Zimbabwe Poultry Association

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Production News

Broiler Breeding: Following the Avian Influenza (AI) induced depopulation, average monthly stocks of broiler breeder chick retentions, growing and in-lay birds plummeted and in the last quarter (October to December) of 2017, average breeder stockholdings were lower than the same period in 2016 and the lowest since 2013 (Table 1). However, breeders in-lay had started to recover from a low of 241,611 in June to 310,609 in December (Figures 1&2).

Local production of hatching eggs declined by 35% from a peak of 7.1 million in May to 4.6 million in July and had recovered to 7.4 million in December (Figure 3). Imports of hatching eggs over the period January to July, which averaged 1.0 million per month, increased to 2.0 million per month for the period August to December. Total hatching egg imports over the latter period was 10.1 million, equating to 460,000 eggs per week. This contrasts with the ring-fenced duty-free allocation of 852,000 hatching eggs per week. Total hatching eggs declined by 31% from a peak of 8.5 million in May to 5.9 million in July and recovered to a new peak of 9.5 million in December.

Similarly, day-old chick sales (DoC) and retentions declined by 35% from 6.4 million in May to 4.2 million in July and recovered to a new peak of 7.1 million in December. This is in contrast to the usual pattern between 2013 and 2016 where DoC demand normally drops to between 4.7 to 5.7 million (Figure 4).

Total production of hatching eggs in 2017 was 68.9 million, being 8% lower than 2016 (Table 3 & Figure 5). Prices of DoCs rose sharply from 65c in May to 96c in December (Figure 6).

<u>Broiler Meat Production:</u> The reduction in chick supply decreased large scale broiler meat production from 3,247mt in June to 2,672mt in August which then recovered to 3,413mt in December (Figure 7&8). However, the number of birds processed and broiler meat production in the large scale formal sector in the fourth quarter of 2017 were 18% and 17% higher than the same period in 2016, respectively (Tables 1 & 2 and Figure 7). In addition, whole bird wholesale prices rose from $3.21/kg in June to $3.73/kg in December (Figures 7&9).

The impact of the reduced supply of day-old chicks was most evident in small-holder production, where broiler meat production is estimated to have declined from 7,492mt in June to 3,328mt in July and recovered to 7,597mt in December (Figure 10).

Estimated total broiler meat produced in 2017 of 106.0mt was 10% lower than that of 2016 due to a 2 and 14% decline in production in both the large- and small-scale sectors, respectively (Table 4, Figure 11).

<u>Layer Breeding</u>: While layer breeder chick sales and retentions in 2017 remained static compared to 2016, growing and in-lay layer breeder stocks continued to decline from highs reached in 2013 (Tables 5&7, Figure 12). Locally produced and imported hatching eggs also declined and totalled 5.3 million in 2017 compared to 7.3 million in 2016 (Table 7 and Figure 13). Total sexed pullet production was 1.7 million, being 15% lower than 2016 (Table 7 & Figure 13). Price of sexed pullets also increased over the year from $1.15 in December 2016 to $1.32 in December 2017.

<u>Table Egg Production:</u> The number of layer birds in-production in the large-scale poultry sector plummeted by 400,000 birds from 878,000 in July to 478,000 in August due to AI-induced depopulation (Table 5, Figure 13). This reduced large-scale table egg production from 1.8 million dozen per month to 0.9 million dozen per month (Table 5, Figures 15&16).

Similarly, estimated small-scale table egg production also declined and in the last quarter of 2017 to an average of 1.8 million dozen, a reduction of 22% over the same period in 2016.

Total estimated table egg production for 2017 was 37.9 million dozen, a decline of 31% compared to 2016.

Inputs and Raw Materials

The manufacture of poultry feeds continued to dominate the stockfeed industry during 2017 (Figures 17&18) and totalled 281,011mt for the year (worth $164m), decreases of 21% in quantity and 16% in value compared to 2016. Poultry feeds accounted for 63% of all feeds produced by weight and 70% by monetary value.

The prices of most raws procured in the fourth quarter were higher than prices in the third quarter (notably: maize bran 12%, urea 15%, salt 11%, hay 14%, fine and coarse limestone flour 21% and 12%, respectively). The notable exception was MCP which decreased in cost by 21%. As a result, prices of most feeds in the fourth quarter were a few percentage points higher than prices in the second quarter. Average weighted broiler and layer feed prices in the fourth quarter of 2017 were $621 and $484/mt, respectively, 1% and 3% higher than prices in the third quarter of 2017 (Figure 19).

Market Watch

Members of the Association have noted the impact on their operations of the 1 cent levy gazetted on behalf of the Agricultural Marketing Authority through Statutory Instrument 129 of 2017. There has not been an official response from the Ministry of Lands, Agriculture and Rural Resettlement to the request to have the SI suspended to allow consultation with stakeholders. However, ZPA, through the Livestock and Meat Advisory Council, have held several meetings to discuss the issue under the mediation of the National Competitiveness Commission. In the meantime, affected stakeholders are encouraged to make the necessary provisions.

SI 124 of 2017 which was gazetted to allow duty free importation of hatching eggs to bridge the supply gap of day-old chicks created by the outbreak of AIexpired on 31st January 2018. Due to continued DoC deficit and slow recovery of local breeding capacity, the Association has submitted a position paper for the renewal of the SI.

Imports

Chicken off-cuts from Brazil have been seen on the market in butcheries in Chivhu and Budiriro. It is disconcerting to note that 1,000mt of poultry products were imported in 2017, especially when imports were tightly controlled.

Veterinary Report

High incidences of stunting and runting have been reported and producers are accusing breeders of supplying low quality chicks. It is believed that this is being caused by bacterial or viral infections, resistance to disinfectant, lax biosecurity and poor brooding conditions which are common in small scale operations and attributable to poor management.

Reports of epidemic tremors have been noted. The condition is not very common and occurs in young chicks between 4 and 10 days old and derives from non-vaccinated parent stock. Symptoms include paralysis, lethargy, poor weight gain and a drop in egg production of parents.

On a positive note, the Principal Director, Livestock and Veterinary Services officially declared the end of the Avian Influenza or Bird Flu outbreak with effect from the 31st of January 2018. This allows operations at Irvines Zimbabwe to revert to normal. However, the Principal Director urged all stakeholders to remain on high alert as the global status of AI remains unpredictable.

Kind regards,

Solomon Zawe

<u>Chairman</u>

Table 1. Zimbabwe Poultry Association: Broiler Monthly Average Fourth Quarter (October to December) Production Returns, 2013 to 2017

	2013	2014	2015	2016	2017	% change
Female Parent Stock						
Chick Sales and Retentions	96,050	73,372	60,244	57,979	3,600	-94%
Growing	400,059	317,583	304,899	302,154	146,265	-52%
In Production	392,303	415,364	281,852	324,072	317,316	-2%
Hatching Eggs						
Produced (ea)	7,879,589	7,153,215	6,682,781	6,714,237	6,536,527	-3%
Imported (ea)	414,000	1,096,708	846,053	971,587	1,684,406	73%
Total (ea)	8,293,589	8,249,924	7,528,834	7,685,824	8,220,933	7%
Day Old Chicks						
Chick Sales and Retentions	5,466,379	6,535,064	5,728,893	6,306,914	6,384,809	1%
Price per 100 chicks	74.27	70.81	65.27	62.45	93.48	50%
Broilers						
Number slaughtered	1,738,181	1,716,953	1,629,735	1,789,698	2,107,771	18%
Average live weight	1.69	1.88	1.95	1.72	1.79	4%
Producer price, $/kg	2.20	2.00	1.86	1.82	2.01	10%
Total dressed weight, tonnes	2,621	2,649	2,555	2,840	3,326	17%
Wholesale - whole bird	3.34	3.23	3.02	2.85	3.67	29%
Leg quarters	3.83	3.75	3.53	3.68	4.15	13%
Breast	5.19	4.89	4.98	4.71	5.27	12%
1kg IQF	3.33	3.15	2.88	2.79	3.63	30%
2kg IQF	3.19	3.03	2.73	2.64	3.51	33%
Stock Holding (tonnes)	1,544	974	840	1,182	229	-81%

Table 2. Fourth Quarter (October to December) Average Monthly Broiler Meat Production, mt

	2013	2014	2015	2016	2017	% change
Large-scale	2,621	2,649	2,555	2,840	3,326	17%
Small-scale	5,727	7,496	6,347	6,996	6,549	-6%
Total	8,348	10,146	8,903	9,836	9,876	0%

Table 3. Zimbabwe Poultry Association: Broiler Average and Total Annual Production Returns, 2013 to 2017

	2013	2014	2015	2016	2017	% change
Female Parent Stock, monthly averages, thousands						
Chick Sales and Retentions	85	71	63	62	26	-58%
Growing	335	321	282	294	216	-27%
In Production	417	427	332	341	322	-6%
Total Hatching Eggs, millions						
Produced (ea)	79	82	77	82	74	-10%
Imported (ea)	8	20	26	16	17	8%
Total (ea)	87	102	103	98	91	-7%
Day Old Chicks						
Total Chick Sales and Retentions, millions	64	78	76	75	69	-8%
Average price per 100 chicks	79	70	69	62	76	23%
Broilers meat, large scale						
Total number slaughtered, millions	20.6	20.9	22.2	21.8	22.7	4%
Average live weight	1.54	1.87	1.90	1.78	1.76	-1%
Average producer price, $/kg	2.12	2.04	1.95	1.82	1.91	5%
Total dressed weight, tonnes	32	32	36	36	35	-2%
Average wholesale prices						
Whole bird	3.38	3.26	3.13	2.85	3.35	17%
Leg quarters	3.90	3.74	3.67	3.41	3.88	14%
Breast	5.40	5.05	5.08	4.61	4.85	5%
1kg IQF	3.34	3.12	3.05	2.77	3.30	19%
2kg IQF	3.27	3.06	2.91	2.66	3.20	20%
Average monthly stock holding, tonnes	744	688	868	1,053	384	-64%

Table 4. Annual Broiler Meat Production, 000mt

	2013	2014	2015	2016	2017	% change
Large-scale	31.5	32.3	35.5	35.9	35.3	-2%
Small-scale	66.8	88.2	80.8	82.0	70.7	-14%
Total	98.3	120.5	116.3	117.9	106.0	-10%

Table 5. Zimbabwe Poultry Association: Fourth Quarter (October to December) Layer Monthly Average Production Returns, 2013 to 2017

	2013	2014	2015	2016	2017	% change
Female Parent Stock						
Chick Sales and Retentions	4,938	4,530	3,119	3,042	4,999	64%
Growing	24,487	16,441	18,629	21,046	12,071	-43%
In Production	44,815	33,915	25,770	20,839	18,341	-12%
Hatching Eggs						
Produced (ea)	899,014	609,512	502,742	486,275	354,407	-27%
Imported (ea)	53,400	12,000	97,440	44,640	-	-100%
Total (ea)	952,414	621,512	600,182	530,915	354,407	-33%
Day Old Chicks						
Chick Sales and Retentions	193,878	141,408	190,910	122,878	116,349	-5%
Price per 100 chicks	119.44	130.69	125.00	115.00	131.67	14%
Point of Lay						
Sales	19,680	11,848	37,140	5,771	2,095	-64%
Price per bird	9.39	10.33	9.93	8.93	11.67	31%
Layers						
Growing	351,449	375,990	331,421	299,380	182,927	-39%
In-lay	1,018,890	941,216	799,219	889,906	471,243	-47%
Sale price of spent hens	4.14	4.04	3.82	3.34	4.01	20%
Table Eggs						
Produced (doz)	1,979,651	1,750,566	1,654,196	1,946,486	921,637	-53%
Wholesale price per tray	3.87	4.22	3.21	3.09	4.31	39%
Stockholding (doz)	250,839	201,730	222,550	269,560	55,199	-80%

Table 6. Fourth Quarter (October to December) Average Monthly Table Egg Production, million dozens

	2013	2014	2015	2016	2017	% change
Large-scale	2.0	1.8	1.7	1.9	0.9	-53%
Small-scale	2.0	2.0	2.9	2.3	1.8	-22%
Total	4.0	3.8	4.5	4.3	2.7	-36%

Table 7. Zimbabwe Poultry Association: Layer Average and Total Annual Production Returns, 2013 to 2017

	2013	2014	2015	2016	2017	% change
Female Parent Stock, monthly averages						
Chick Sales and Retentions	6,538	2,750	4,586	2,284	2,296	1%
Growing	25,475	21,843	19,456	19,247	16,510	-14%
In Production	50,656	41,173	27,969	25,123	20,970	-17%
Total Hatching Eggs, thousands						
Produced (ea)	10,660	9,762	6,266	6,909	5,012	-27%
Imported (ea)	160	648	2,649	364	267	-27%
Total (ea)	10,820	10,410	8,914	7,273	5,278	-27%
Day Old Chicks						
Total Chick Sales and Retentions, thousands	2,406	2,333	3,213	2,019	1,707	-15%
Average price per 100 chicks	120	129	133	116	126	9%
Point of Lay						
Total sales, thousands	194	141	351	131	43	-67%
Average price per bird	9.78	10.48	10.09	8.27	10.62	28%
Layers, monthly averages, thousands						
Growing	408	331	338	285	212	-26%
In-lay	1,091	1,010	819	886	717	-19%
Average sale price of spent hens	4.17	4.05	3.85	3.33	3.68	10%
Table Eggs, large scale						
Total Produced (million dozen)	24.6	21.8	18.8	22.3	17.0	-24%
Average wholesale price per tray of eggs	3.89	4.21	3.78	3.18	3.82	20%
Average monthly stockholding (million dozen)	2.8	2.1	2.4	2.8	1.2	-56%

Table 8. Annual Table Egg Production, million dozens

	2013	2014	2015	2016	2017	% change
Large-scale	24.6	21.8	18.8	22.3	17.0	-24%
Small-scale	23.6	22.7	29.2	33.0	20.9	-37%
Total	48.2	44.5	48.0	55.3	37.9	-31%

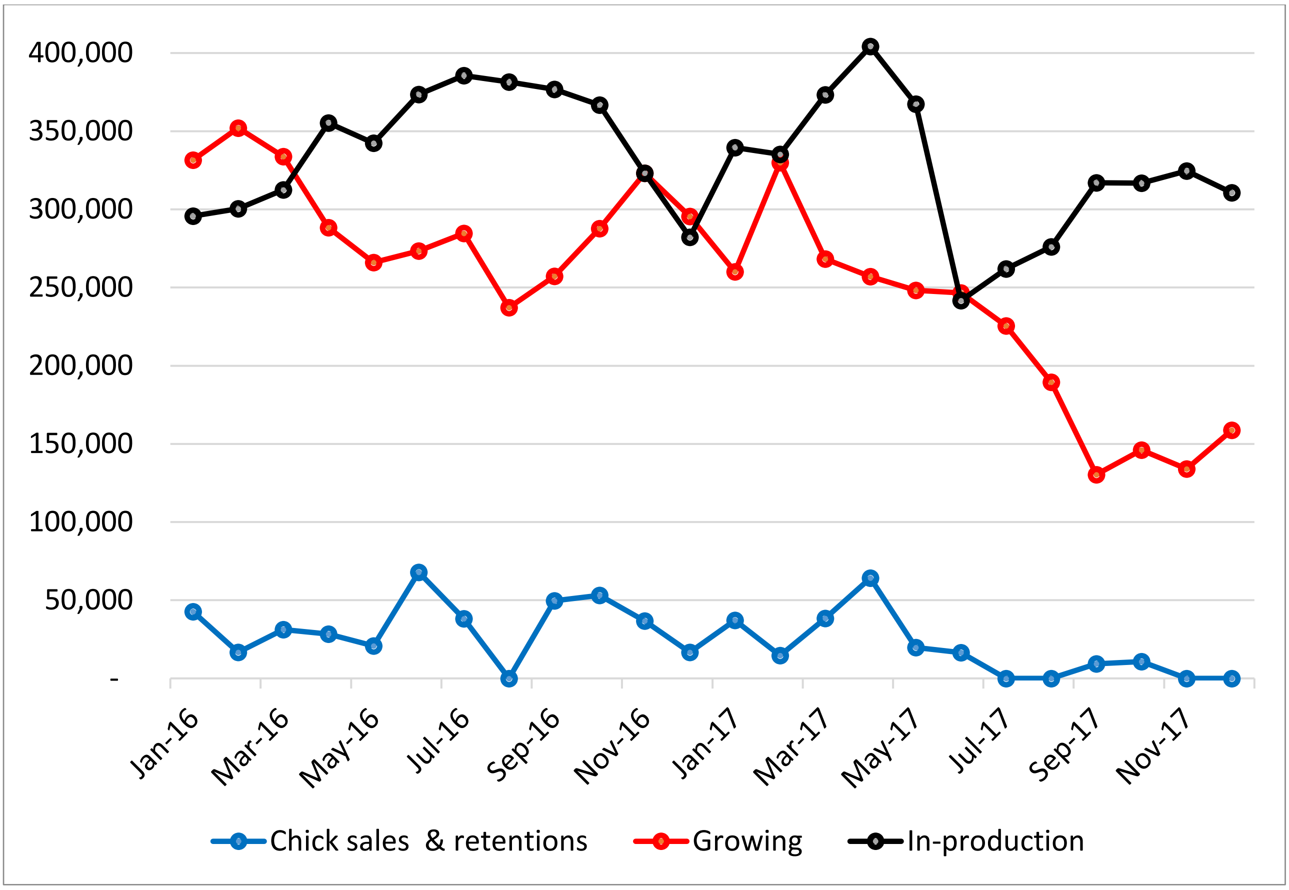

Figure 1. Broiler breeder chicks, growing and in-production stocks, 2016 to 2017

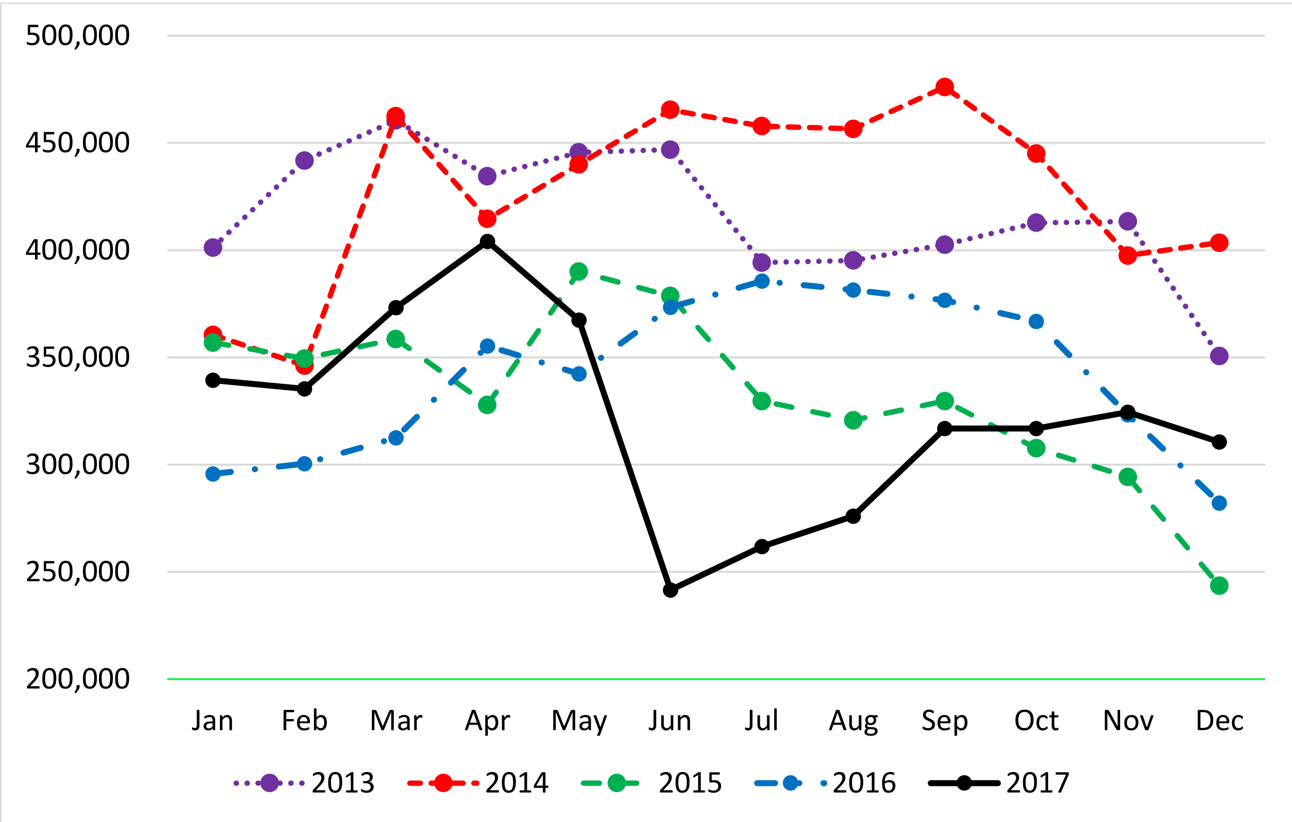

Figure 2. In-production broiler breeders, 2013 to 2017

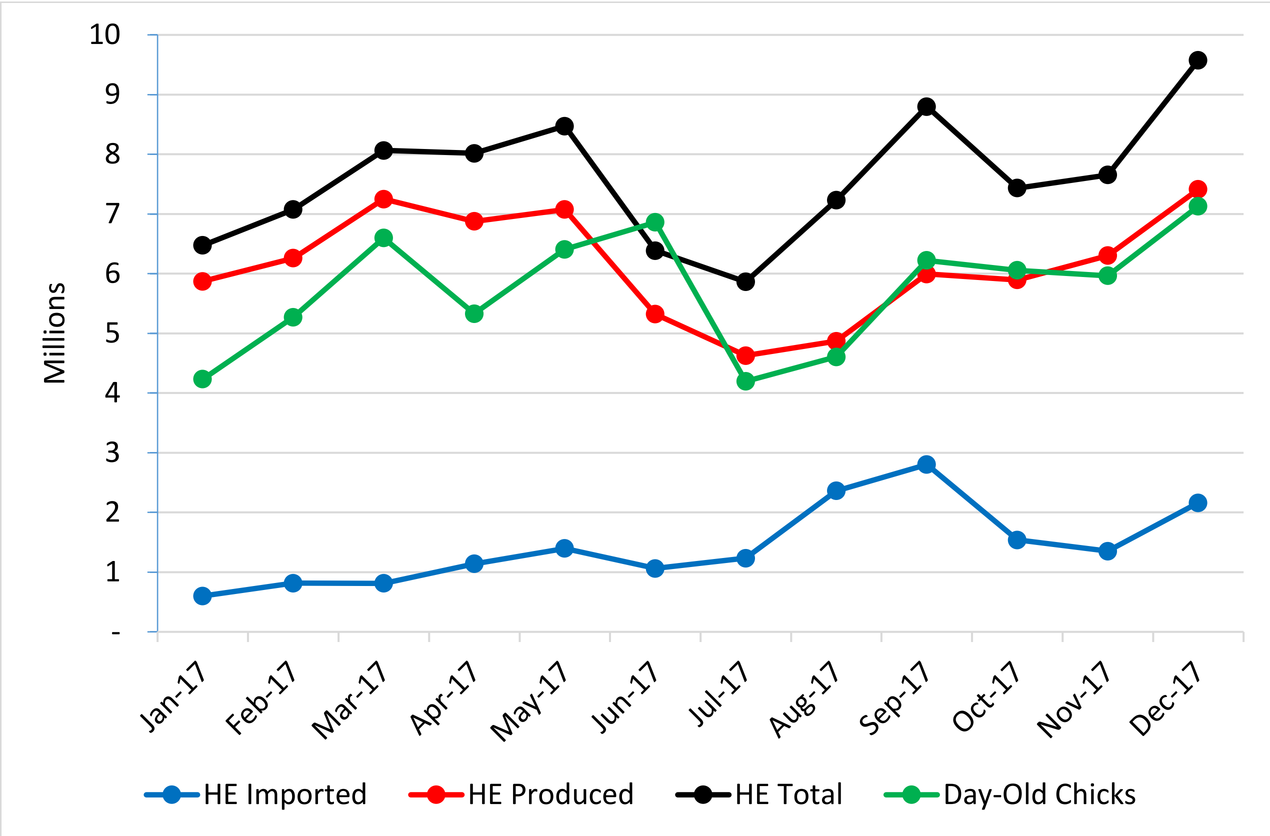

Figure 3. Broiler hatching eggs and day-old chicks, 2017

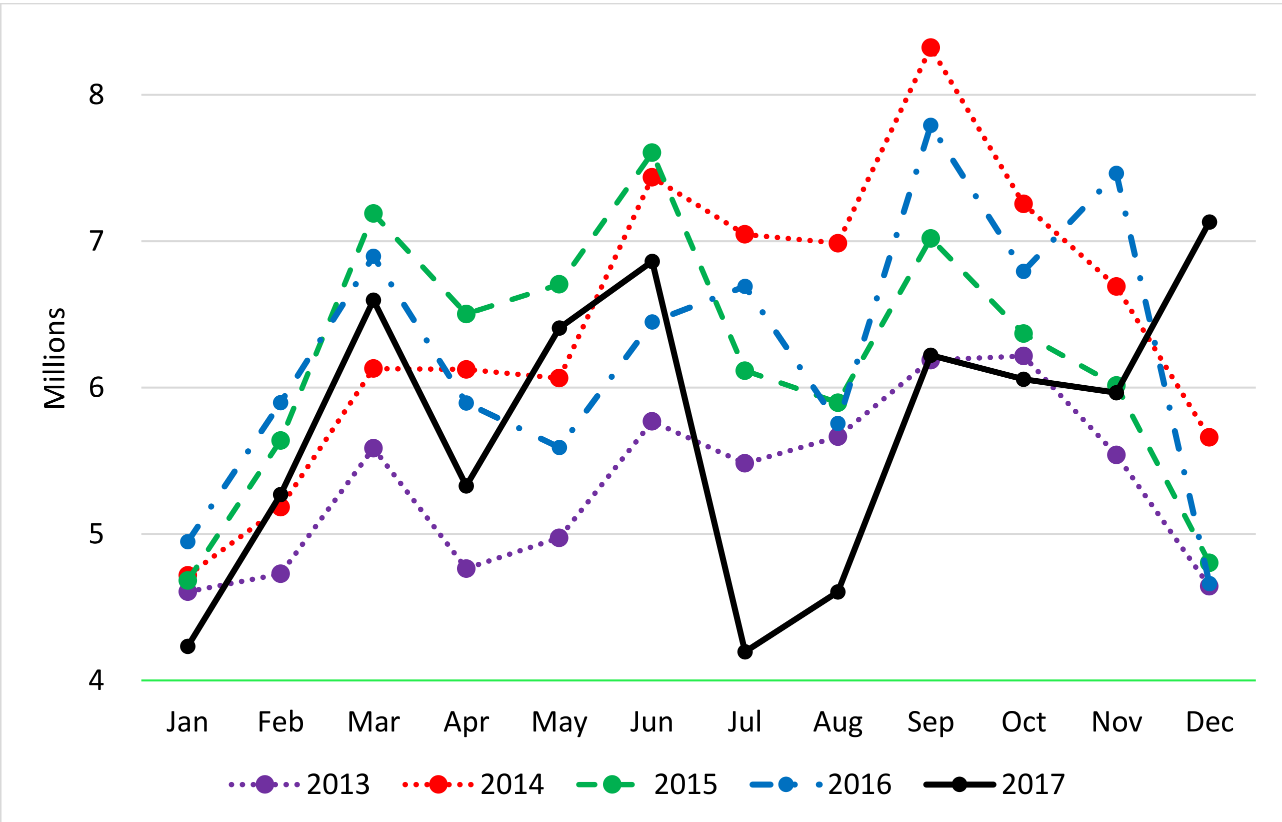

Figure 4. Broiler day-old chicks, 2013 to 2017

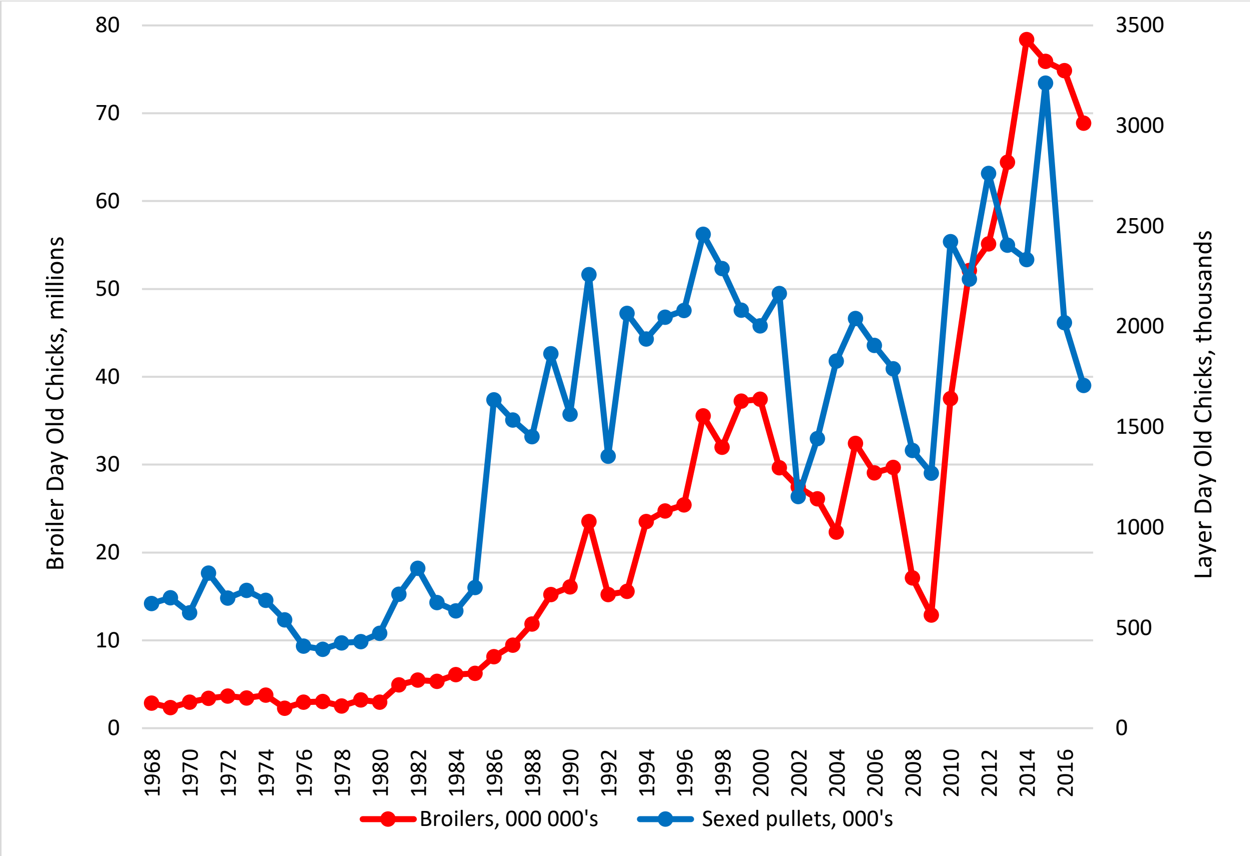

Figure 5. Broiler and sexed pullet day-old chick production, 1968 to 2017

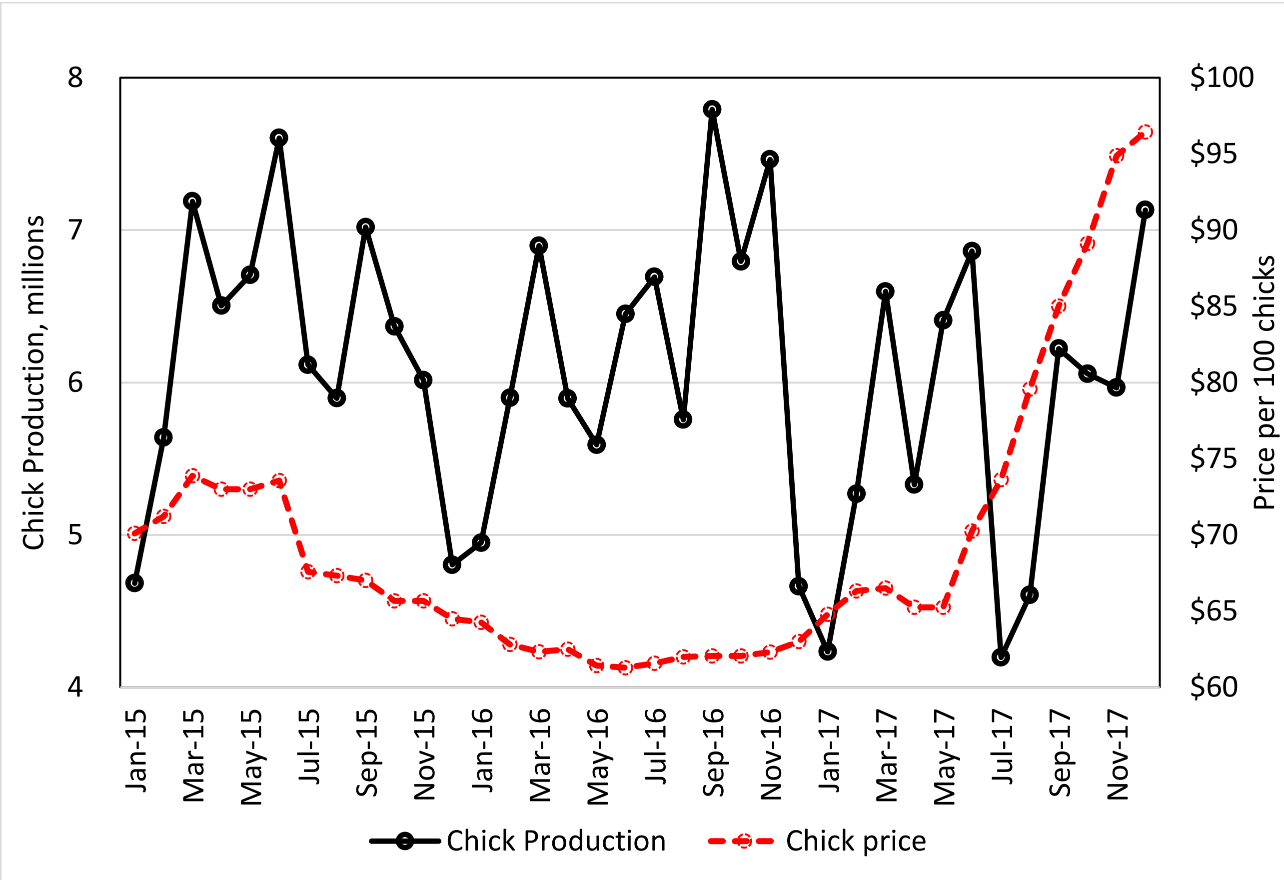

Figure 6. Broiler day-old chick production and prices, 2015 to 2017

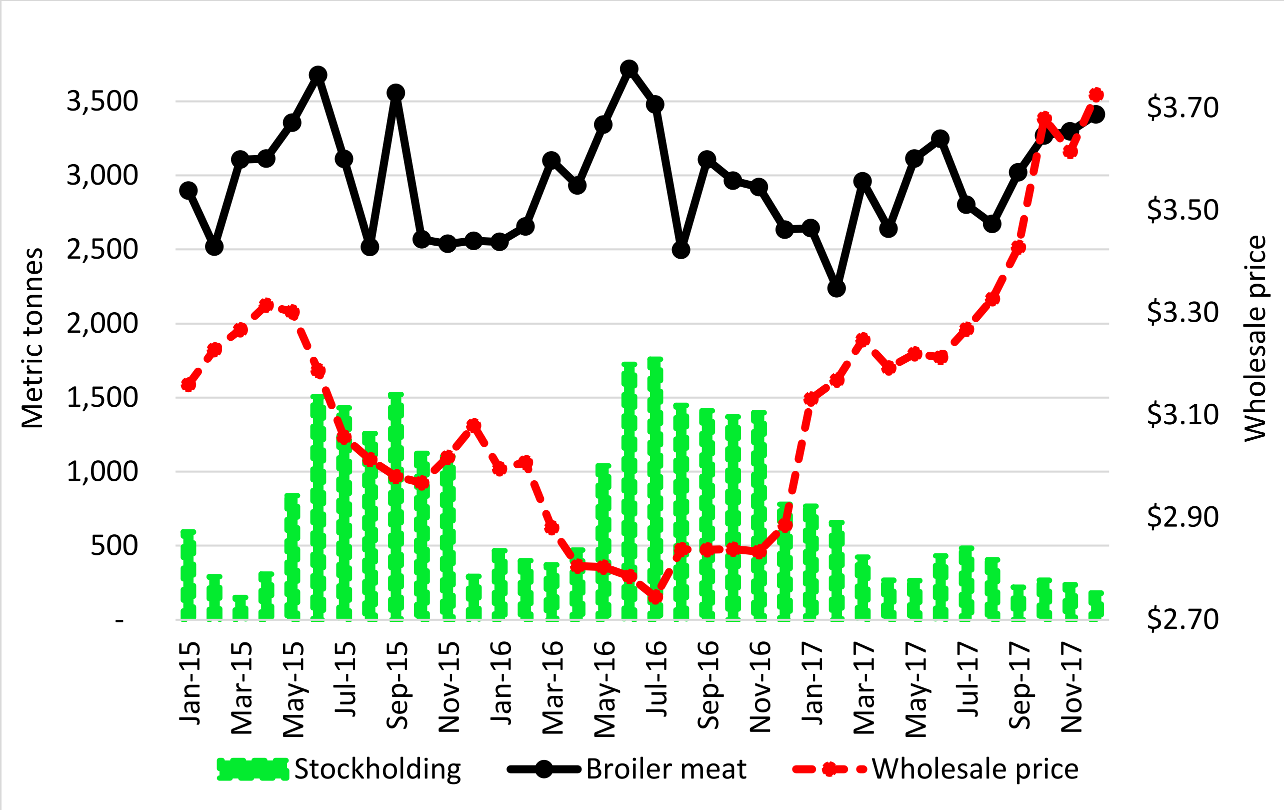

Figure 7. Large-scale broiler production, stockholding and whole bird wholesale price, 2015 to 2017

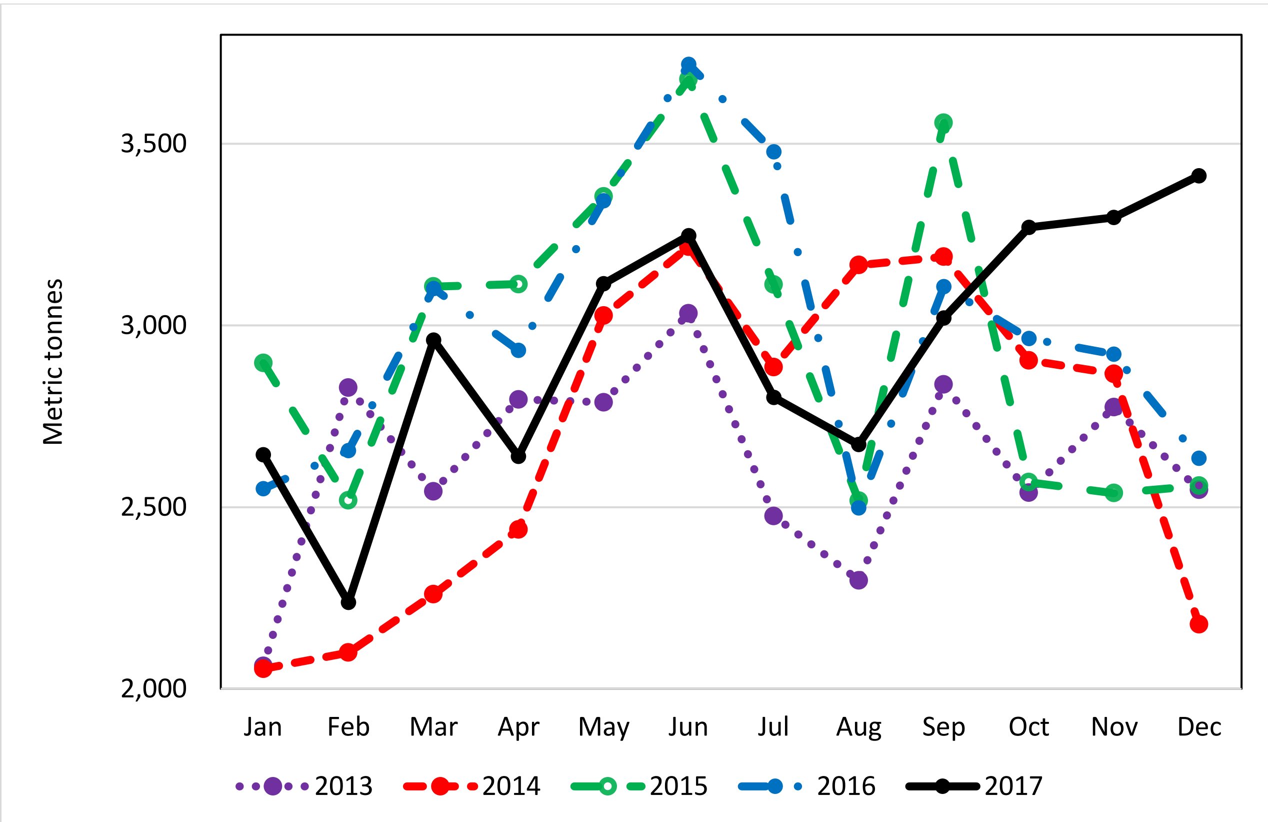

Figure 8. Large-scale broiler meat production, 2013 to 2017

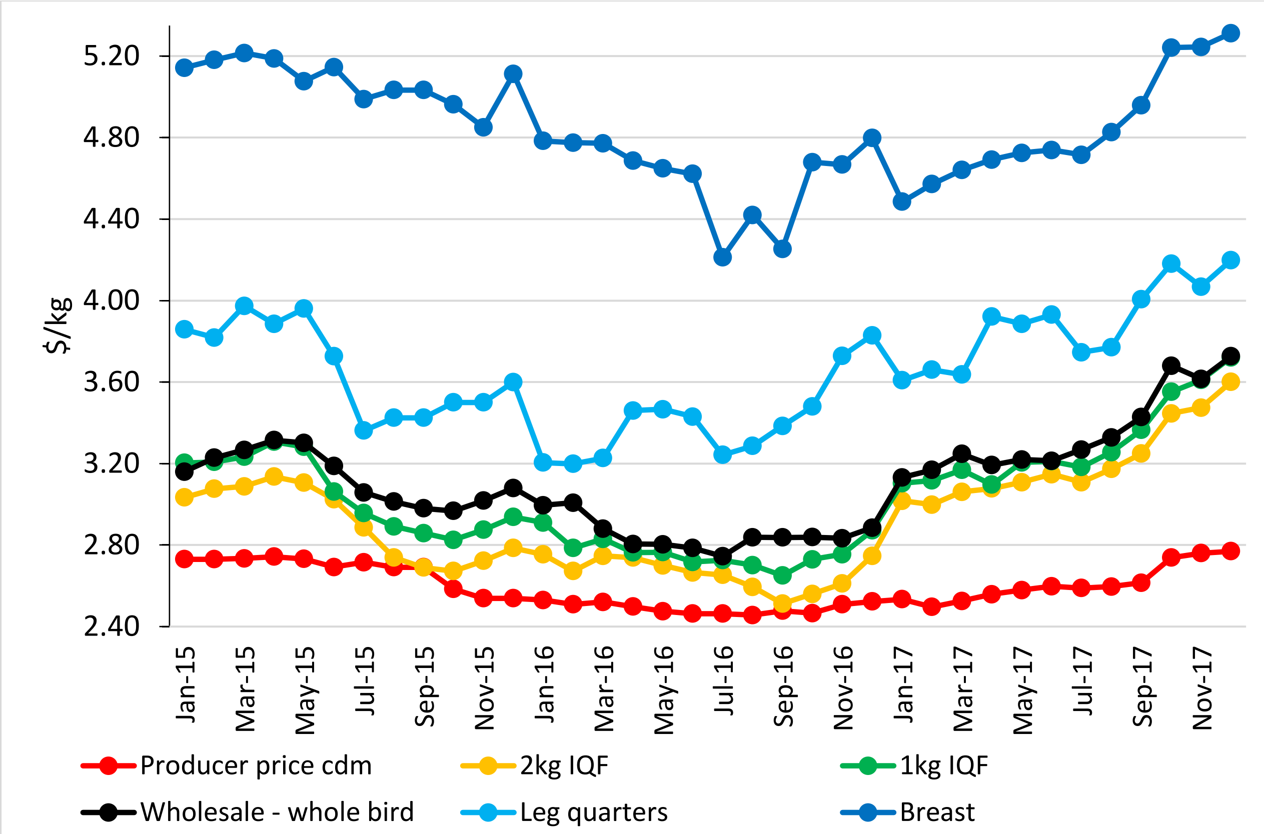

Figure 9. Broiler meat wholesale price trends, 2015 to 2017

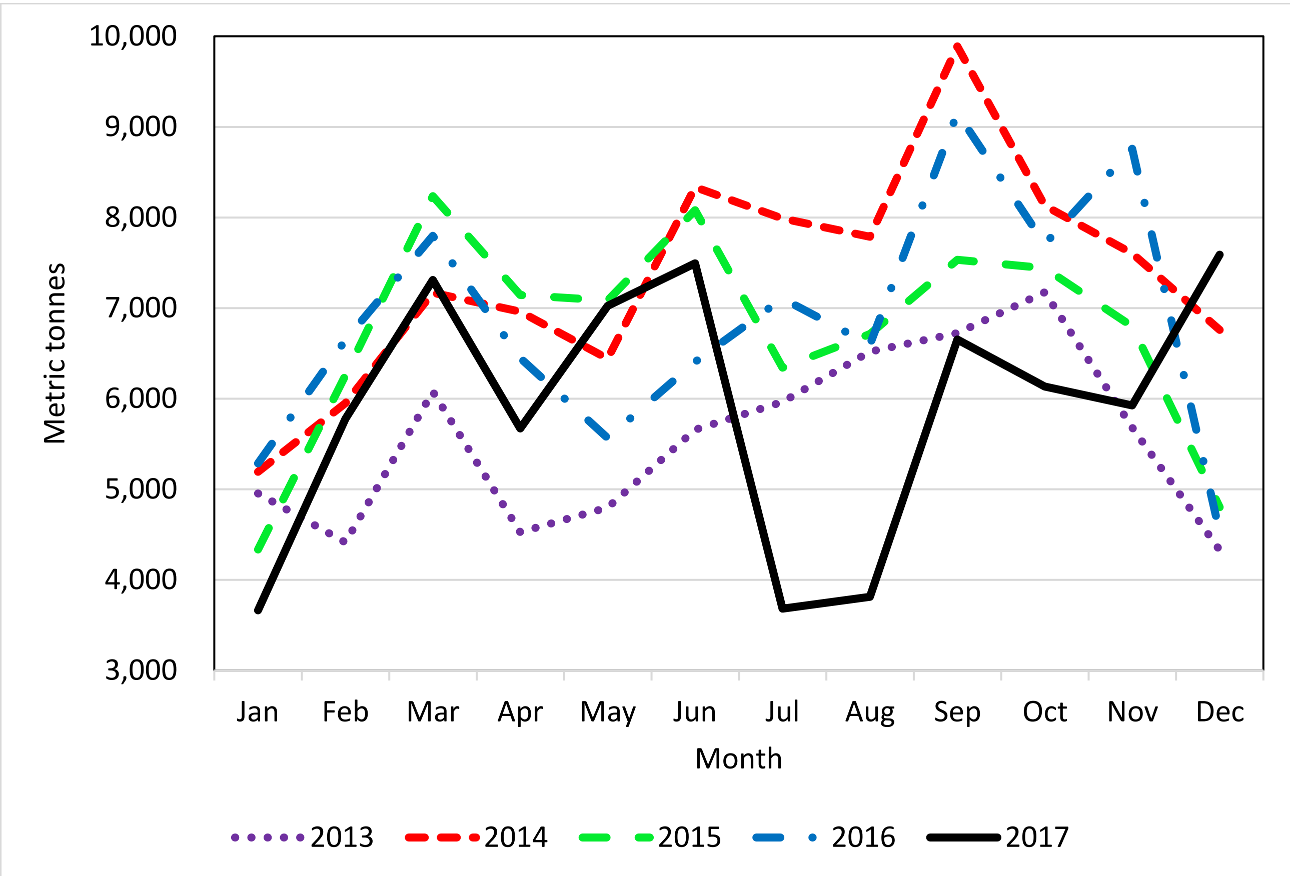

Figure 10. Estimated small-scale broiler meat production, 2013 to 2017

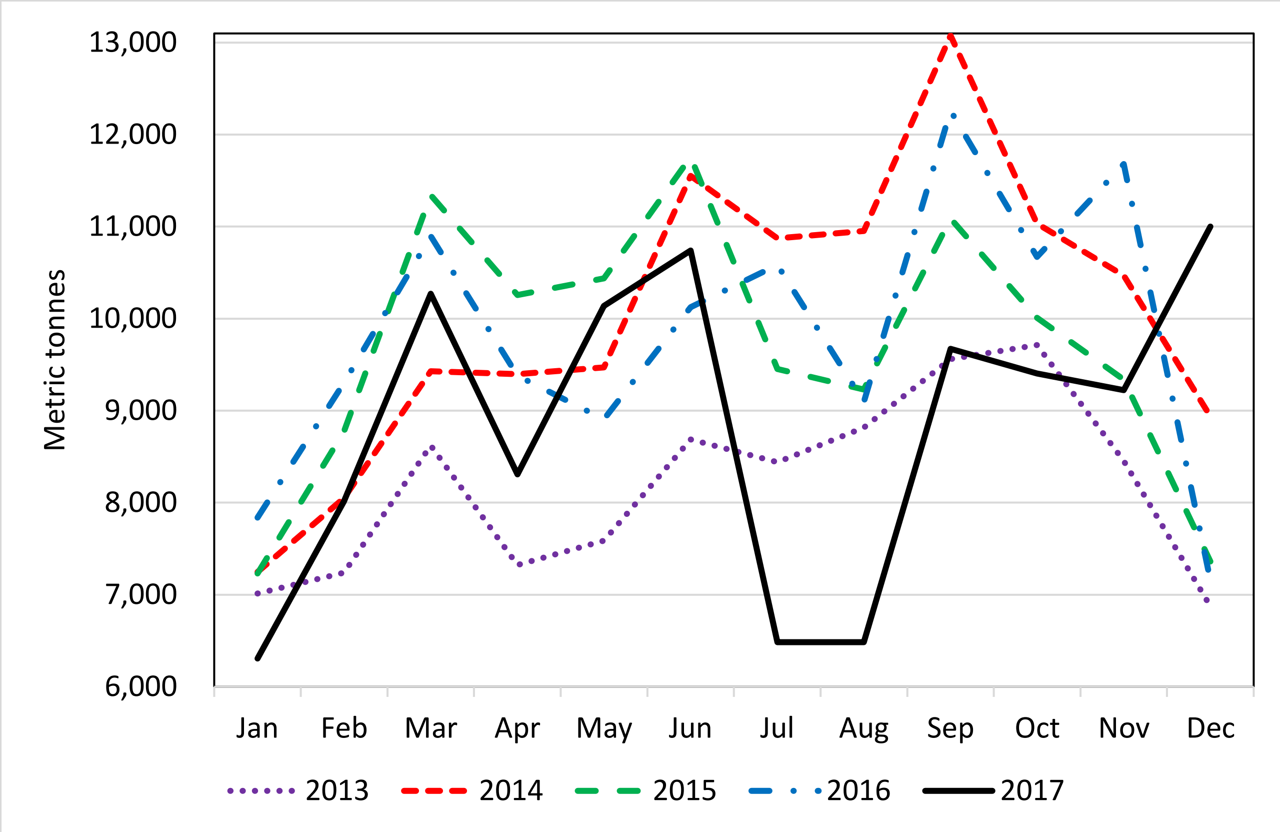

Figure 11. Estimated total broiler meat production, 2013 to 2017

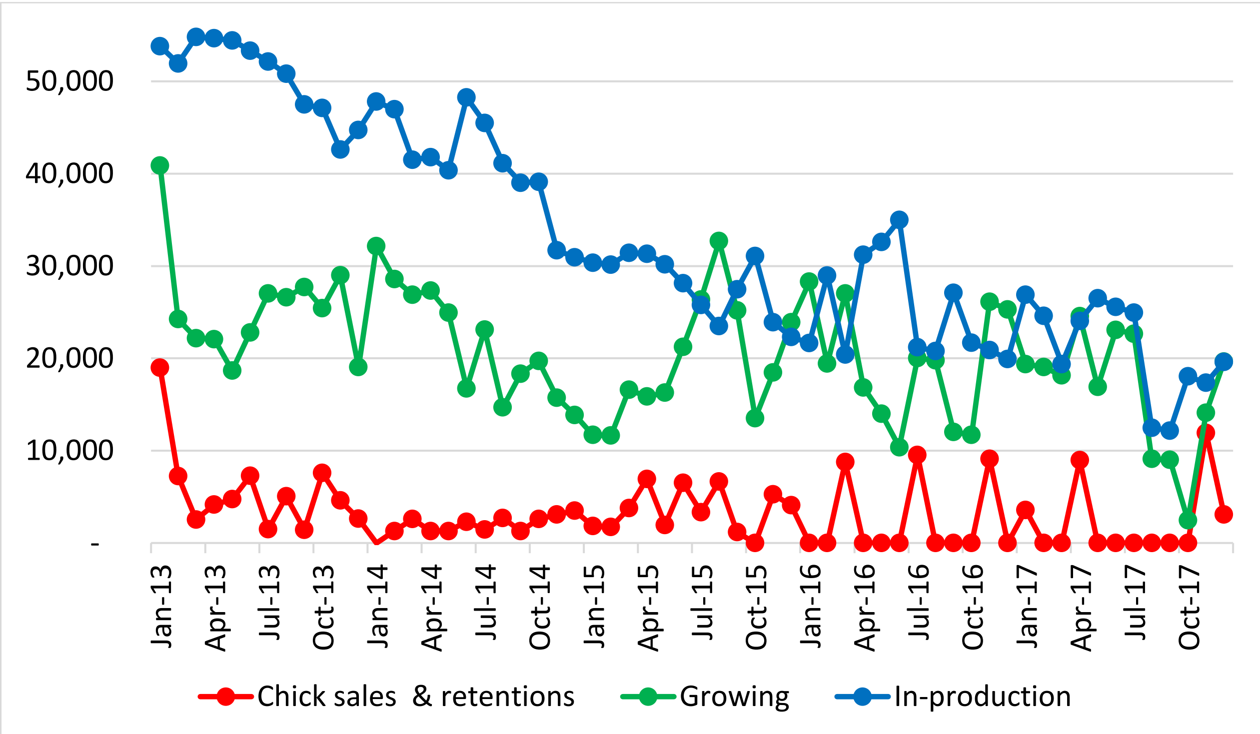

Figure 12. Layer breeder chicks, growing and in-production stocks, 2013 to 2017

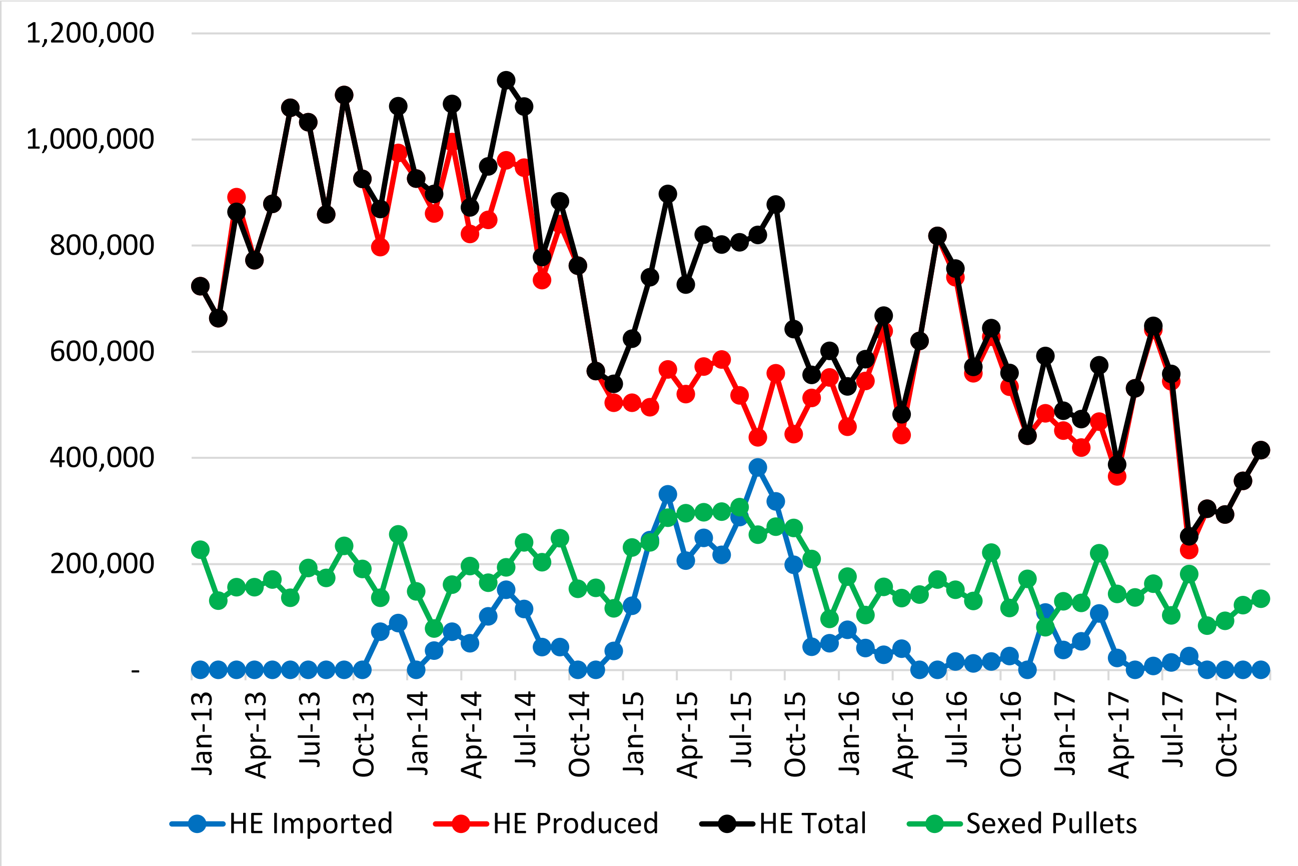

Figure 13. Layer hatching eggs and sexed pullets, 2013 to 2017

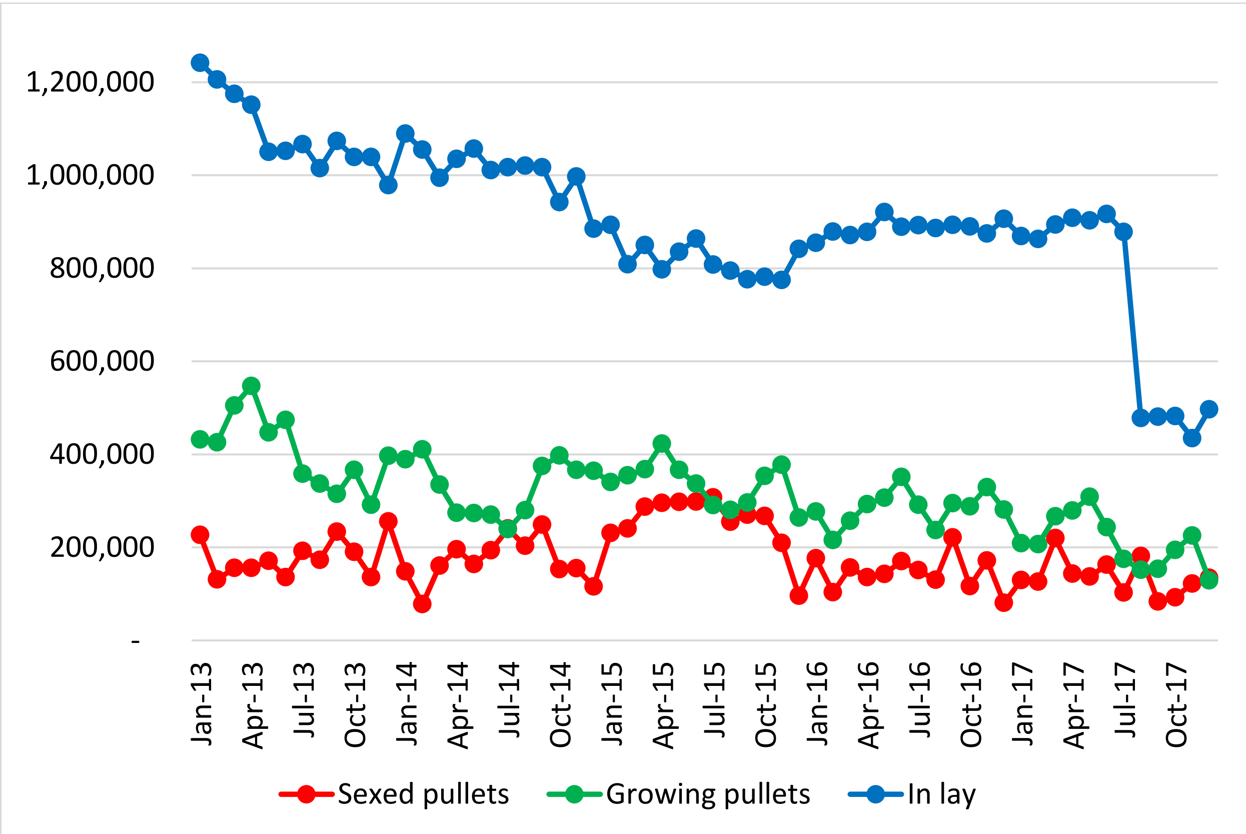

Figure 14. Layer sexed day-old and growing pullets in in-lay production stock, 2013 to 2017

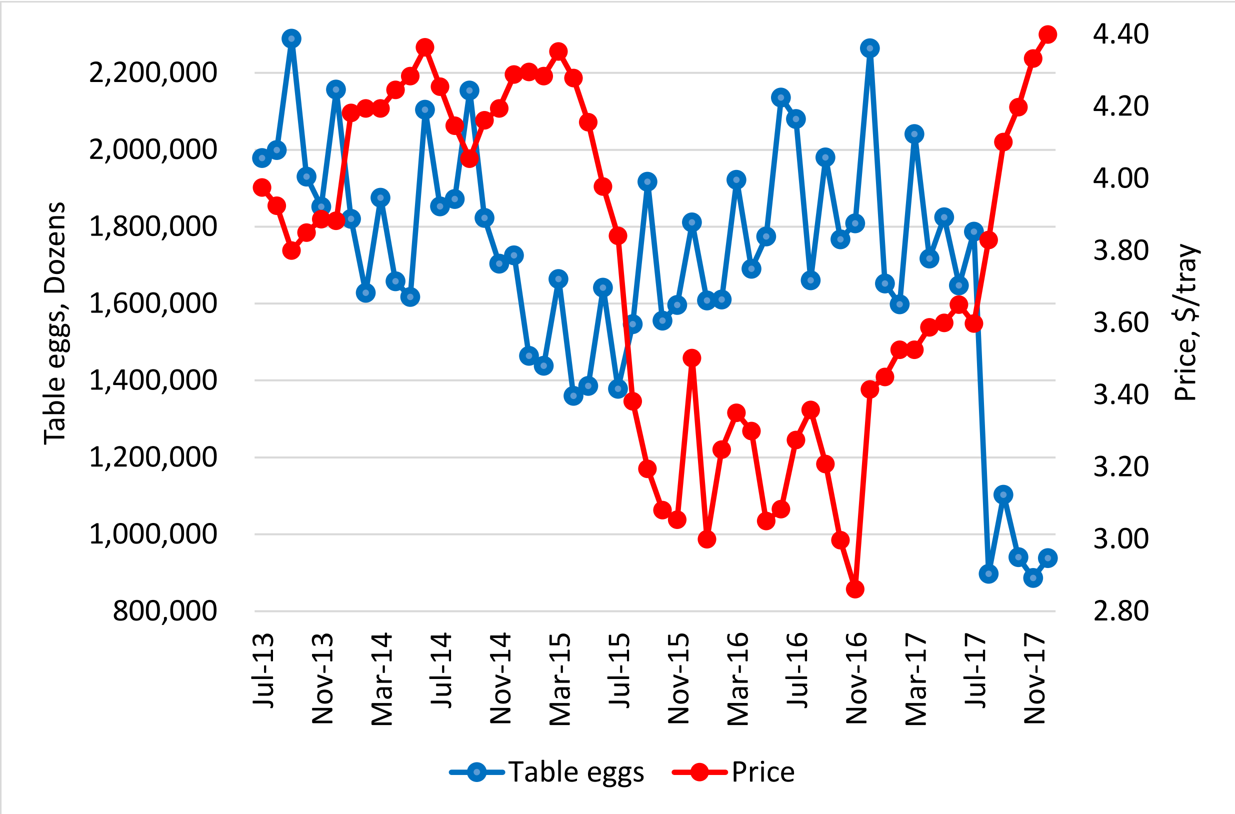

Figure 15. Large scale table egg production and wholesale prices, 2013 to 2017

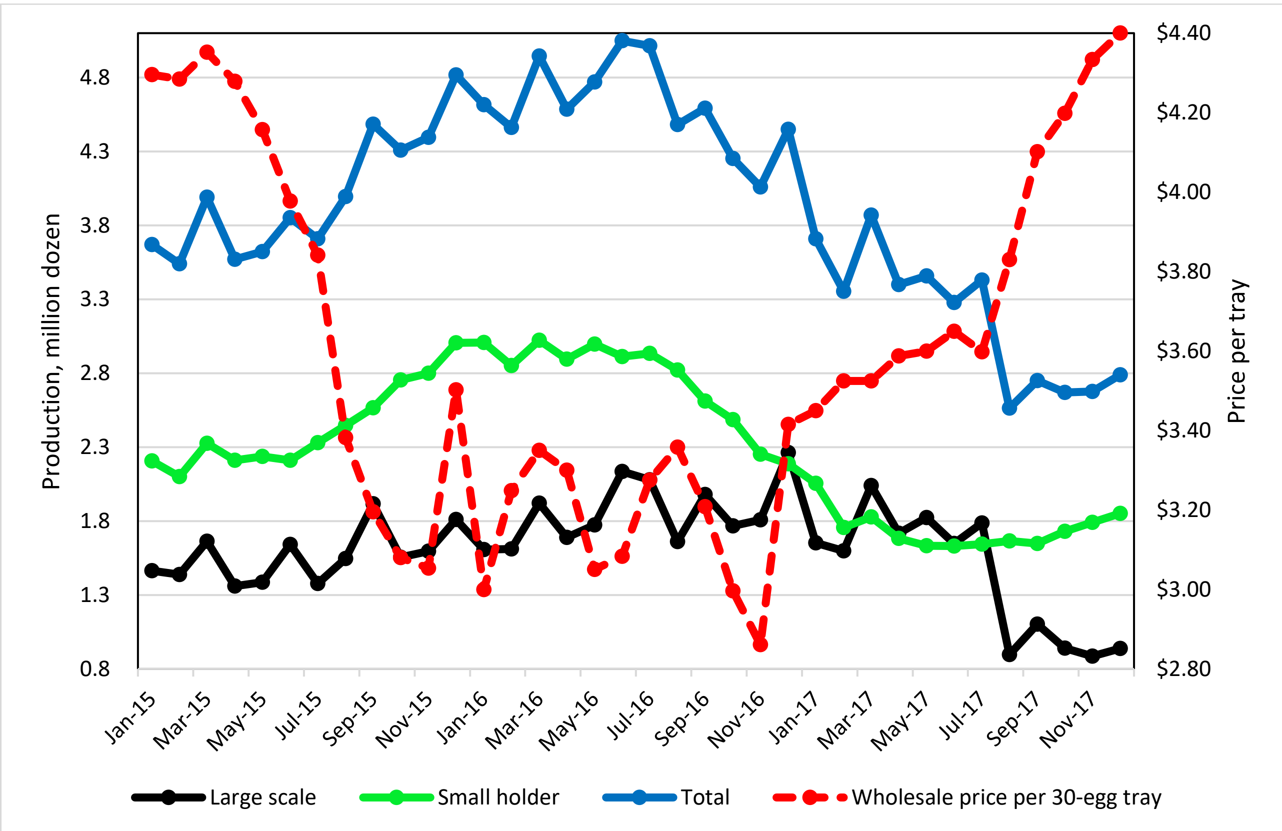

Figure 16. Large-scale and estimated small-scale and total table egg production and wholesale prices, 2015 to 2017

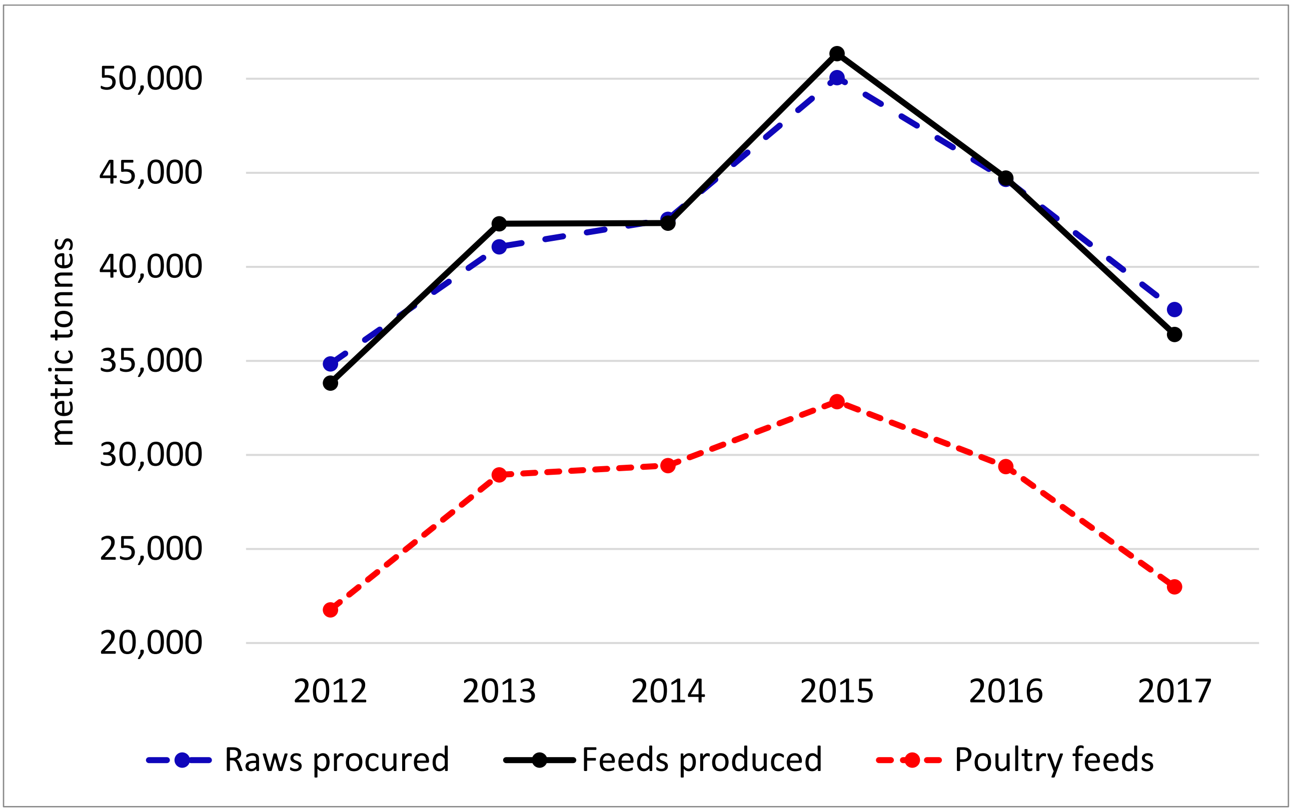

Figure 17. Fourth Quarter Monthly Average Tonnages of Raws Procured and Feeds Produced, 2012 to 2017

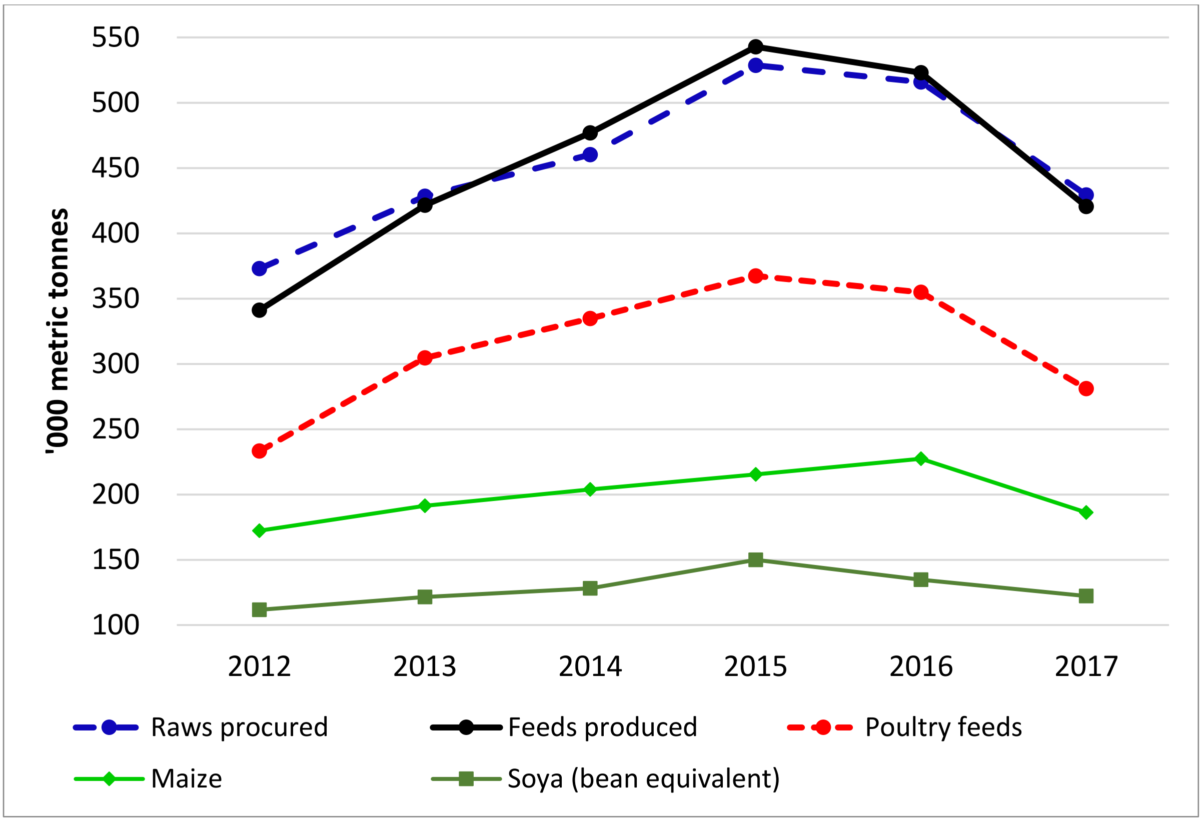

Figure 18. Total Annual Tonnages of Raws Procured and Feeds Produced, 2012 to 2017

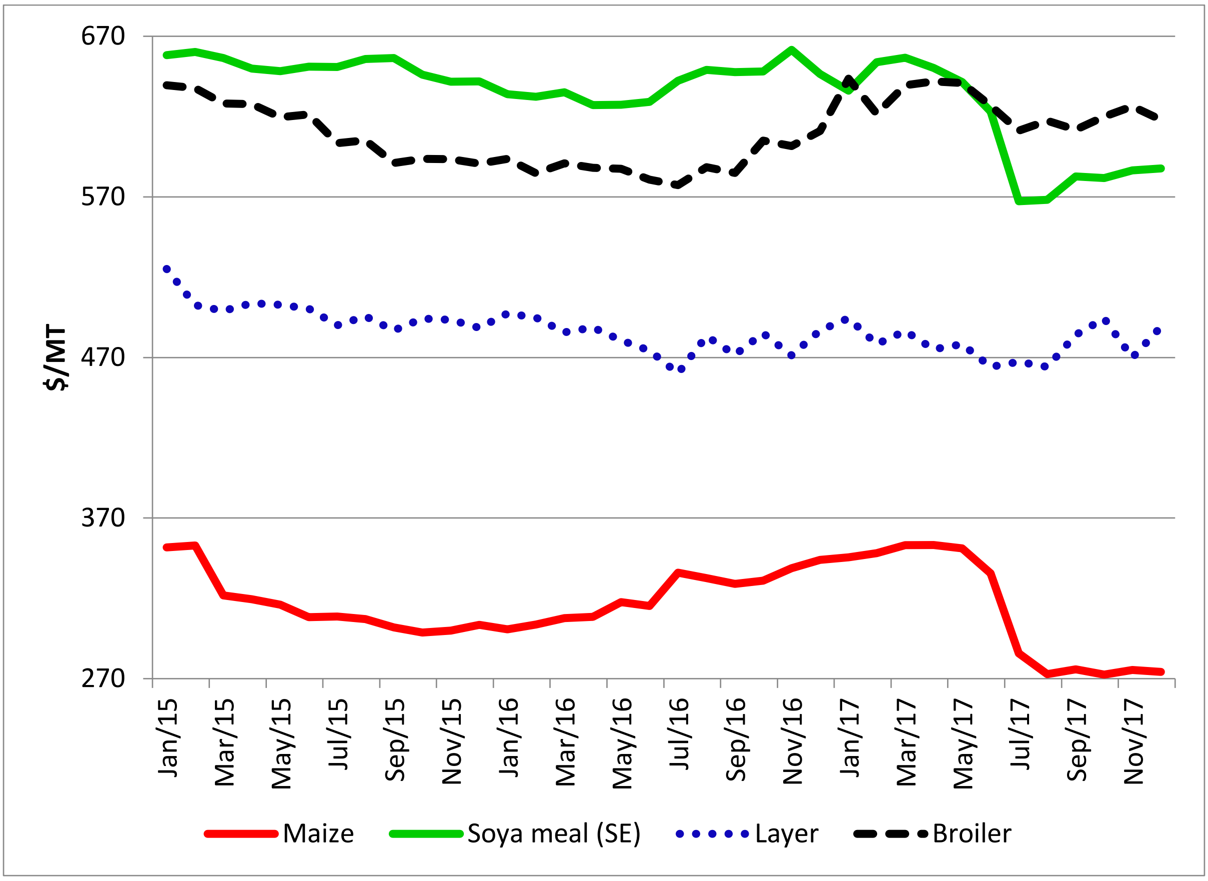

Figure 19. Prices of maize, solvent extracted soya meal and layer and broiler feeds, 2015 to 2017