range, turkey free range, quail, rabbits, goats, sheep, pigs, beef, fish) as substitutes sources of animal proteins. With support from Ensure Project, a private Hatchery Operator is establishing a smallholder outgrower scheme with ENSURE beneficiary farmer groups getting complete starter pack parent stock free range 10-day old breeding chicks from which they supply fertilized free range eggs to the Hatchery until they have repaid their starter-pack group loan. The free range poultry producing farmer groups become independent producers of fertilized eggs seeking viable market outlets for fertilized eggs (or free range table eggs) or as free-range breeding hens and cocks or as free range slaughter stock.

The purpose of the Indaba was to introduce free range poultry farmer groups to poultry meat and eggs market players and to help farmers understand grades and standards requirements for the formal commercial market outlets and informal market outlet. From LMAC, there are three prospective areas of technical support to ZFRPPA under the ENSURE program:

- (a) Membership of ZFRPPA with LMAC and capacity building of national structures into representative regional chapters of district groups of smallholder producer clubs;
- (b) Technical assistance to ENSURE project (WV is lead of a consortium involving SNV, CARE, ICRISAT) to evaluate scope and viability of linking smallholder free range poultry producer groups from different districts to the urban formal vs urban informal marketing channel for free range breeding chicks or hens

and cocks, free range poultry meat, and free range table eggs - given the market demand situation and medium-term outlook; and

(c) Training of smallholder groups on relevant policy regulations and on the cost of compliance as commercial-oriented smallholder poultry producers of breeding stock versus slaughter stock and eggs targeting the urban formal and informal markets.

Meat Processors Association of Zimbabwe

Members reported a firming of the industry by 15% relative to 2015. However, the meat processing industry is characterized by business cycles; the peak period which coincides with the tobacco selling season is February to July, thereafter, the market collapses. In 2015, between the period July – August, the market declined by 30% while in 2016 it was only 15%. It has been suggested that this may be due to the fact that the market was already depressed. The association is lobbying for a reduction in the 40% duty on importation of MDM to make their products more competitive on the local market.

ZAS Sub Committee Meetings on private sector driven Maize, Soya & Wheat contract-farming

The Zimbabwe Agricultural Society coordinated weekly meetings and engagements to inform government of policy actions needed to stimulate private agribusiness sector investment into grain contract farming in 2016/17. The GMAZ and SMA joint submissions to the sub-committee suggest that there is potential for private sector driven production of maize, soya and wheat under contract farming arrangements with Grain Traders Association of Zimbabwe to the tune of 100,000 hectares in 2016/17. However, this interest from private sector is conditional upon government taking urgent policy actions to address the following critical outstanding policy and security issues:

(i) Safety and security of private sector contract farming operations on A1 and A2 farms including that of personnel on supervisory farm visits or stationed on contracted farms (Government pronouncement safeguarding contracted farms from political interference),

(ii) Government lifting the ban on private contractors from importing their fertilizer requirements (side-stepping SI64) as a means of allowing the use of cheaper fertilizer imports for contract farming operations to ensure benefits to farmers and contractors.

(iii) Market-based setting of GMB maize producer floor prices in line regional market prices

(iv) Financially viable tenor for contract farming agreements where contractor sinks capital investment into farm irrigation infrastructure and equipment

The Minister of Finance adequately addressed two out of the four killer constraints in his Mid-term Budgetary Policy Review Statement.

Livestock and Meat Advisory Council and Annual General Meetings

Meat graders reported an increase in beef slaughters from 24,600 in July to 27,116 in August. General trends indicate an increase in slaughters during this time of the year and supply is firm with a shortage in supply of low grade beef being reported. The LMAC has made a submission of livestock issues to the Office of the President and will make a presentation at the upcoming NECF stakeholder validation

workshop. This initiative has been supported by SERA and its goal is to assess the cost of doing business in the economy.

The Livestock and Meat Advisory Council held its Annual General Meeting on 15th September where a new Chairman, Mr Fungayi Mungate the former Chairman of the Stockfeeds Manufacturers Association was elected. In his tenure, the outgoing Chairman, Mr Solomon Zawe has selflessly and tirelessly served the livestock industry and has made major contribution to its growth since dollarization.

Update on Developing the One Health Initiative to reduce Spread of Anti-Microbial Resistance

link below that was forwarded by FAO about the plans to continue helping countries reduce the development of AMR in agriculture.

On 14th September 2016, FAO pledged to help countries develop strategies for tackling the spread of antimicrobial resistance in their food supply chains, as governments prepare to debate the emerging challenge posed by medicine-resistant "superbugs" next week at the UN General Assembly. Have a look at the press release at <http://www.fao.org/news/story/en/item/433096/icode/>

All members and relevant stakeholders are encouraged to participate in consultation processes.

Zimbabwe Herd Book Beef School 2016

The Zimbabwe Herd Book has the pleasure of announcing the Beef School and Meat Fair 2016 to be held from 18th to 19th October 2016. Kindly contact our office for further information. Attached is the programme for the event.

Schedule of forthcoming meetings and events:

26th September	UN Breakfast Meeting on AMR's
28th September	Stockfeed Manufacturers Association of Zimbabwe Meeting
28th September	NECF-SERA Stakeholder Validation Workshop
30th September	Zimbabwe Fish Producers Association Council Meeting

Enclosures

- Highlights of the Mid-term Fiscal Policy in relation to livestock sector
- Zimbabwe Herd Book Beef School and Meat Fair 2016 Programme