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Raw Materials Usage and Feed Production Returns

March 2018

The raw materials procurement, feeds manufactured and average prices for the Stockfeed Manufacturers Association for the period ending March 2018 are summarised in the tables and graphs below.

Returns were collated from the following companies: Agrifoods, Berghaan Feeds, Capital Feeds, Country Feeds, Edurate Investments, Feedmix, Fivet Animal Health, Hamara Feeds, Hyperfeeds, Ice Feeds, Irvine's Zimbabwe, Lake Harvest, Meadow Enterprises, National Foods Ltd, Profeeds, Sunset Marketing, Triple C Pigs and Windmill.

Monthly procurement of raw materials and production of stockfeeds in the first quarter of 2018 averaged 42,448 and 37,729mt respectively, representing increases of 32 and 18% respectively over the same period in 2017.

The value of raw materials procured and feeds produced over this period were \$15.8m and \$21.68m/month, respectively, being increases of 27% and 22% over the same period in 2017. The average value of raws procured in the first quarter of 2018 was \$373/mt, an increase of 12% over the fourth quarter of 2017.

Maize and soya procurements during the first quarter constituted the bulk of raw material used, accounting for 70% of all raw materials procured by weight and 77% by monetary value. Average monthly procurement of maize and soya bean derivatives in the first quarter of 2018 were 18,698mt (worth \$5.3m) and 11,084mt/month (\$6.9m) respectively, representing volume increases for the

quarter of 24% (0% in value) and 59% (51% in value) over the same period in 2017, respectively.

Poultry feeds continue to dominate the stockfeed industry and in the first quarter of 2018, production averaged 24,747mt/month (worth \$15.5m), being increases of 10% in quantity and 19% in value over the same period in 2017. Poultry feeds accounted for 66% of all feeds produced by weight and 77% by monetary value. By comparison, pig and ruminant feeds accounted for 9 and 11% of the total value of feeds produced, respectively.

Over the period January to March 2018, production of broiler, pig and ruminant feeds increased by 34, 15 and 66% while layer feeds decreased 31% respectively, compared to the same period in 2018.

The prices of most imported raws procured in the first quarter of 2018 were significantly higher (up to 39%) than prices of the fourth quarter, while some raws were lower (notably: maize -11%, wheat bran -12, high-protein cotton meal -14% and sunflower cake -12%). This had a greater impact on monogastric feeds. Average weighted broiler and layer feed prices in the first quarter of 2018 were \$653 and \$530/mt, respectively, being 4% and 11% higher than prices in the fourth quarter of 2017.

The main driver of trends in the first quarter of 2018 was the continued investment in the broiler sector where, with suspension of import duty on hatching eggs, witnessed an average uptake of 7.1 million chicks per month being an increase of 32% over the first quarter in 2017. The difficulties in acquiring foreign currency has significantly impacted on the shortage and high prices of imported feed raw materials.

First quarter (January to March) average monthly tonnages of raws procured and feeds produced, 2012 to 2018

	2012	2013	2014	2015	2016	2017	2018
Raws procured	27,312	31,653	31,166	35,868	41,610	32,052	42,448
Maize	13,761	14,608	13,862	14,436	18,391	15,088	18,698
Soya (bean equivalent)	8,408	10,138	8,035	10,529	11,333	8,726	13,458
Feeds produced	23,846	30,273	33,732	38,765	43,044	31,898	37,729
Poultry feeds	17,359	22,527	23,799	26,828	29,091	22,486	24,747
Pig feeds	2,311	2,696	2,695	2,194	4,588	3,074	3,535
Ruminant feeds	2,749	3,506	5,239	7,616	7,110	4,244	7,025
Fish feeds	964	1,101	1,135	1,382	1,211	874	713
Other feeds	463	443	864	745	1,043	1,221	1,710

First quarter (January to March) average monthly values (millions \$) of raws procured and feeds produced, 2012 to 2018

	2012	2013	2014	2015	2016	2017	2018
Average cost of procurements, \$/mt	365	443	418	383	362	388	373
Raws procured	10.0	14.0	13.0	13.7	15.1	12.4	15.9
Maize	3.4	4.9	5.2	4.9	5.6	5.3	5.3
Soya bean derivatives	4.5	6.6	4.9	5.5	5.8	4.6	6.9
Feeds produced	11.7	17.5	18.6	20.7	21.9	17.6	21.6
Poultry feeds	9.0	14.0	14.7	16.1	16.0	13.0	15.5
Pig feeds	1.1	1.5	1.4	1.1	2.3	1.6	2.0
Ruminant feeds	0.7	1.0	1.3	2.2	1.9	1.5	2.3
Fish feeds	0.7	0.8	0.8	0.9	1.1	0.8	0.5
Other feeds	0.2	0.2	0.4	0.4	0.6	0.7	1.3

Average monthly tonnages of raws procured and feeds produced, 2012 to March 2018

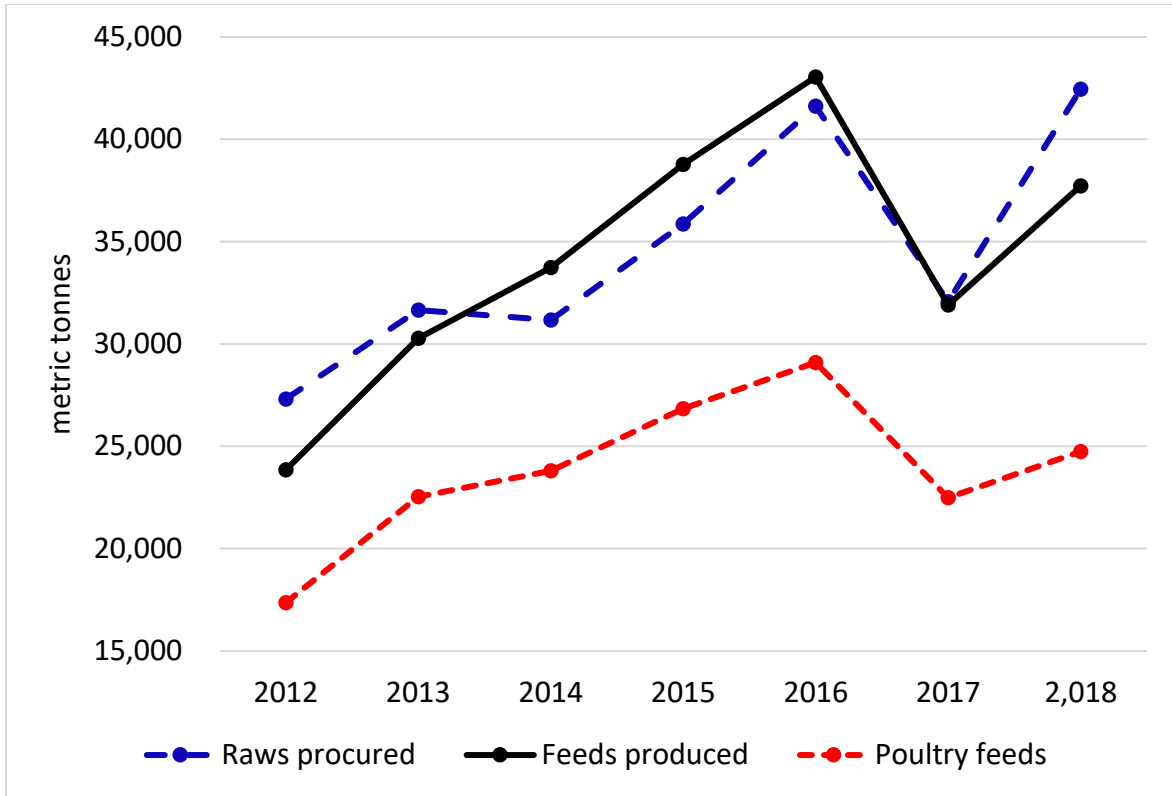
	2012	2013	2014	2015	2016	2017	Q1 2018
Raws procured	27,932	32,411	34,146	39,896	42,309	34,819	42,448
Maize	13,620	14,951	15,029	16,492	18,998	16,028	18,698
Soya (bean equivalent)	8,475	9,986	9,215	11,601	11,423	9,732	13,458
Other Inputs	7,322	9,344	11,737	14,226	14,334	11,019	12,666
Feeds produced	24,796	30,309	36,287	41,275	43,005	34,755	37,729
Poultry feeds	17,313	22,773	25,558	28,885	29,614	24,371	24,747
Pig feeds	2,356	2,586	2,658	2,549	3,949	3,134	3,535
Ruminant feeds	3,594	3,506	5,979	7,744	6,835	5,174	7,025
Fish feeds	1,024	1,030	1,276	1,278	1,244	923	713
Other feeds	509	414	816	819	1,362	1,154	1,710

Average Monthly Tonnages of Raws Procured - January 2017 to March 2018							
	2017				2018	Jan-Mar 2018	
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Jan-Mar '17	Oct-Dec '17
Feed Raw Materials							
Maize	15,088	16,969	13,613	16,500	18,698	24%	13%
Soya beans	0	672	870	402	1,976		391%
Soya meal - FF	1,963	1,630	1,727	2,033	2,515	28%	24%
Soya meal - ME	1,315	1,574	1,479	1,182	1,245	-5%	5%
Soya meal - SE	3,676	4,715	4,455	4,975	5,349	45%	8%
Total Soya (bean equivalent)	6,954	7,046	8,531	8,592	11,084	59%	29%
Wheat Bran	4,249	4,950	5,769	5,950	5,524	30%	-7%
Maize Bran	2,087	2,816	3,406	2,499	2,658	27%	6%
Rice Bran	162	54	86	137	123	-24%	-10%
Screenings	61	42	72	130	106	72%	-19%
Cotton cake < 30% CP	188	100	164	159	118	-37%	-26%
Cotton meal >30% CP	8	6	61	256	236		-8%
Cotton seed - Whole	139	149	113	72	106	-24%	47%
Sunflower cake/meal	343	426	420	295	212	-38%	-28%
Molasses	482	668	969	1,043	847	76%	-19%
Citrus Pulp	31	22	-	-	-	0%	0%
Urea	33	54	90	81	55	69%	-32%
Salt	126	133	140	151	142	13%	-6%
Cotton hulls	101	115	200	228	275	173%	21%
Hay	134	184	257	206	193	44%	-6%
MCP	165	186	132	159	156	-6%	-2%
Fine Limestone Flour	637	732	766	727	717	13%	-1%
Coarse Limestone Flour	404	258	282	284	304	-25%	7%
Methionine	38	35	37	38	47	24%	25%
Lysine	36	37	33	40	41	13%	4%
Meat and Bone Meal	529	989	569	600	566	7%	-6%
Fish Meal	57	71	39	45	37	-35%	-17%
Vitamins and Premixes					203		
Totals	32,052	37,587	35,749	38,193	42,448	32%	11%

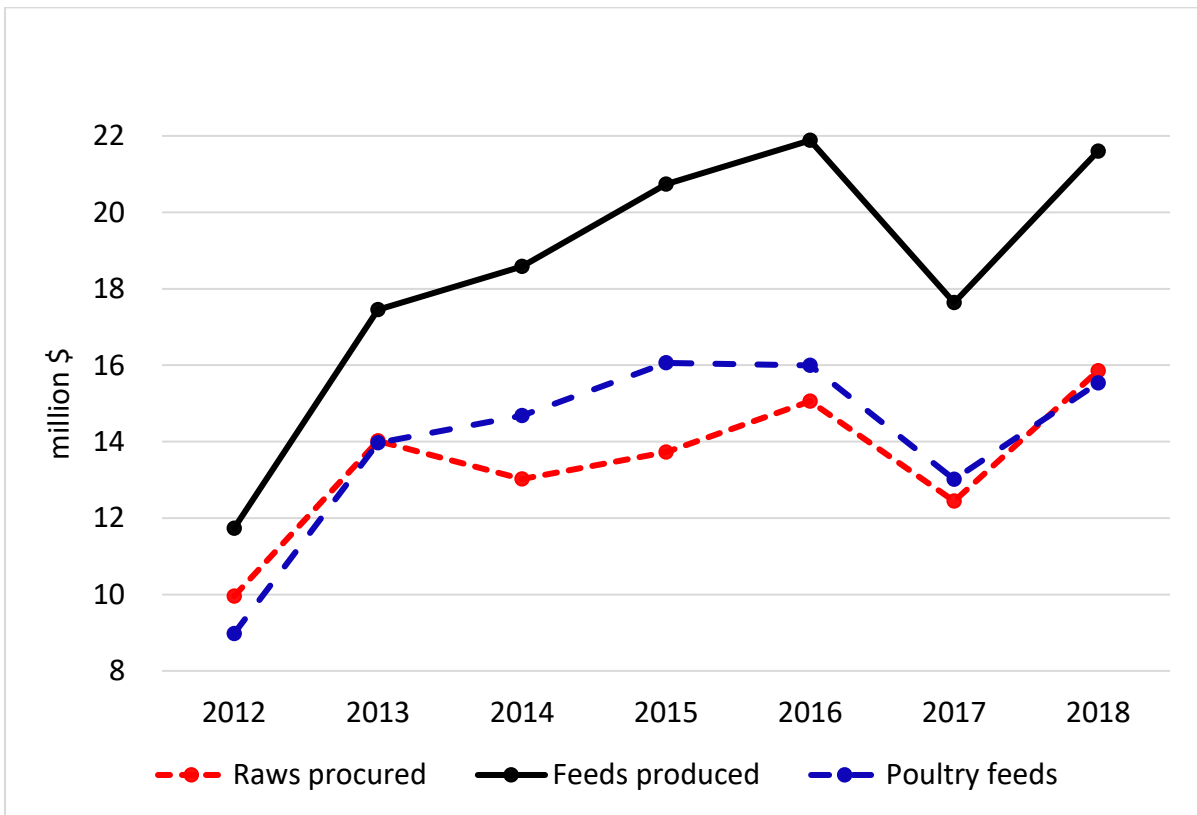
Average Monthly Tonnages of Feeds Manufactured - January 2017 to March 2018							
Production/Sales	2017				2018	Jan-Mar 2018	
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	compared to	
Poultry	Jan-Mar '17	Apr-Jun '17	Jul-Sep '17	Oct-Dec '17	Jan-Mar '18	Jan-Mar '17	Oct-Dec '17
Broiler Starter	2,685	2,703	3,066	3,225	3,634	35%	13%
Broiler Grower	4,203	4,329	4,317	5,096	6,015	43%	18%
Broiler Finisher	6,497	6,727	6,238	7,044	8,306	28%	18%
Layer Rearing Feed	807	746	775	753	748	-7%	-1%
Layer Production Feeds	5,023	4,694	4,304	3,036	3,254	-35%	7%
Poultry Breeder feeds	2,719	2,715	2,020	2,285	1,869	-31%	-18%
Poultry Concentrates	551	542	1,223	1,741	920	67%	-47%
Dairy							
Dairy meals	1,768	1,898	2,210	2,334	2,380	35%	2%
Beef							
Beef Pen Fattening	2,377	2,779	3,236	3,486	3,669	54%	5%
Beef Maintenance Feeds	88	43	536	425	227	159%	-46%
Beef Concentrates	11	44	1,230	1,991	749	6728%	-62%
Pig							
Juvenile Feeds	294	276	266	304	347	18%	14%
Growing and Fattening feeds	1,755	1,770	1,566	1,641	1,848	5%	13%
Pig Breeder Feeds	626	605	575	658	680	9%	3%
Pig Concentrates	399	420	567	641	660	66%	3%
Fish							
Aqua Feeds	874	989	816	855	713	-18%	-17%
Sundry Feeds							
Quail	27	29	10	11	14	-47%	35%
Road Runner	192	163	317	437	321	67%	-27%
Horse	203	232	251	231	239	18%	3%
Dog	135	166	232	193	160	19%	-17%
All Other species feeds	664	715	494	484	975	47%	101%
Totals	31,898	32,584	34,249	36,871	37,729	18%	2%
Poultry feeds							
Broiler	13,385	13,759	13,621	15,365	17,955	34%	17%
Layer	5,830	5,440	5,078	3,789	4,002	-31%	6%
Breeder	2,719	2,715	2,020	2,285	1,869	-31%	-18%
Concentrates	551	542	1,223	1,741	920	67%	-47%
Poultry - Total	22,486	22,456	21,942	23,179	24,747	10%	7%
Broiler day old chicks, millions	5.37	5.73	5.01	6.38	7.10	32%	11%
Sexed pullets, thousands	158	163	122	116	121	-24%	4%

Prices of Raws Procured - January 2017 to March 2018						
	2017				2018	Jan-Mar '18 compared to Oct-Dec '17
Feed Raw Materials	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	
Maize	349	347	278	274	282	-10%
Soya beans				667	577	-3%
Soya meal - FF	678	663	646	650	694	5%
Soya meal - ME	649	633	615	631	610	-3%
Soya meal - SE	649	638	573	585	610	0%
Wheat Bran	175	158	130	133	131	-12%
Maize Bran	204	186	172	192	185	-2%
Rice Bran	148	151	151	149	149	0%
Screenings	127	116	120	128	122	-1%
Cotton cake < 30% CP	324	338	323	313	297	-8%
Cotton meal >30% CP	418	359	266	279	286	-14%
Cotton seed - Whole	349	350	332	340	338	-1%
Sunflower cake/meal	503	486	437	432	407	-12%
Molasses	168	166	146	146	144	-8%
Citrus Pulp	158	155				
Urea	629	623	633	722	765	17%
Salt	208	205	227	253	268	20%
Cotton hulls	181	186	198	212	202	4%
Hay	168	168	146	166	155	-5%
MCP	738	763	830	657	973	30%
Fine Limestone Flour	103	118	104	125	130	15%
Coarse Limestone Flour	149	133	153	172	196	29%
Methionine	4,842	4,616	3,698	4,003	5,044	18%
Lysine	2,137	2,197	1,962	2,088	2,496	19%
Meat and Bone Meal	683	759	751	811	948	26%
Fish Meal	1,328	1,440	1,614	1,644	2,087	39%
Vitamins & Premixes					3,232	

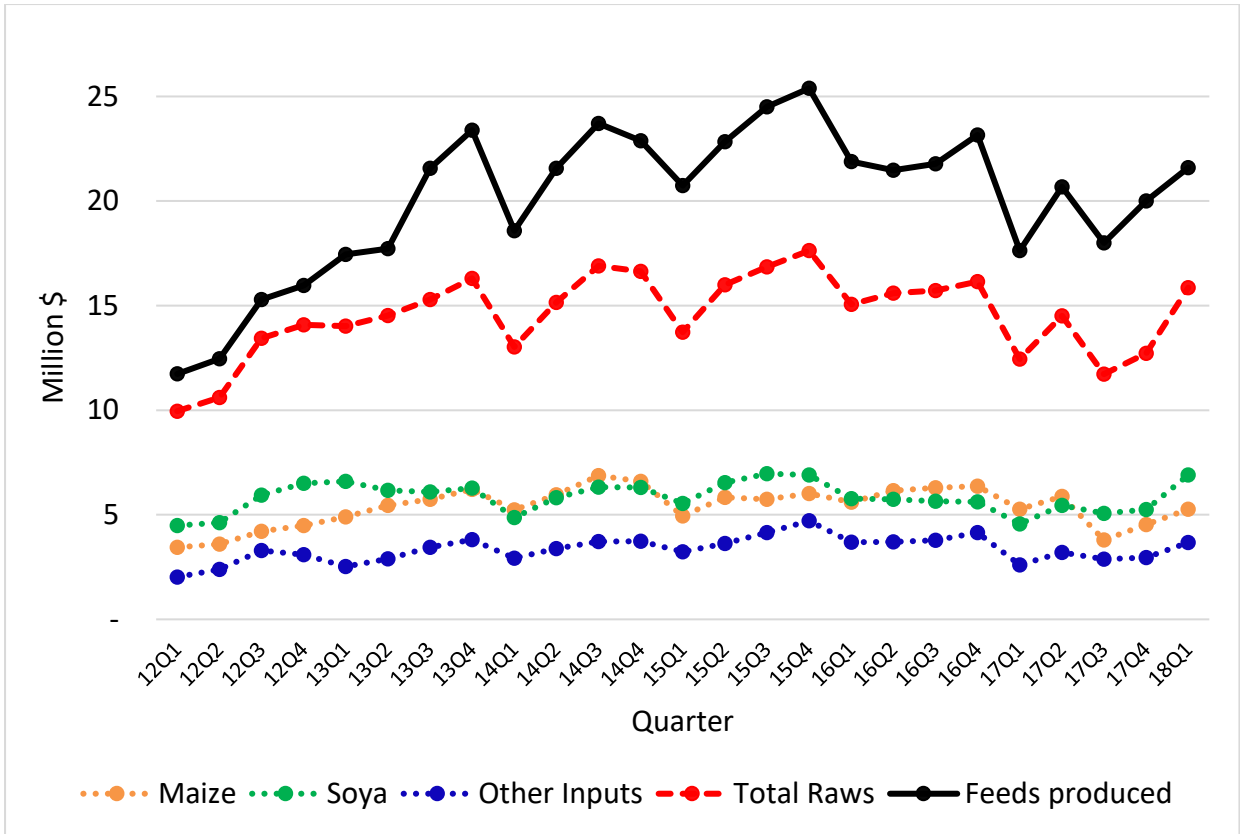
Prices of Feeds Manufactured - January 2017 to March 2018						
						Jan-Mar '18
Production/Sales	2017				2018	compared to
Poultry	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Oct-Dec '17
Broiler Starter	665	671	645	651	679	3%
Broiler Grower	654	651	628	636	662	3%
Broiler Finisher	610	613	588	598	635	6%
Layer Rearing Feed	515	505	522	525	516	0%
Layer Production Feeds	482	467	463	475	533	13%
Poultry Breeder feeds	440	444	456	468	493	9%
Poultry Concentrates	815	818	801	843	835	2%
Dairy						
Dairy meals	399	397	423	394	401	-1%
Beef						
Beef Pen Fattening	303	282	266	272	273	-3%
Beef Maintenance Feeds	310	297	276	395	299	-7%
Beef Concentrates	398	267	229	219	375	35%
Pig						
Juvenile Feeds	703	702	708	803	968	33%
Growing and Fattening feeds	473	473	391	423	476	8%
Pig Breeder Feeds	475	457	387	404	449	4%
Pig Concentrates	678	658	756	675	665	-4%
Fish						
Aqua Feeds	912	1,051	1,026	1,198	709	-32%
Sundry						
Quail	645	573	527	596	602	3%
Road Runner	561	567	537	574	600	7%
Horse	446	416	474	430	498	13%
Dog	733	747	691	884	636	-17%
Blended Prices of Poultry Feeds						
Broiler	635	637	613	622	653	4%
Layer	486	472	472	485	530	11%



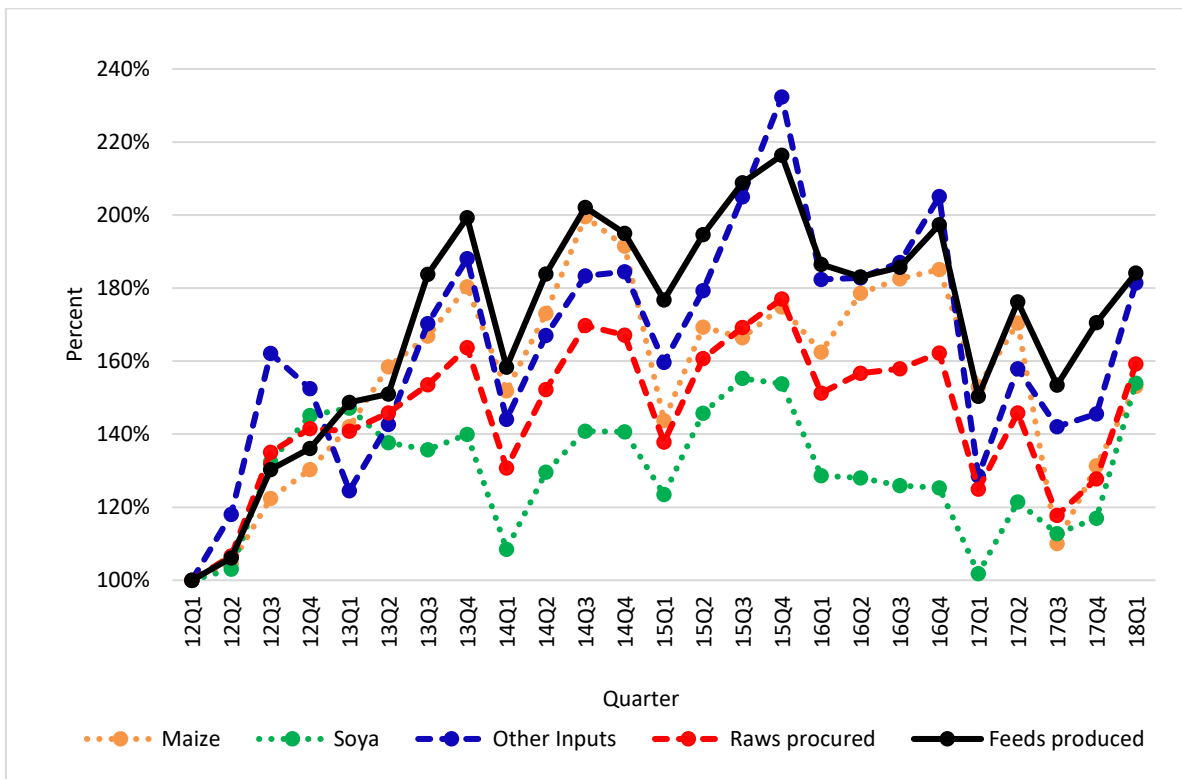
First Quarter Monthly Average Tonnages of Raws Procured and Feeds Produced



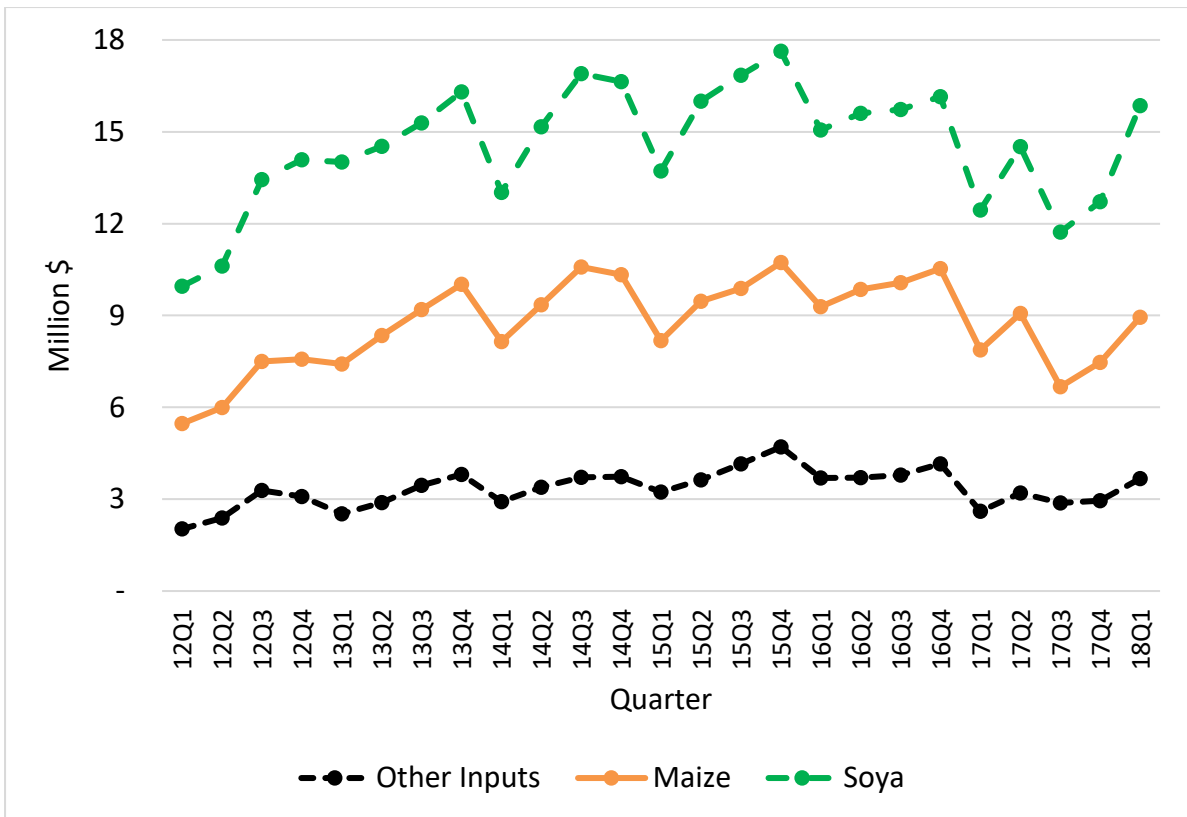
First Quarter Monthly Average Values of Raws Procured and Feeds Produced



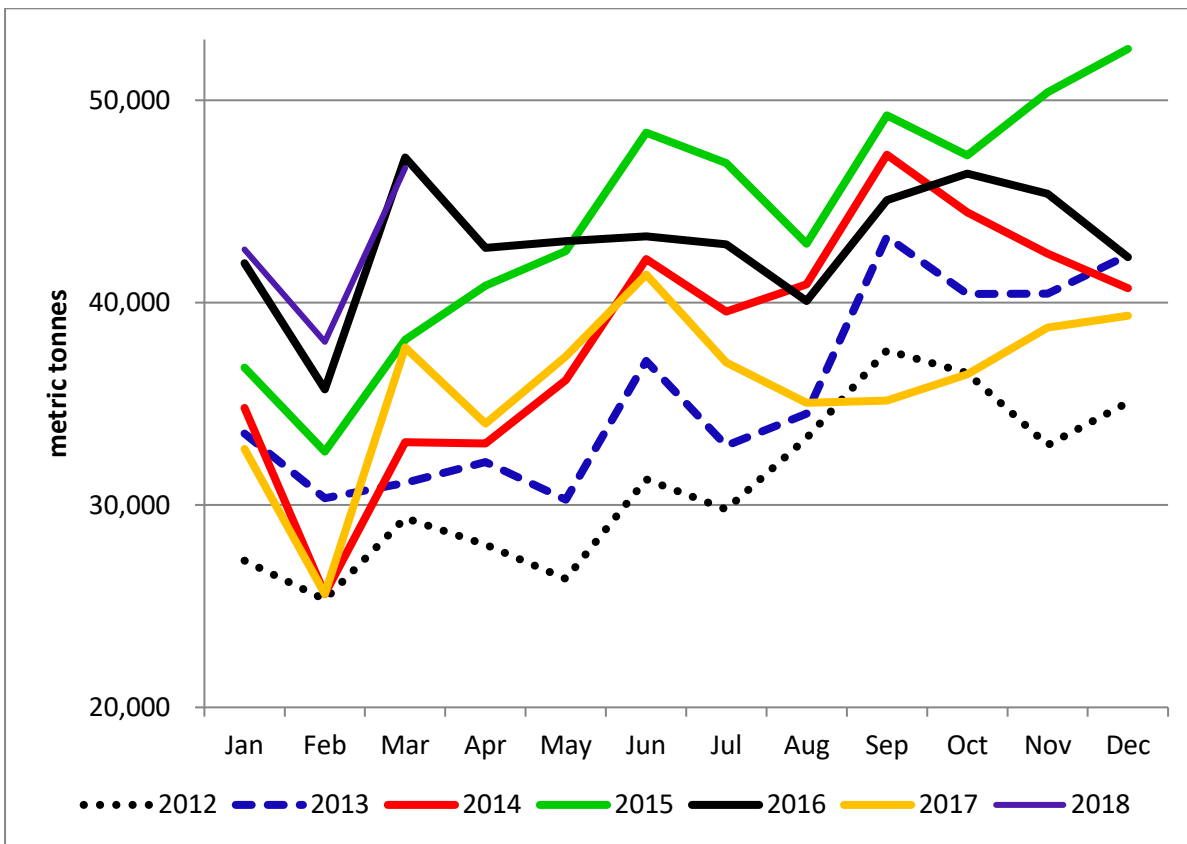
Average Monthly Values of Raws Procured and Feeds Produced



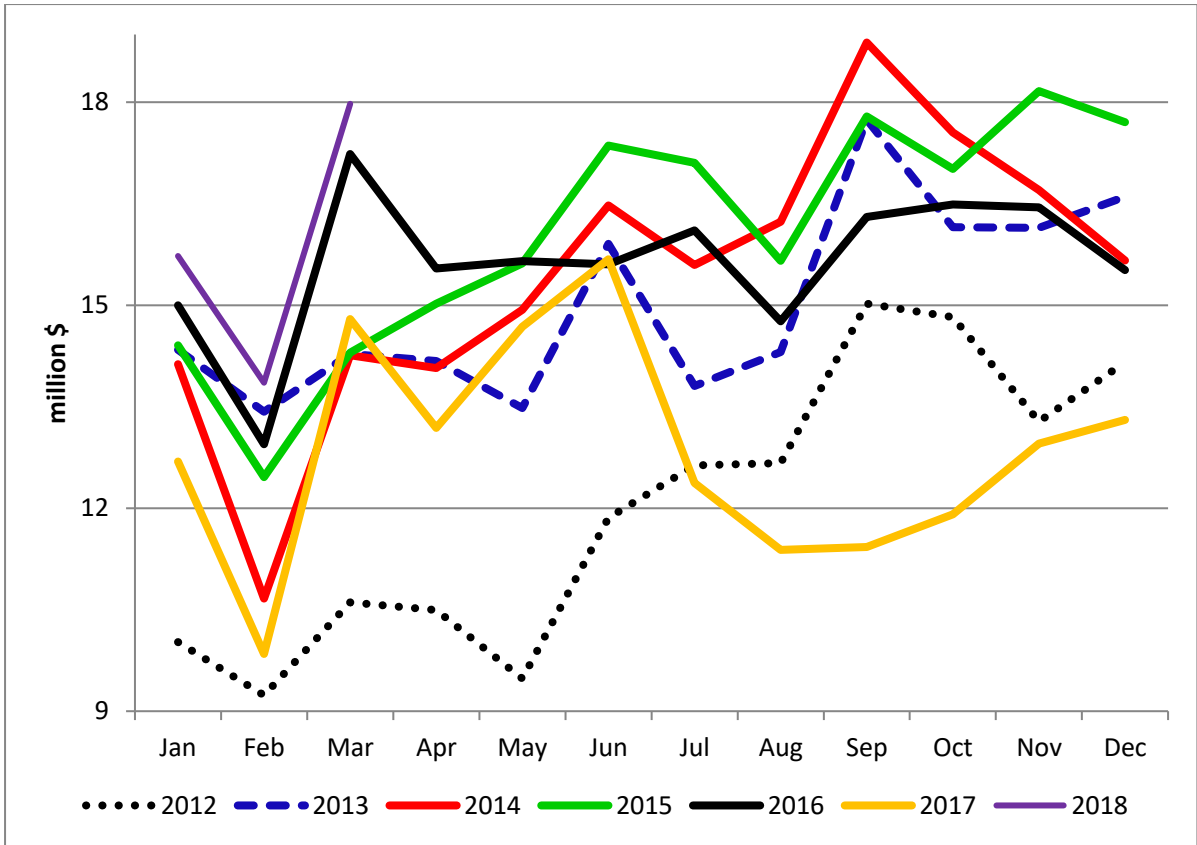
Average Monthly Relative Values of Raws Procured and Feeds Produced



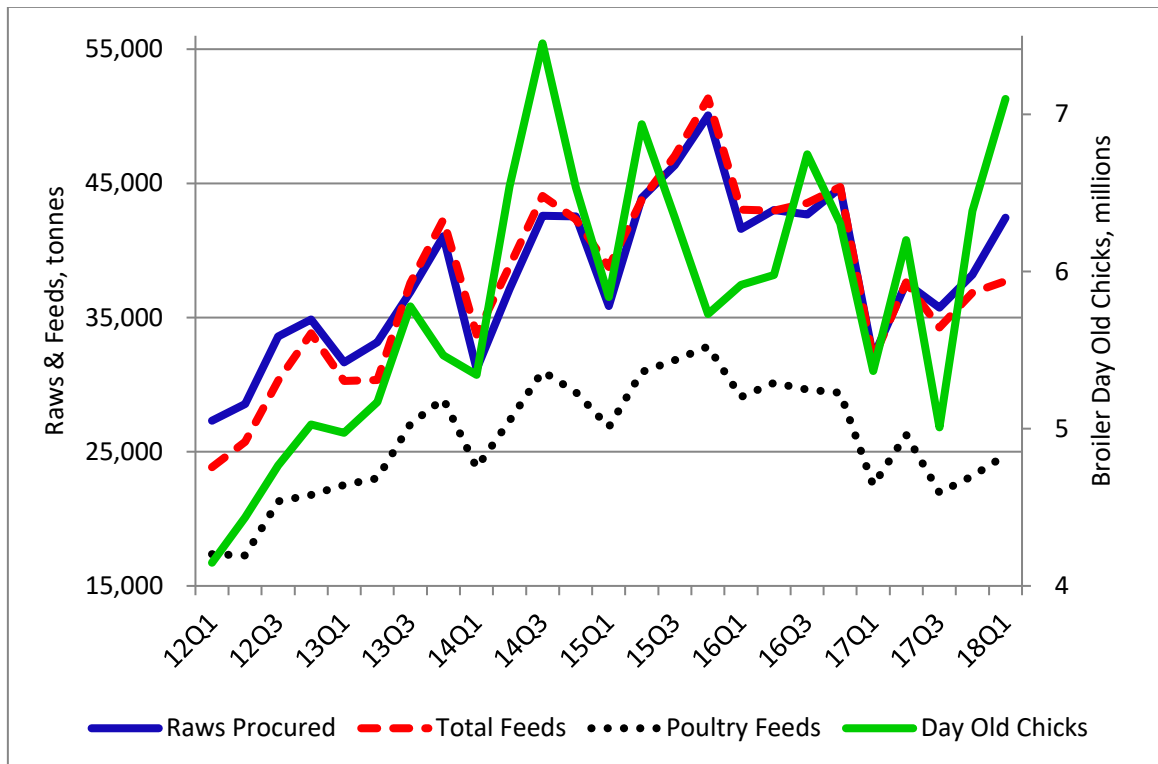
Average Monthly Cumulative Values of Raws Procured



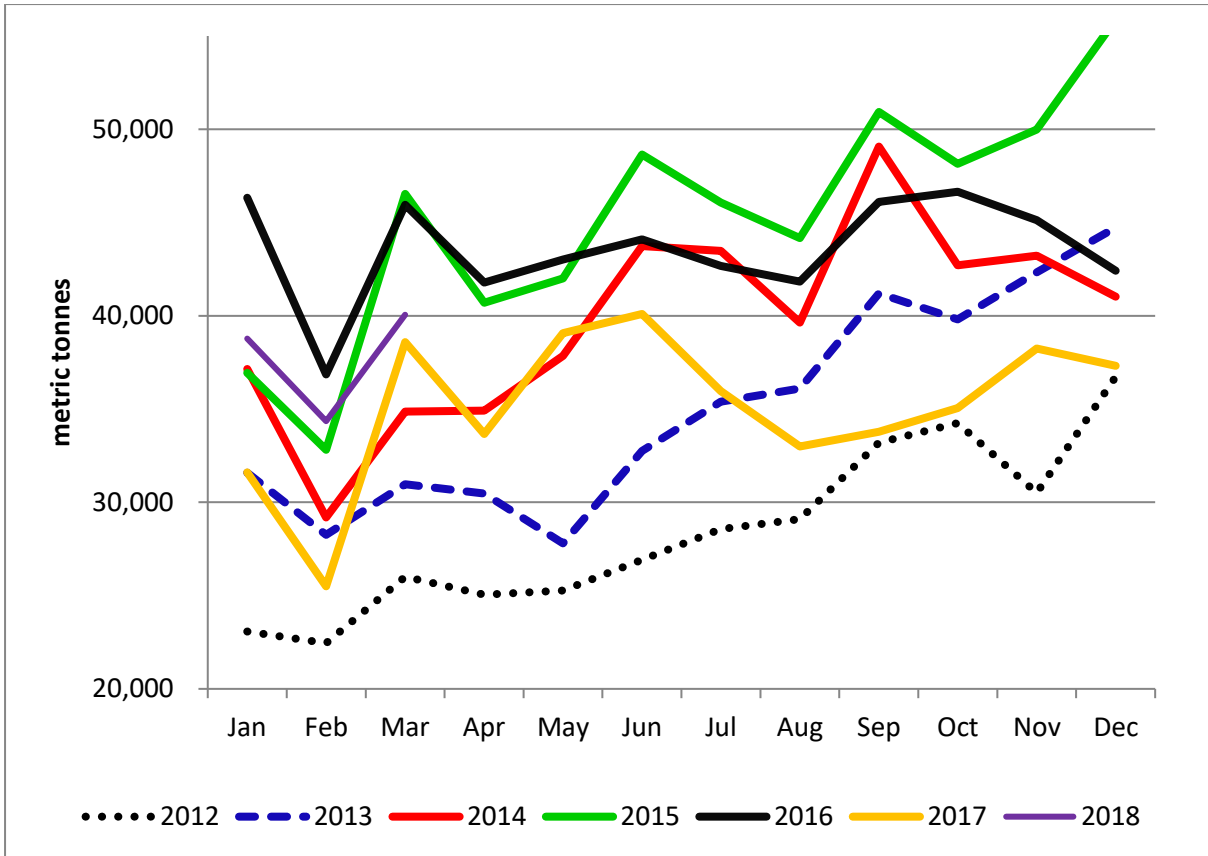
Raws Procured



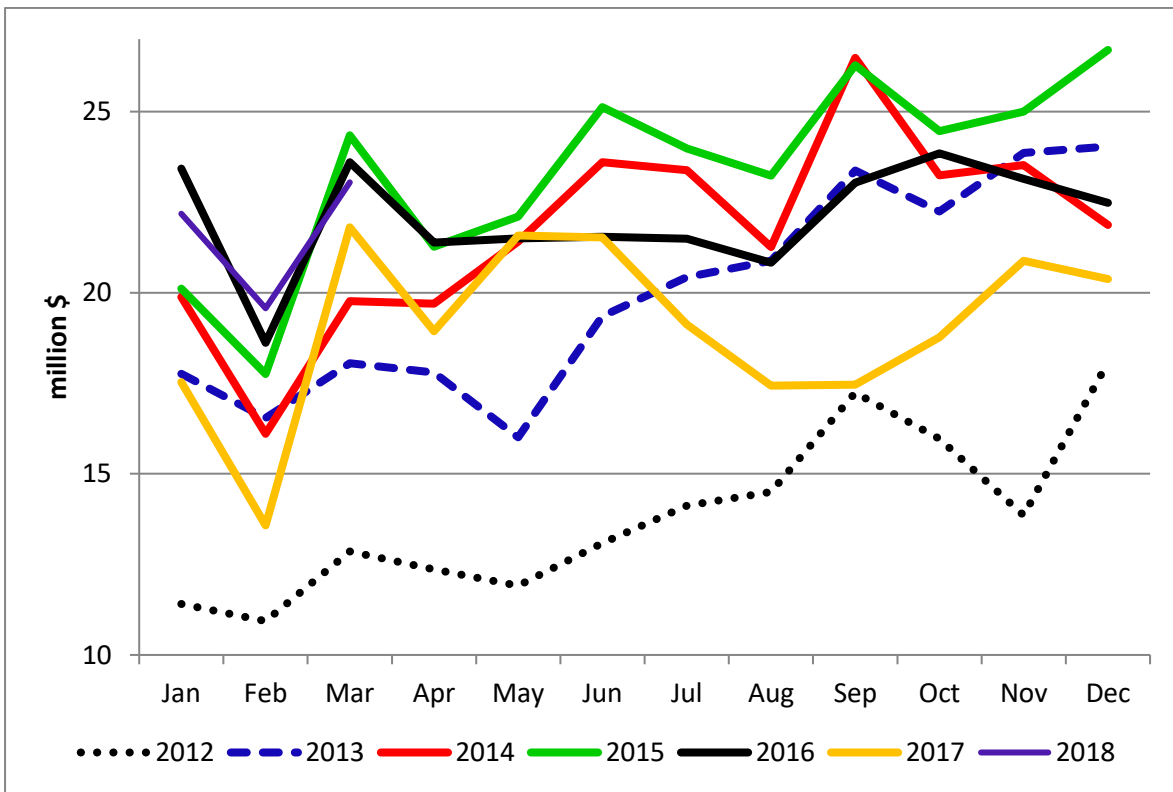
Monetary Value of Raws Procured



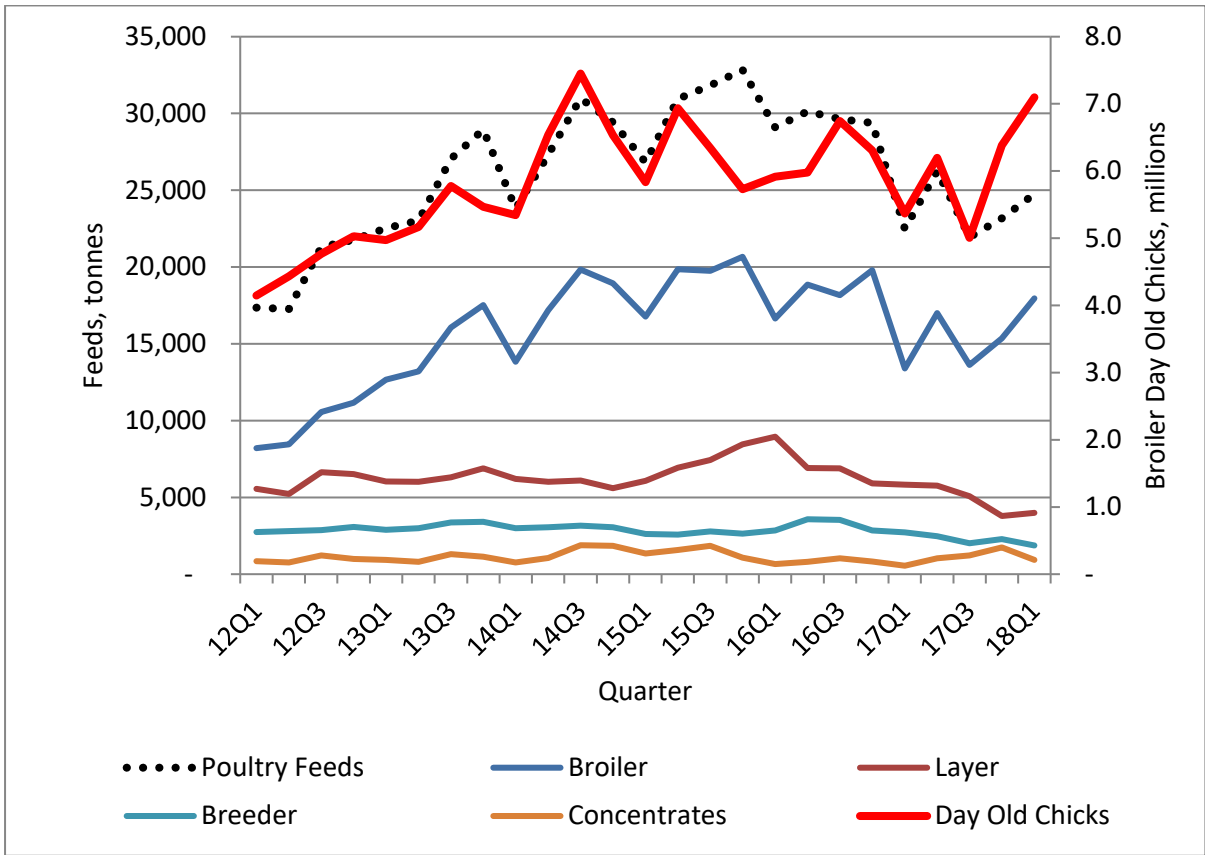
Raws Procured, Feeds and Broiler Day Old Chicks Produced



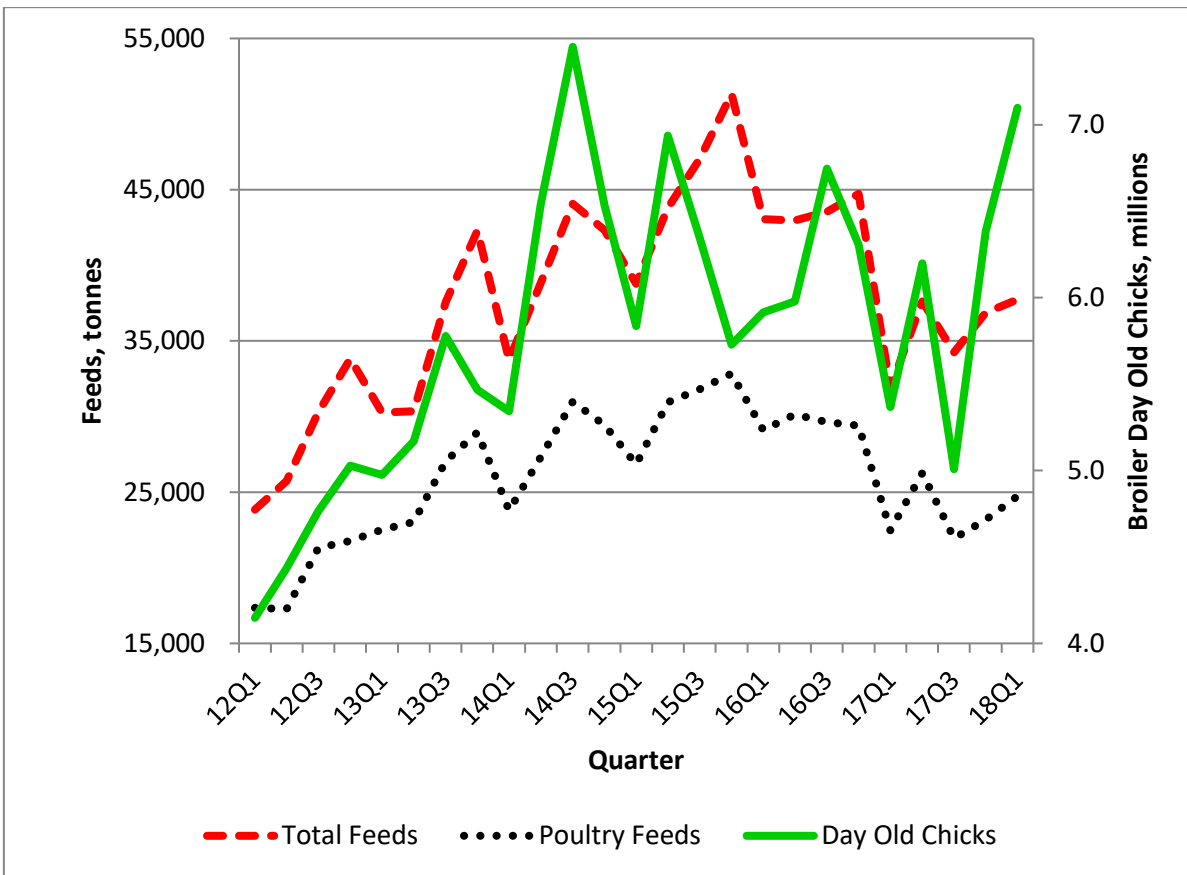
Feeds Produced



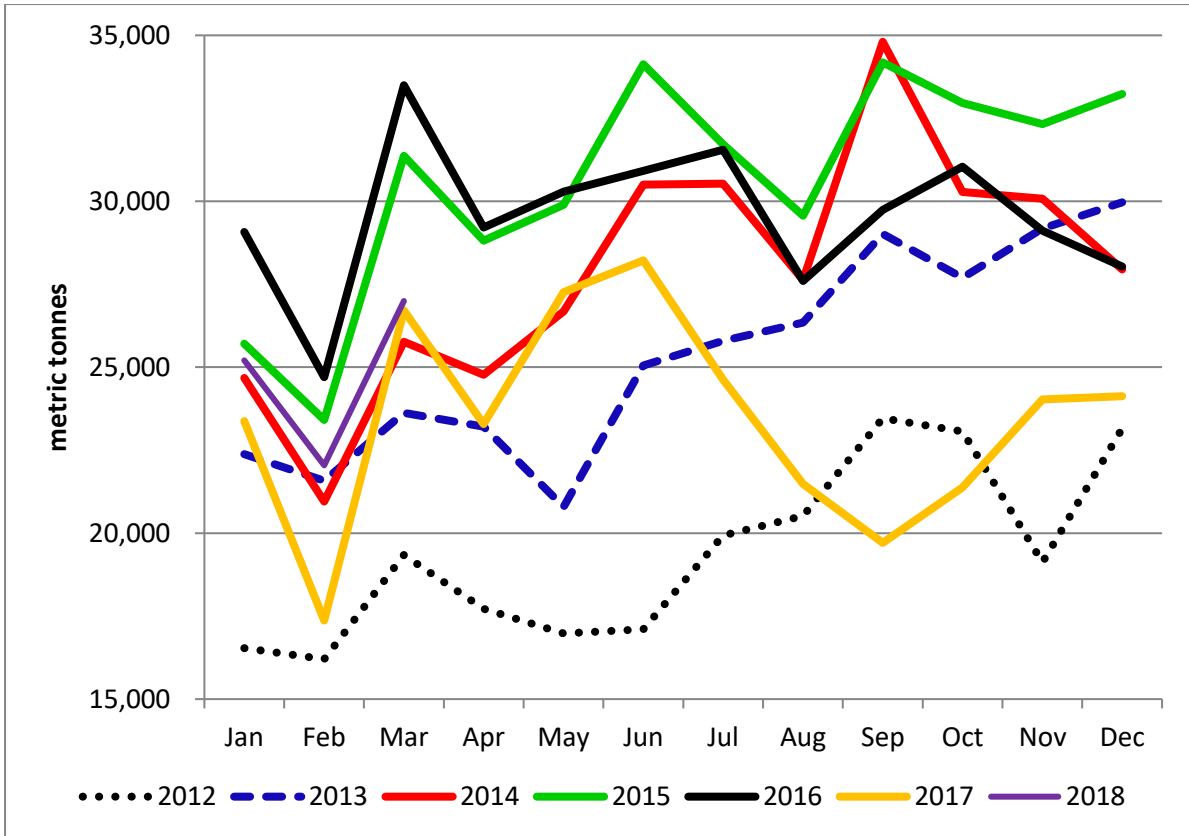
Monetary Value of Feeds Produced



Production of Day Old Chicks and Poultry Feeds



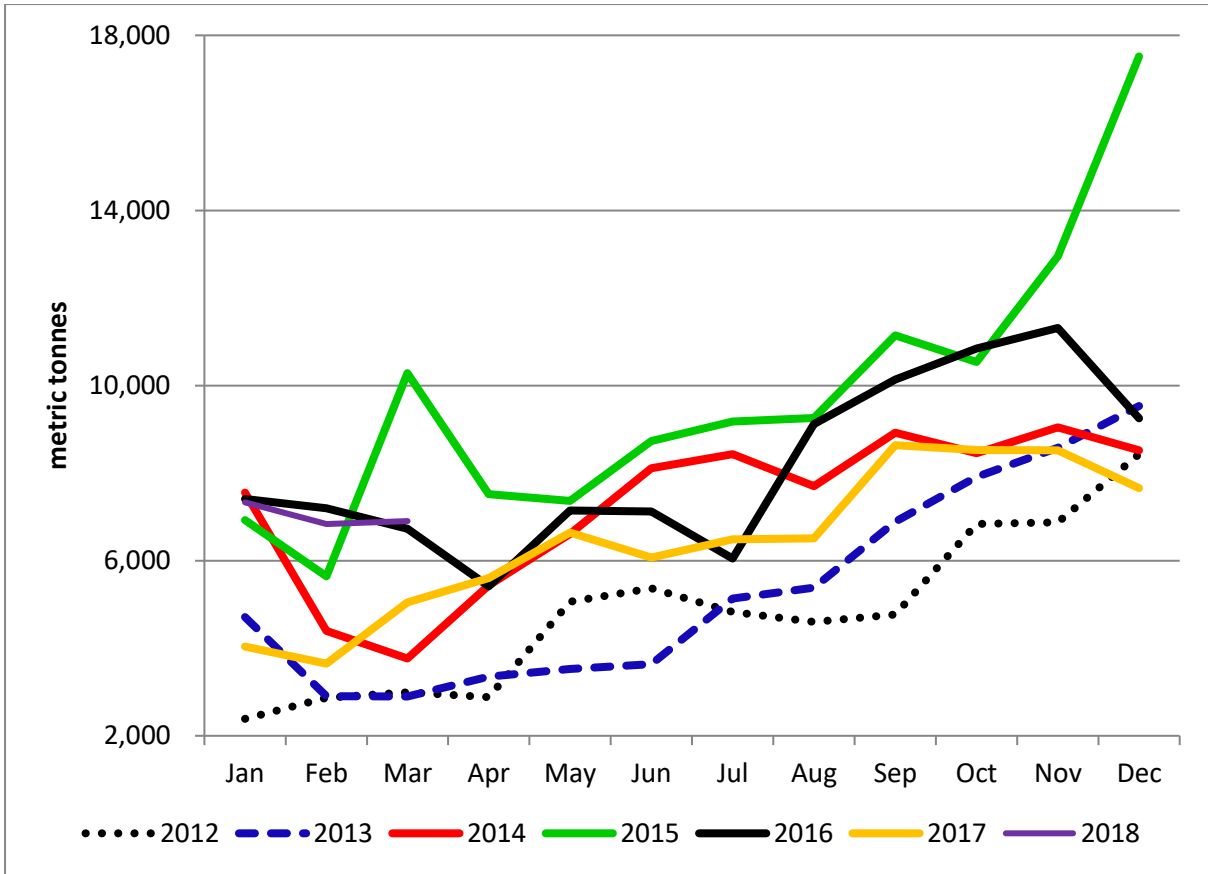
Production of Feeds and Day Old Chicks



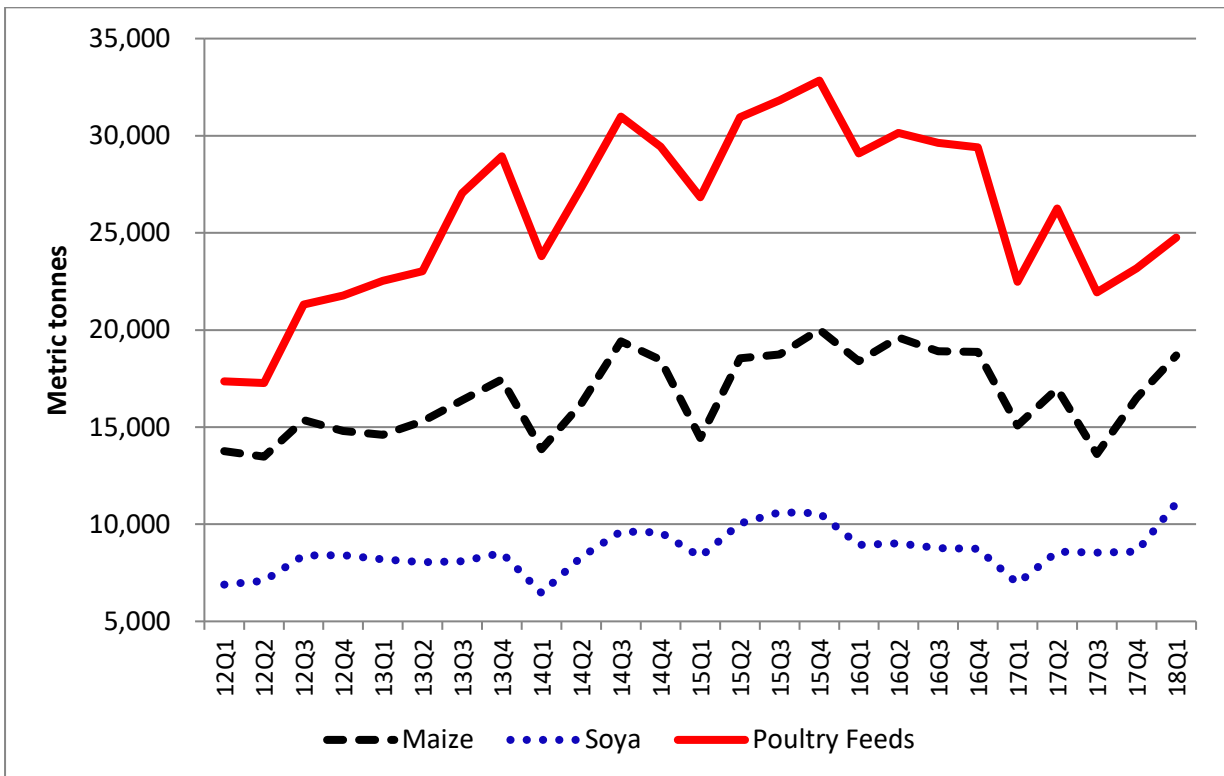
Poultry Feeds Produced



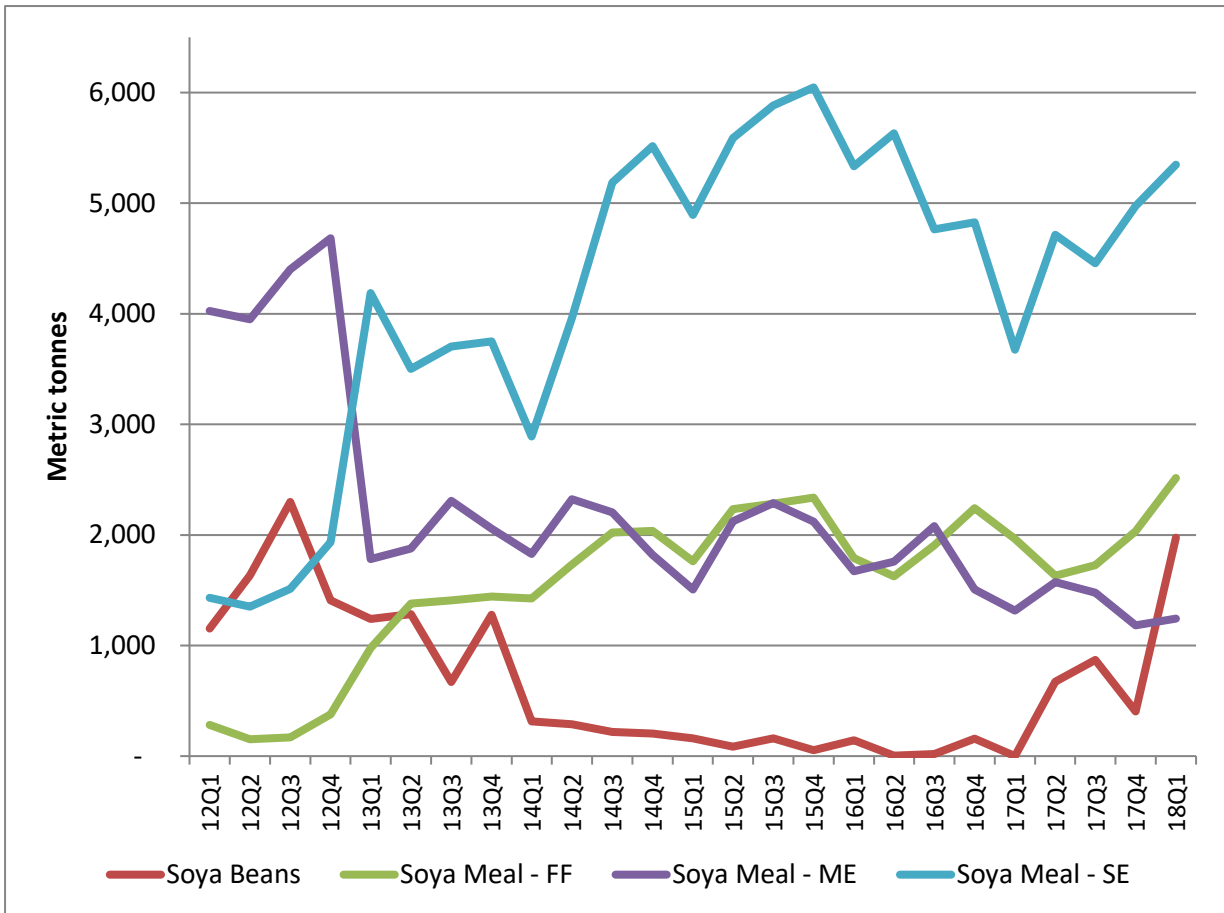
Ruminant Feeds Produced



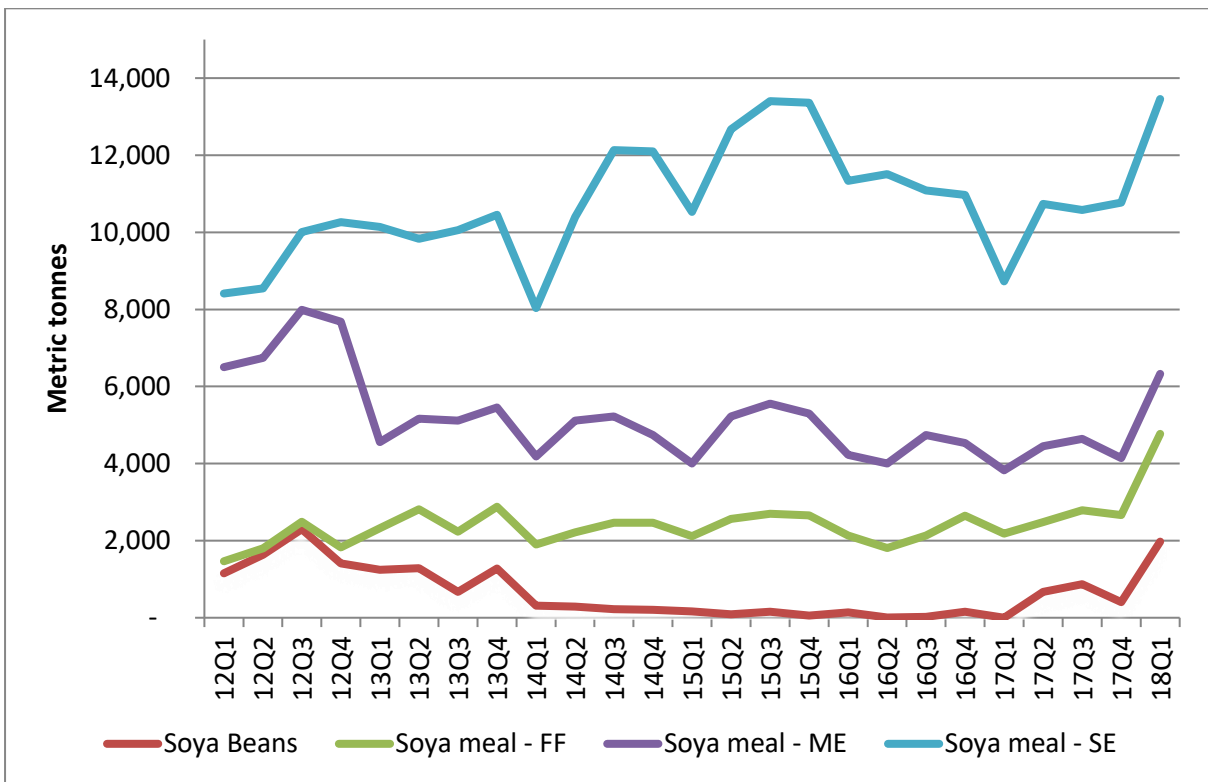
Ruminant Feeds Produced



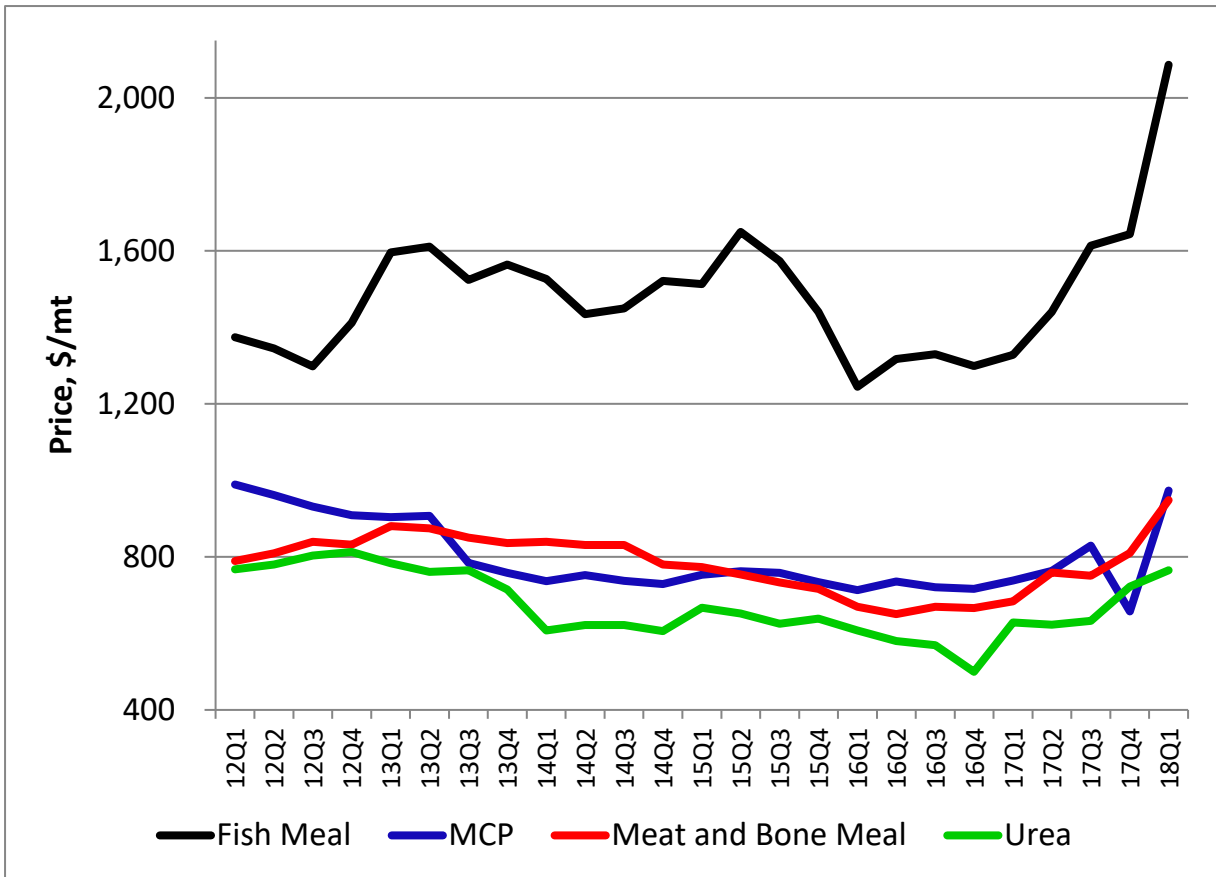
Maize and Soya Bean Equivalent Procurement and Poultry Feeds Produced



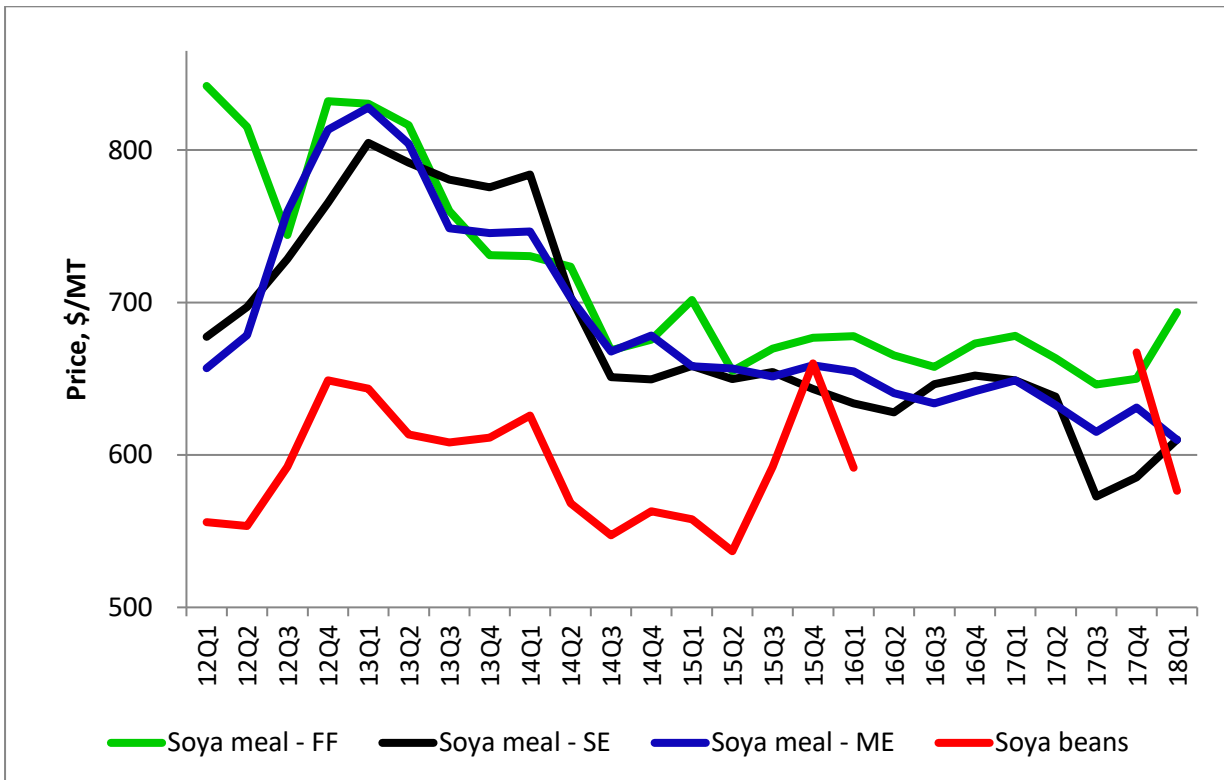
Procurement of Soya Products



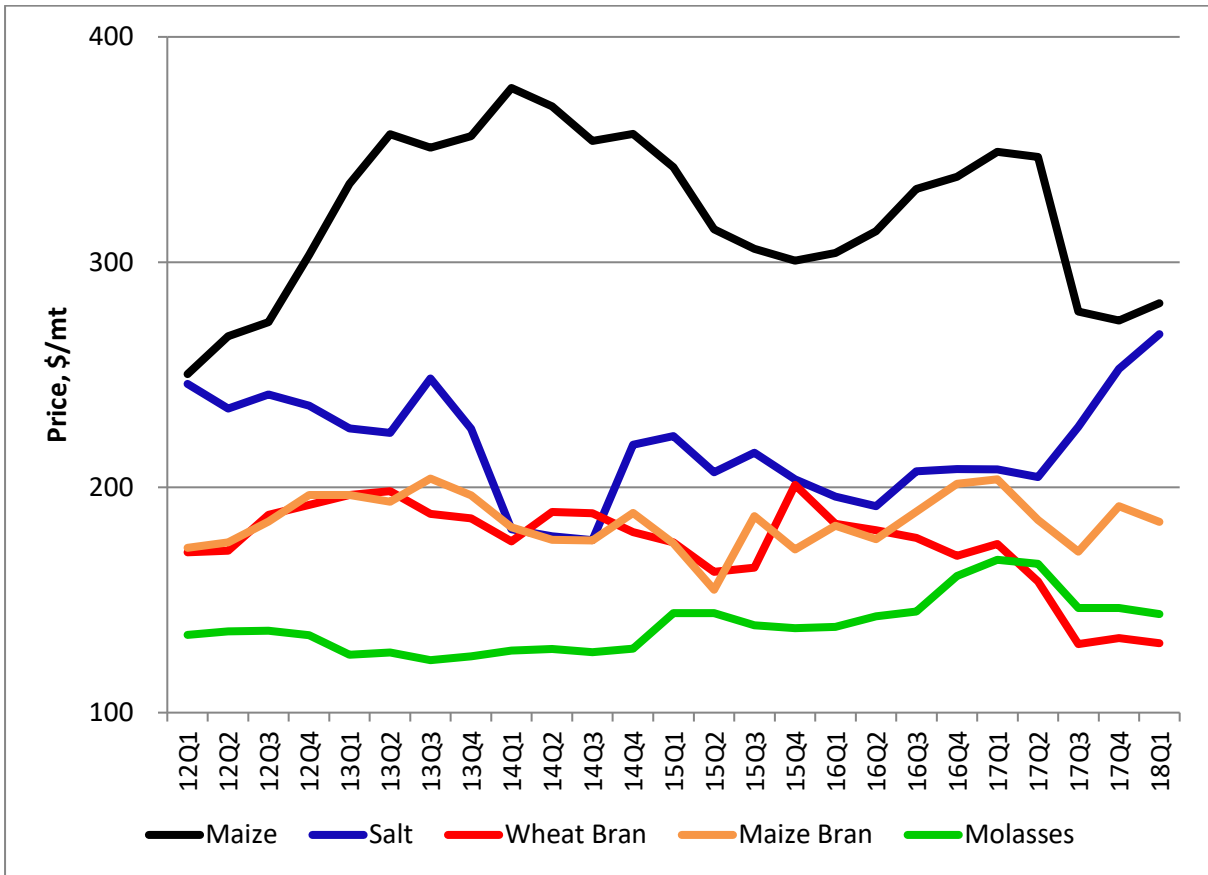
Cumulative procurement of soya products expressed in bean equivalent



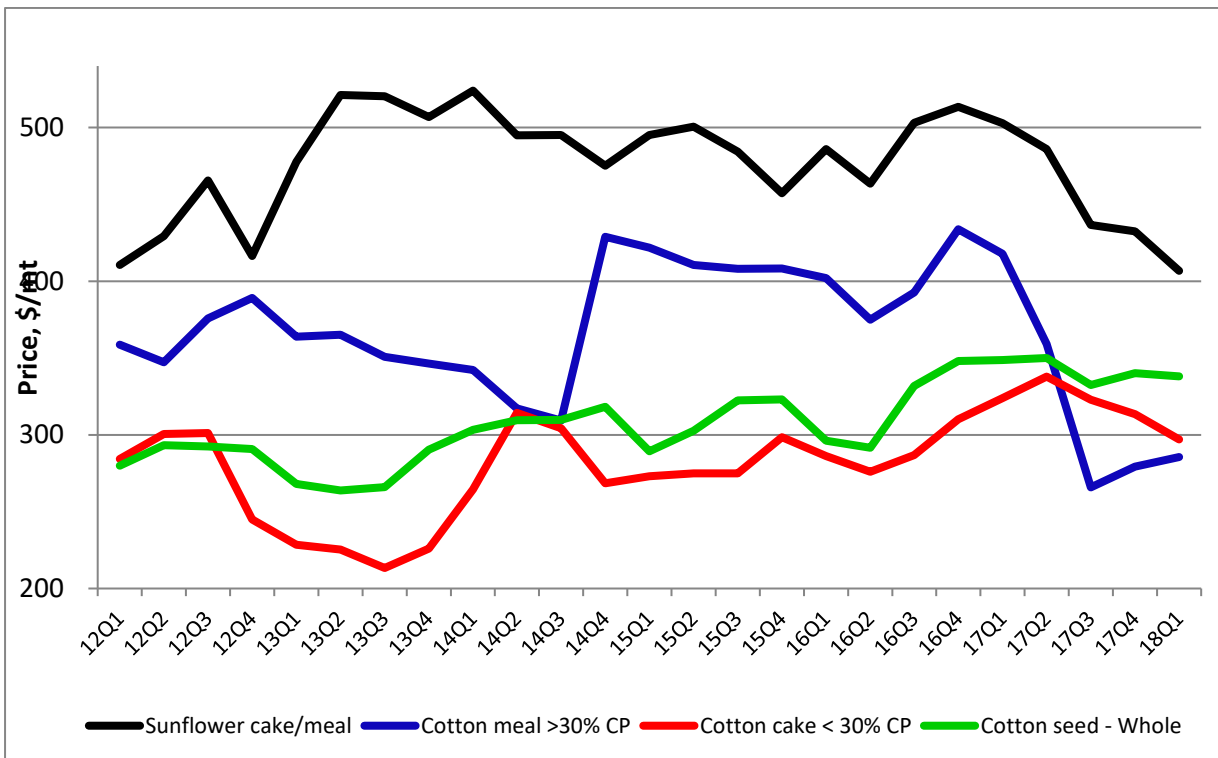
Prices



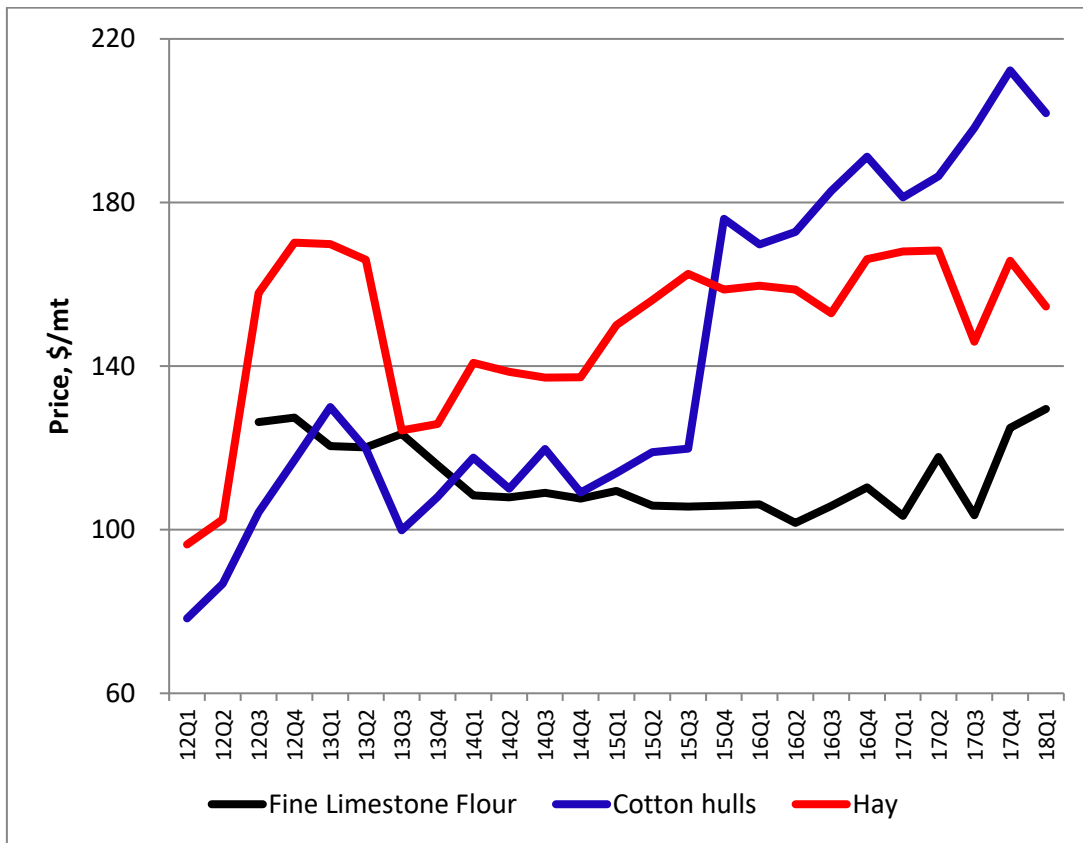
Prices of Soya Products



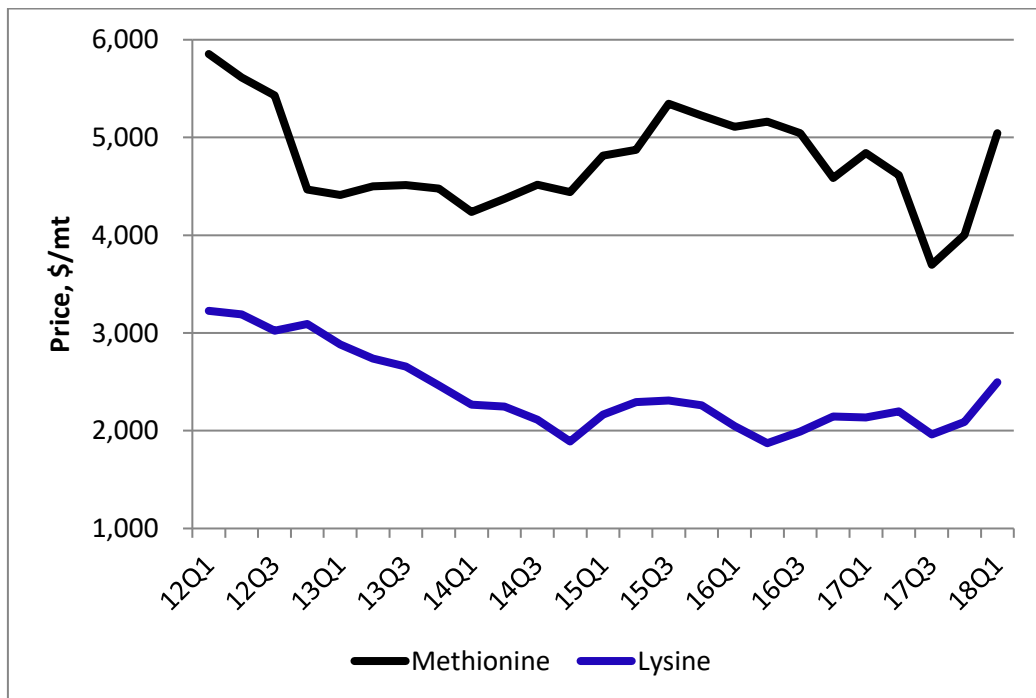
Prices



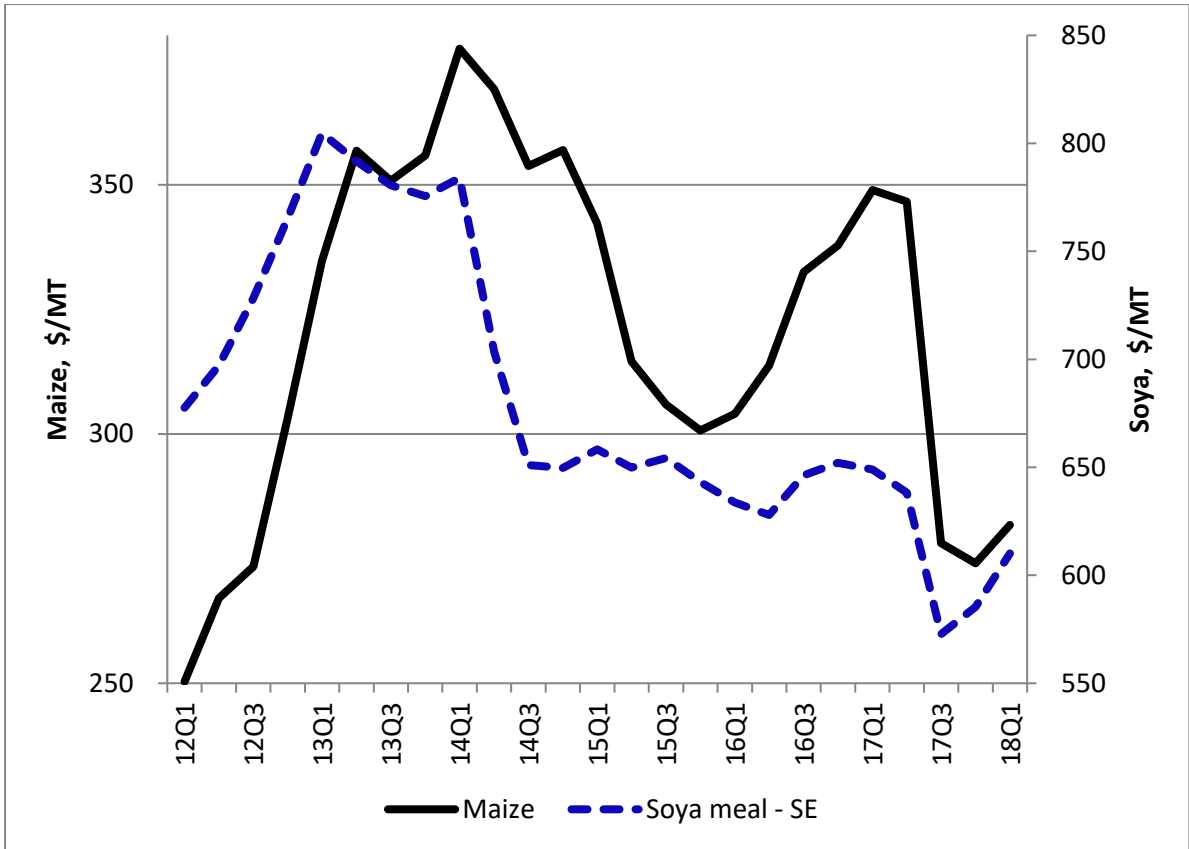
Prices



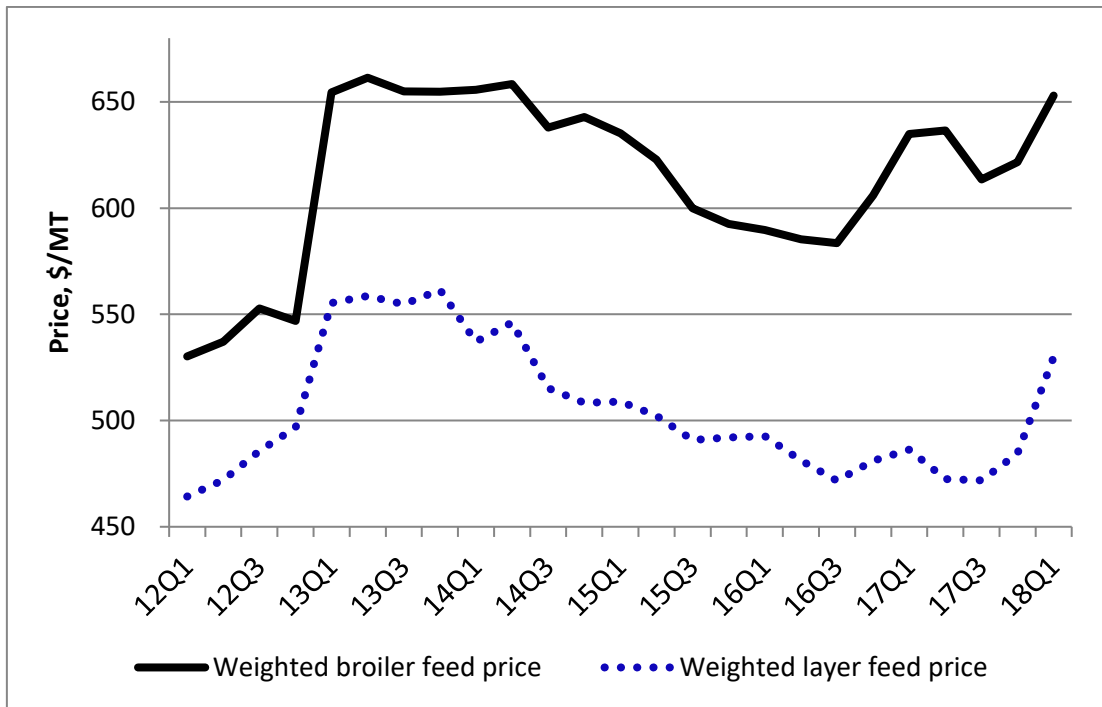
Prices



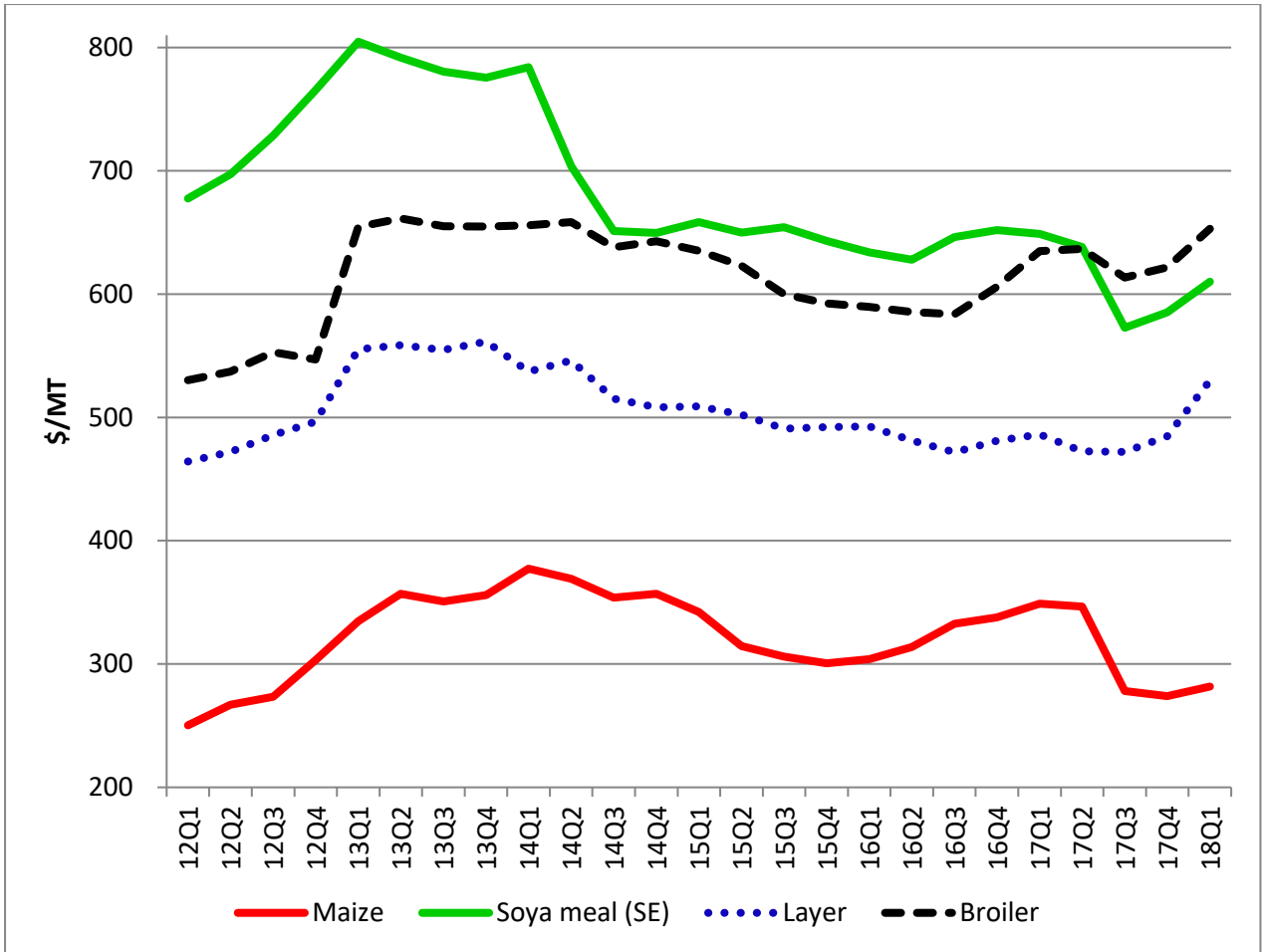
Prices



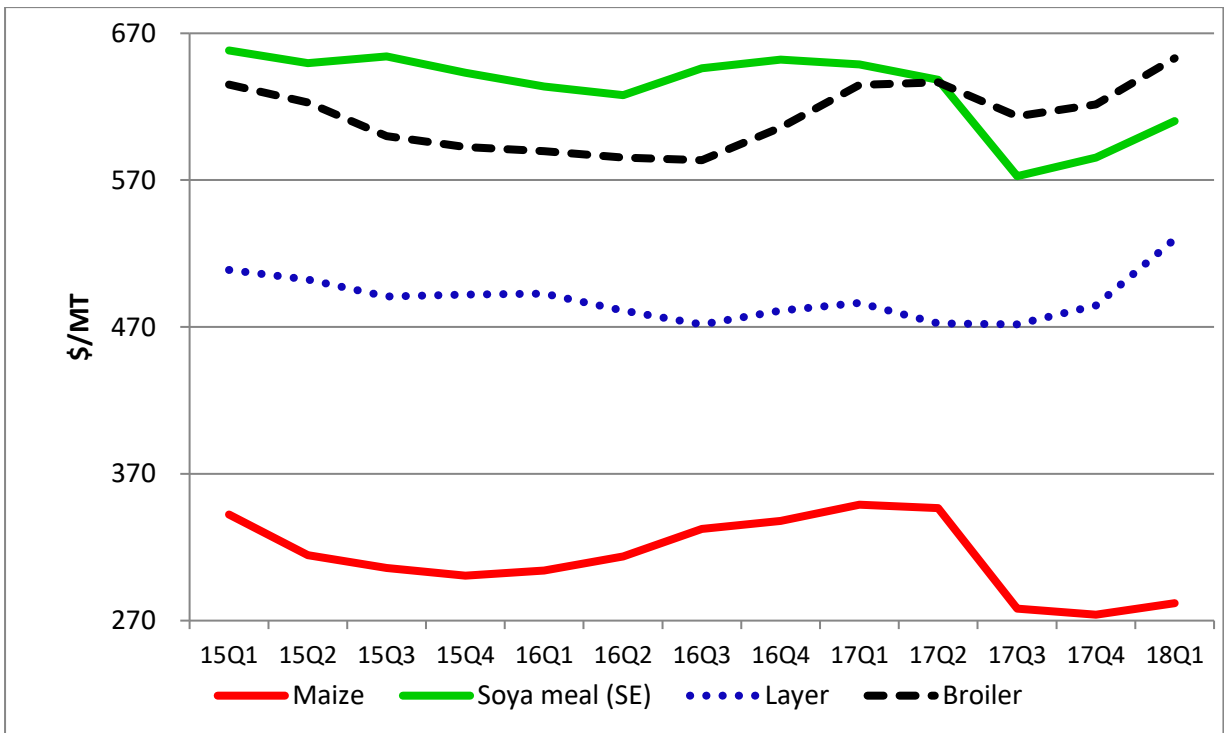
Prices



Weighted Poultry Feed Prices



Prices of Maize, Solvent Extracted Soya and Weighted Prices of Broiler and Layer Feeds



Prices of Maize, Solvent Extracted Soya and Weighted Prices of Broiler and Layer Feeds