



**Livestock & Meat Advisory Council**

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## **Livestock Market Update**

**June 2018**

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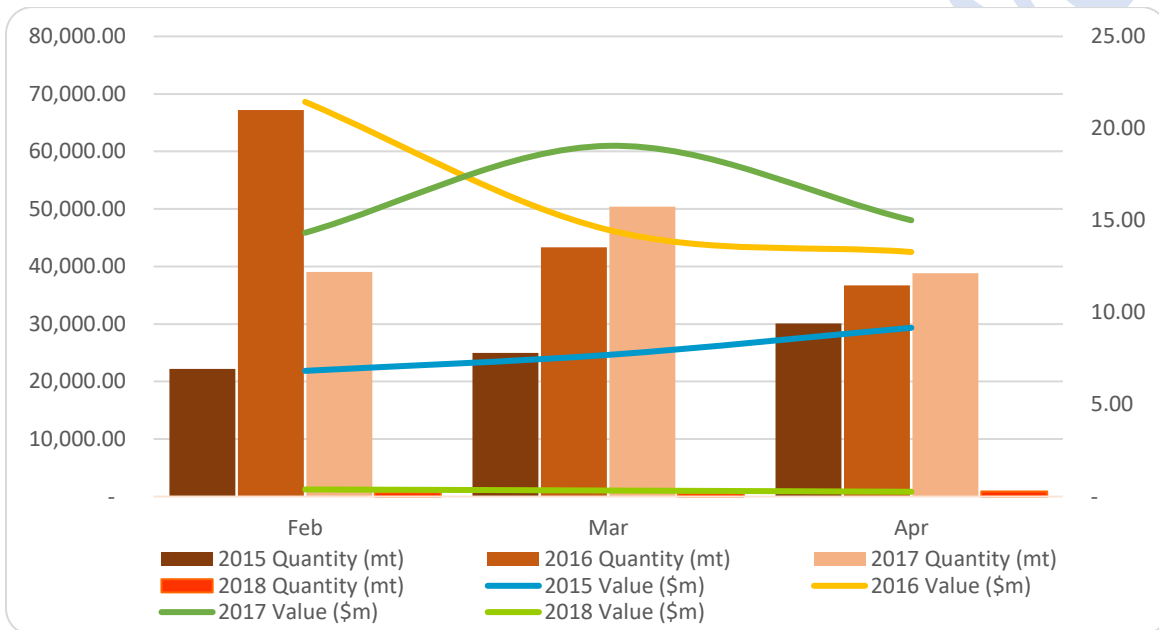
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\*Please note that Zimbabwe National Statistics Agency have not availed trade data for the months of December 2017 and January 2018.

## 1.0 Stockfeed Sector

### Maize

In the three months to April 2018, 2,145mt of maize worth approximately \$980,000 was imported at an average of \$455/mt. This represents a 98% reduction over the corresponding period last year, both in quantity and value terms (Figure 1 and 2).

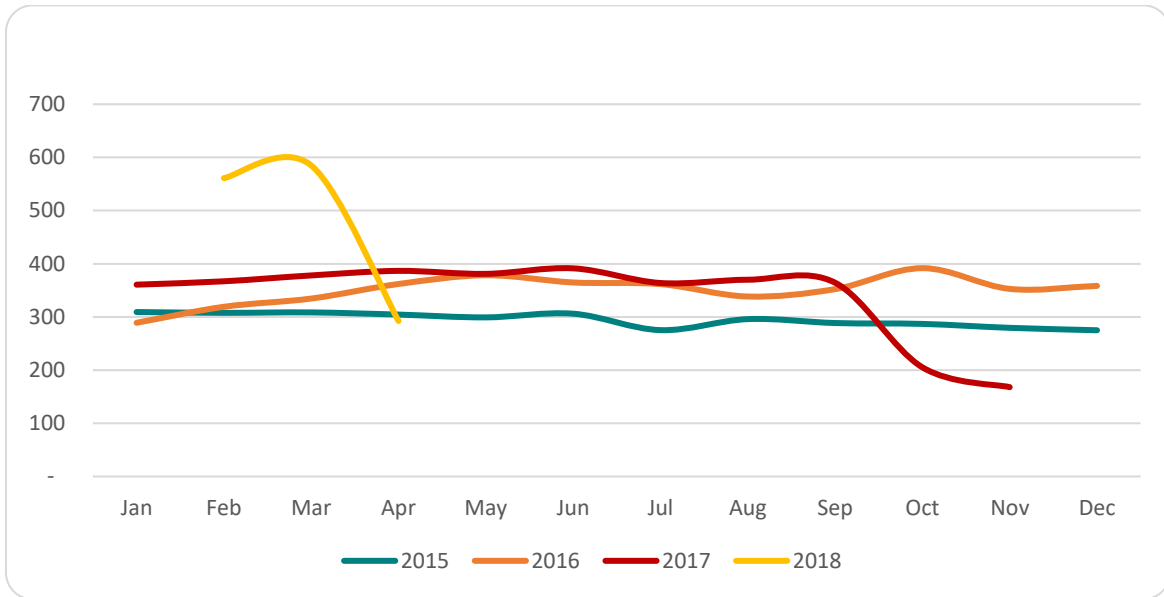


**Figure 1 Maize Imports, February, March and April 2015 – 2018**



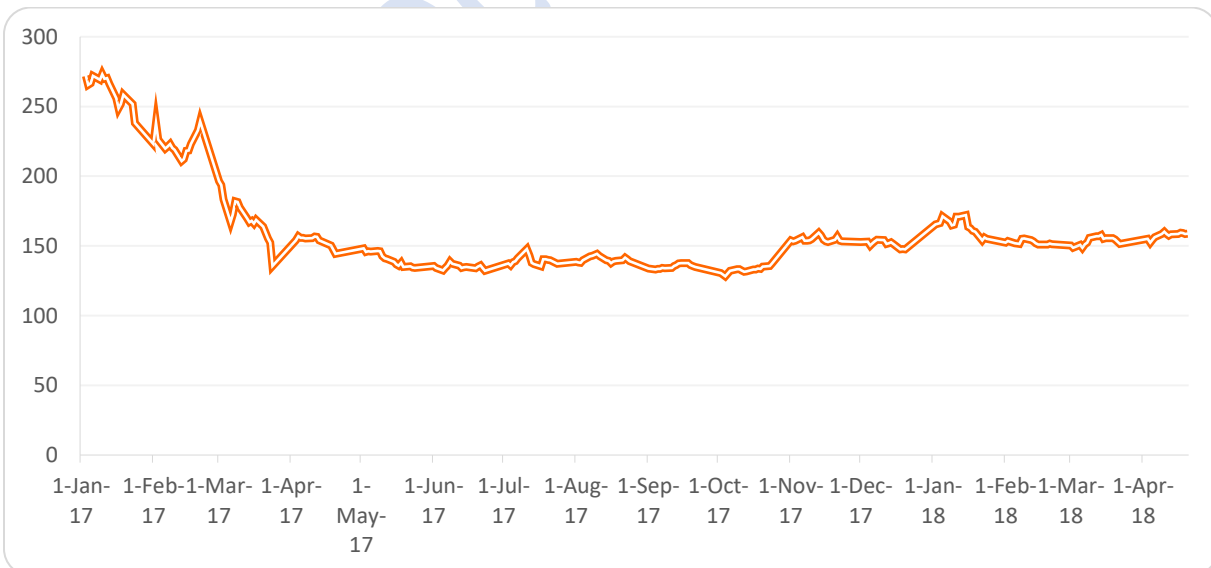
**Figure 2 Accumulated Total Value (\$), Maize Imports, February – April 2018**

The average maize import price for February, March and April 2018 was \$561/mt, \$585/mt and \$292/mt respectively. The weighted average for the period was \$455/mt which is 21% above the same period last year (Figure 3).



**Figure 3 Average Maize Import Price (US\$/mt)**

Safex prices ex Randfontein for white maize were trading between \$140 – 160/mt.



**Figure 4 SAFEX White Maize Spot Price US\$**

According to a report from the Food and Agriculture Organisation, maize production was significantly affected by below average rain in most parts of the country and the infestation of the Fall Armyworm which was reported to have affected all provinces. Some parts of the country recorded aggregate seasonal rainfall volumes of less than 30% compared to the average. Government continues to support maize production through initiatives such as the Command Programme where large-scale farmers were contracted to produce maize.

As of mid-January, 392,000 hectares of irrigated and rainfed land were registered for maize production, compared to the initial target area of 290,000 hectares. The Command Programme has also been expanded to include wheat, livestock, soybeans, fisheries and irrigation rehabilitation.

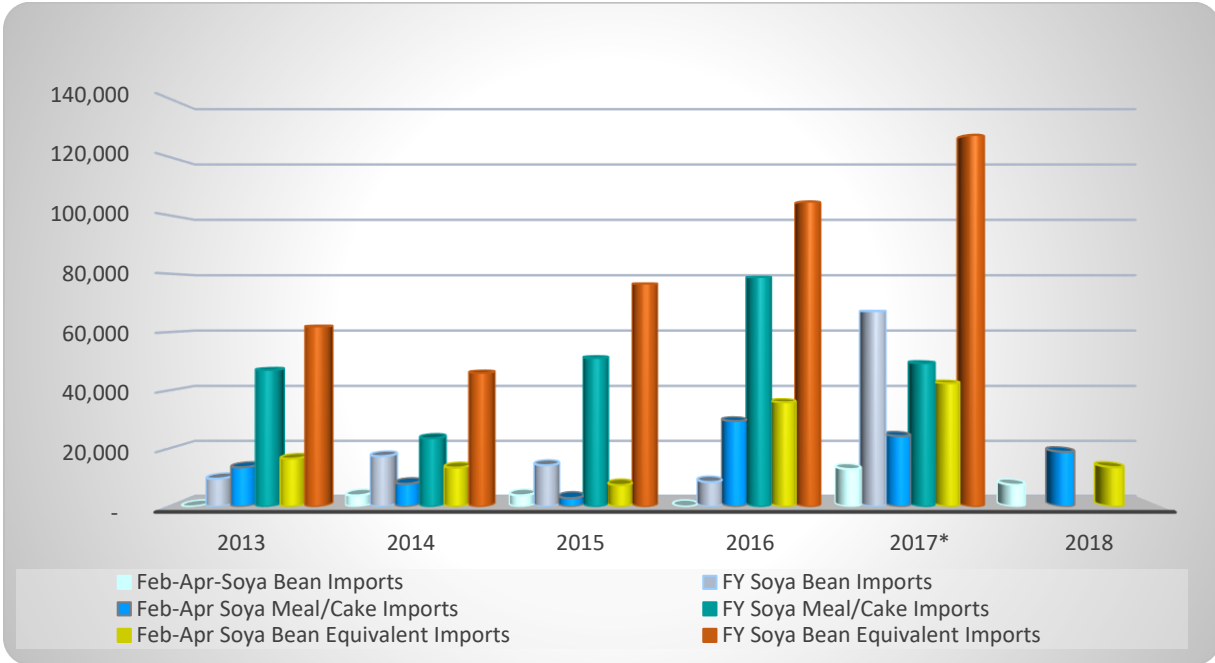
Overall, maize production in 2018 is expected to decrease compared to the previous year's well above-average level. This decrease would mostly reflect a reduction in yields and, to a lesser extent, an anticipated decrease in the area harvested. However, the 2018 maize output is still preliminarily forecast to remain above the previous five-year average.

Within the region, the forecast is generally a decline in maize production for the 2017/2018 agricultural season due to drought effects and infestations of Fall Armyworm. In Malawi, maize output is reported to have reduced by 19% to 2.8 million tonnes and South African maize farmers planted 18% less of the staple crop this season due to dry and hot weather along the western part of the maize belt. The planted area is forecast at 2.2 million hectares, down from 2.6 million hectares planted last season when favourable weather conditions boosted yields. Estimated land use for white maize, used for human consumption, is 1.148 million hectares and 1.012 million hectares of yellow maize, used mainly in animal feed.

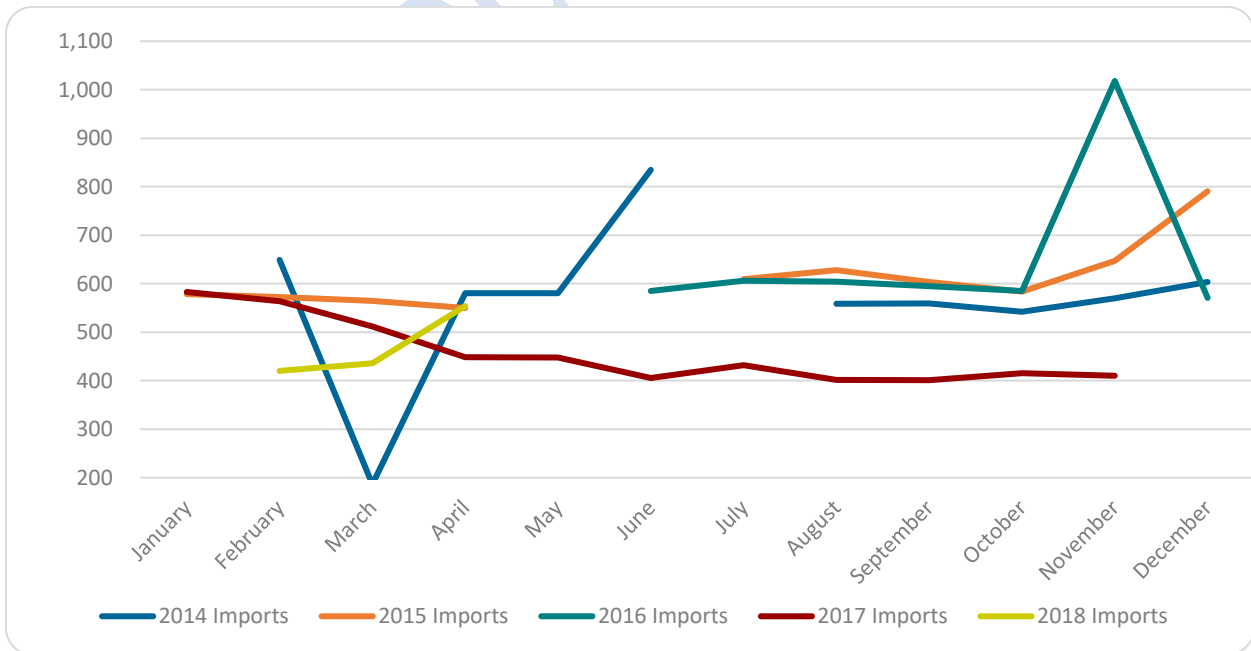
### **Soyabeans, Cake and Meal**

Total imports of soyabean equivalent for the three months to April 2018 amounted to 13,583mt, a 68% reduction from the corresponding period last year. Traditionally, the trend has been to import soyameal and cake rather than raw soyabeans, but government has in recent times sought to encourage players in the value chain to import soyabeans to localise full beneficiation of the crop.

The requirement by the stockfeed industry is approximately 130 – 150,000mt of soyabean equivalent and with local production between 15 – 30,000mt in the recent past, the import requirement remains significant.

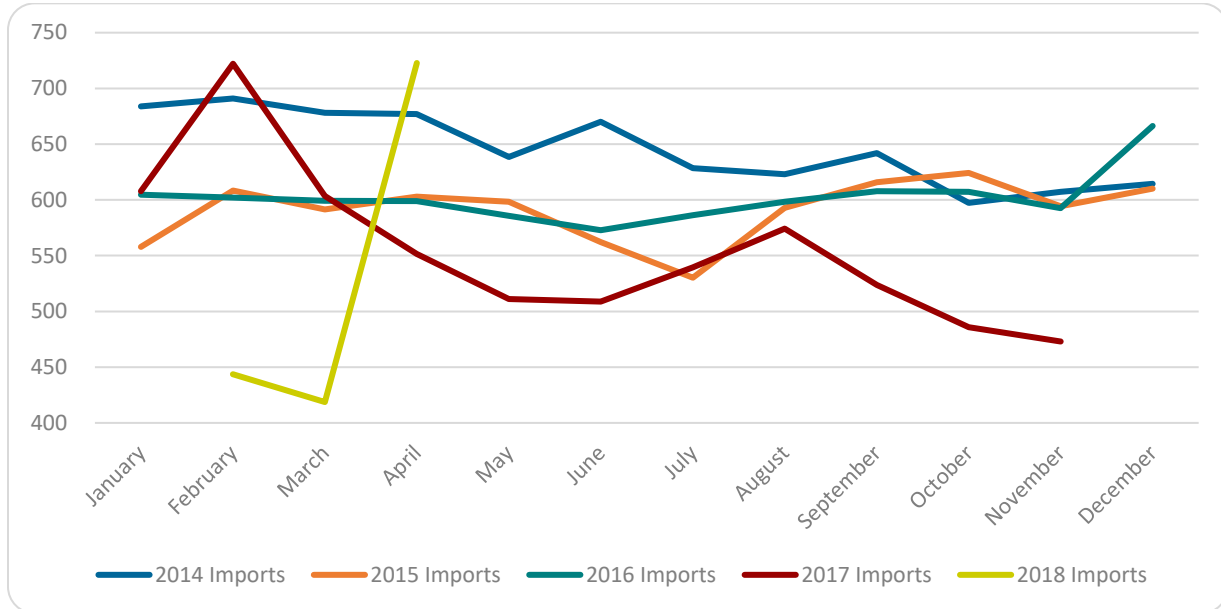


**Figure 5 Soya Imports (mt), 2013 - 2018**



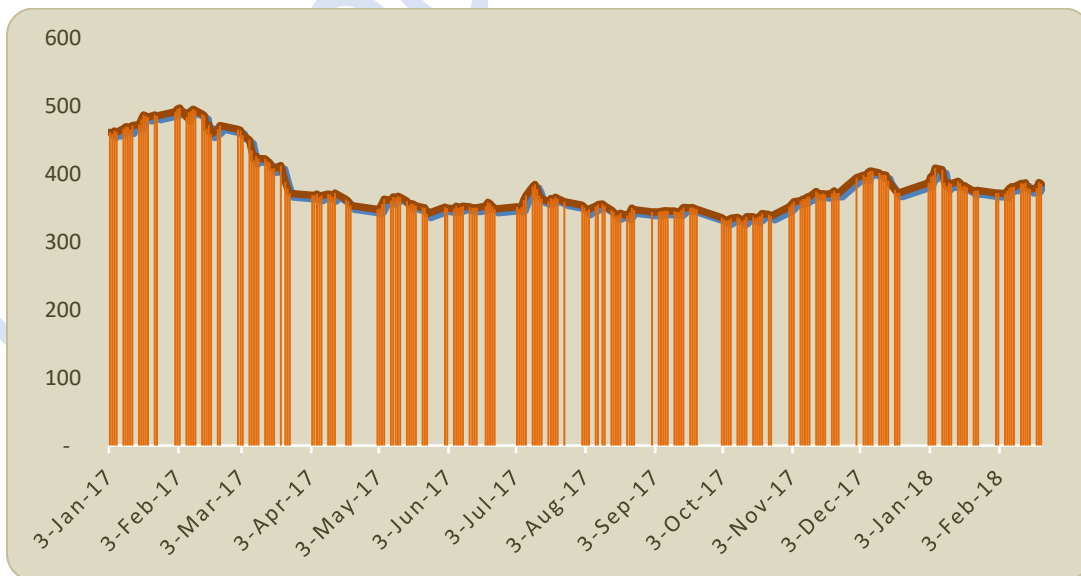
**Figure 6 Soya Bean Import Prices (\$/mt) 2014 – 2018**

Soya meal import prices in 2018 display a high degree of volatility. The price variation may be a reflection of nostro financing sourced on the open market that drives commodity prices up.



**Figure 7 Soya Meal Import Prices (\$/mt) 2014 - 2018**

Soyabean spot prices have oscillated in the region of \$370 – 390 between January and April.



**Figure 8 Safex Soya Bean Spot Price US\$**

As local soya bean production continues to fall below national requirements for both the stockfeed and oil expressing industries, soyabean production has been included in the Command Agriculture program to stimulate increased production. As part of this broader initiative, a pre-planting price of \$780/mt has been announced, higher than the import parity price.

Stockfeed manufacturers currently require 130,000mt of soya for animal feed production, with the bulk of this being imported.

### **Stockfeeds**

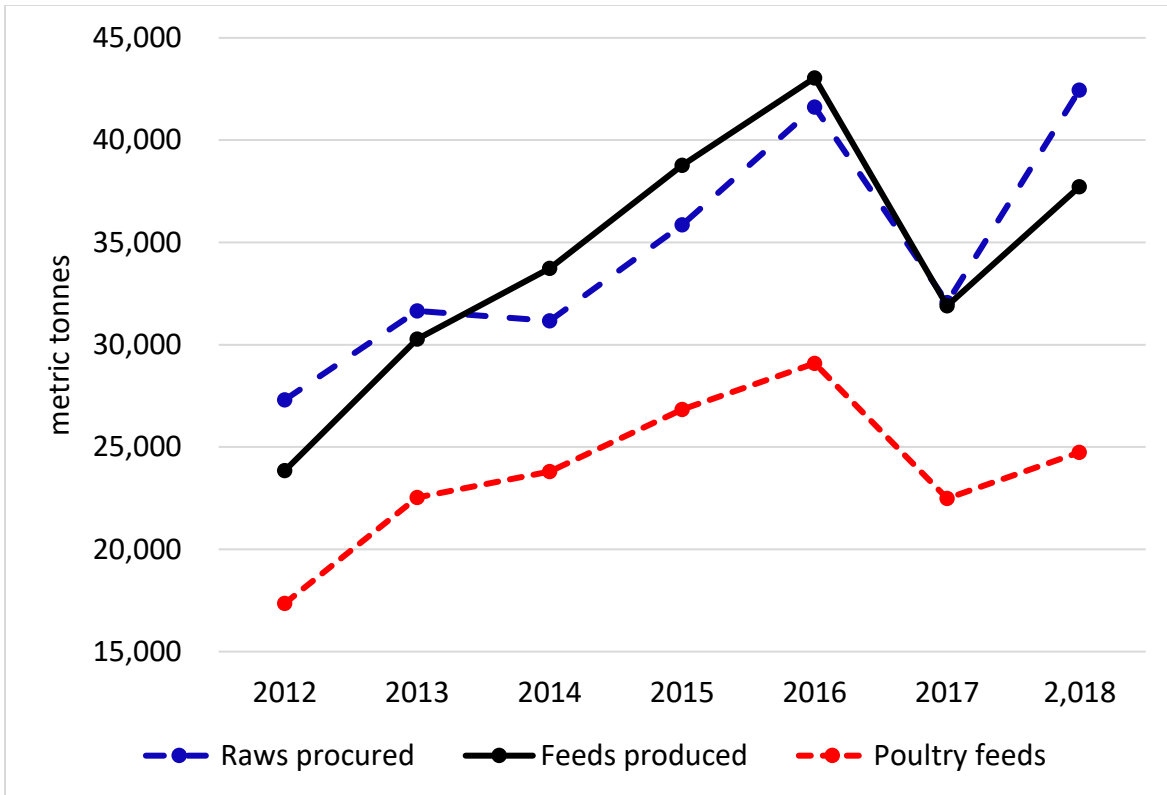
Monthly procurement of raw materials and production of stockfeeds in the first quarter of 2018 averaged 42,448 and 37,729mt respectively, representing increases of 32 and 18% respectively over the same period in 2017.

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.

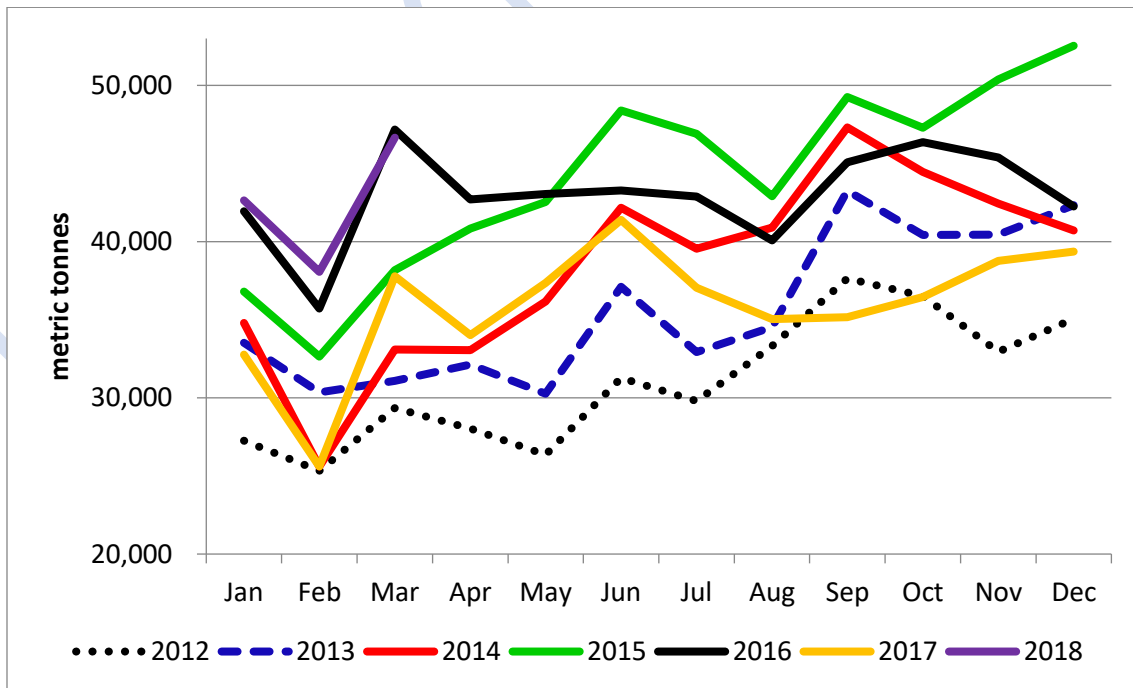
Maize and soya procurements during the first quarter constituted the bulk of raw material used, accounting for 70% of all raw materials procured by weight and 77% by monetary value. Average monthly procurement of maize and soya bean derivatives in the first quarter of 2018 were 18,698mt (worth \$5.3m)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



**Figure 9 First Quarter Monthly Average Tonnages of Raws Procured and Feeds Produced**



**Figure 10 Raws Procured**



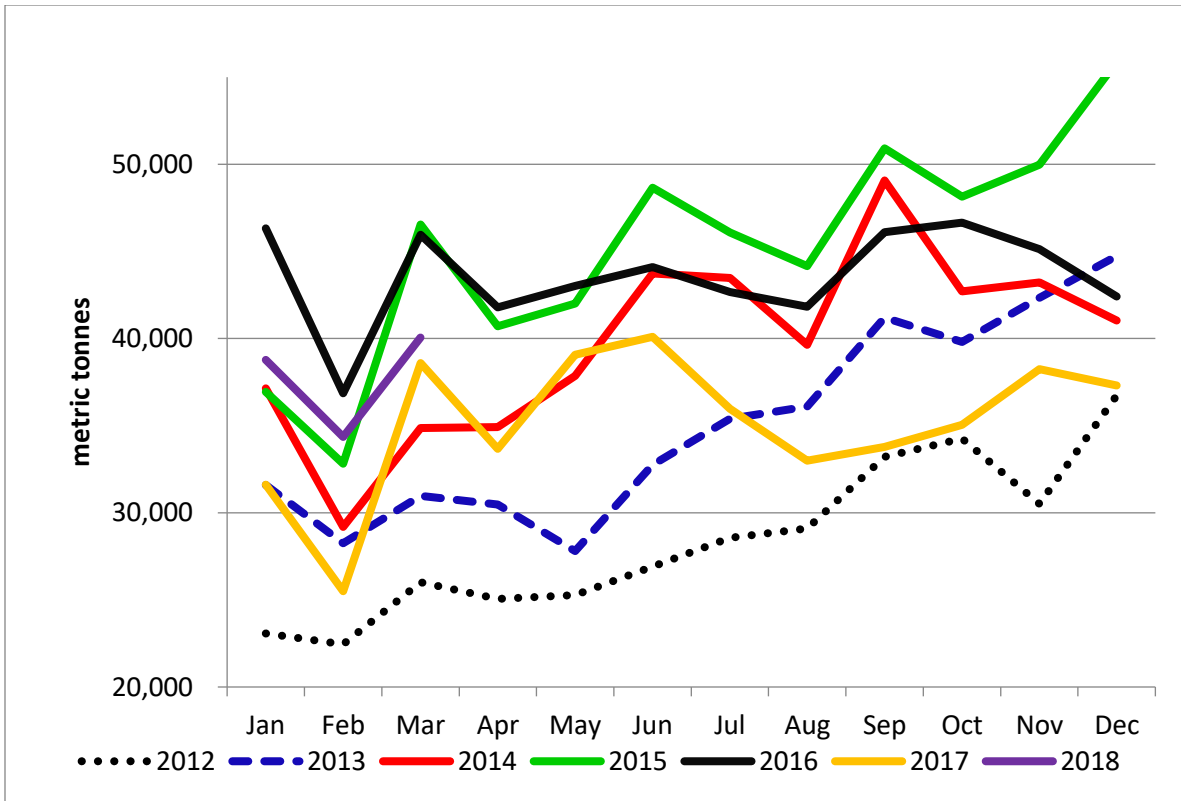


Figure 11 Feeds Produced

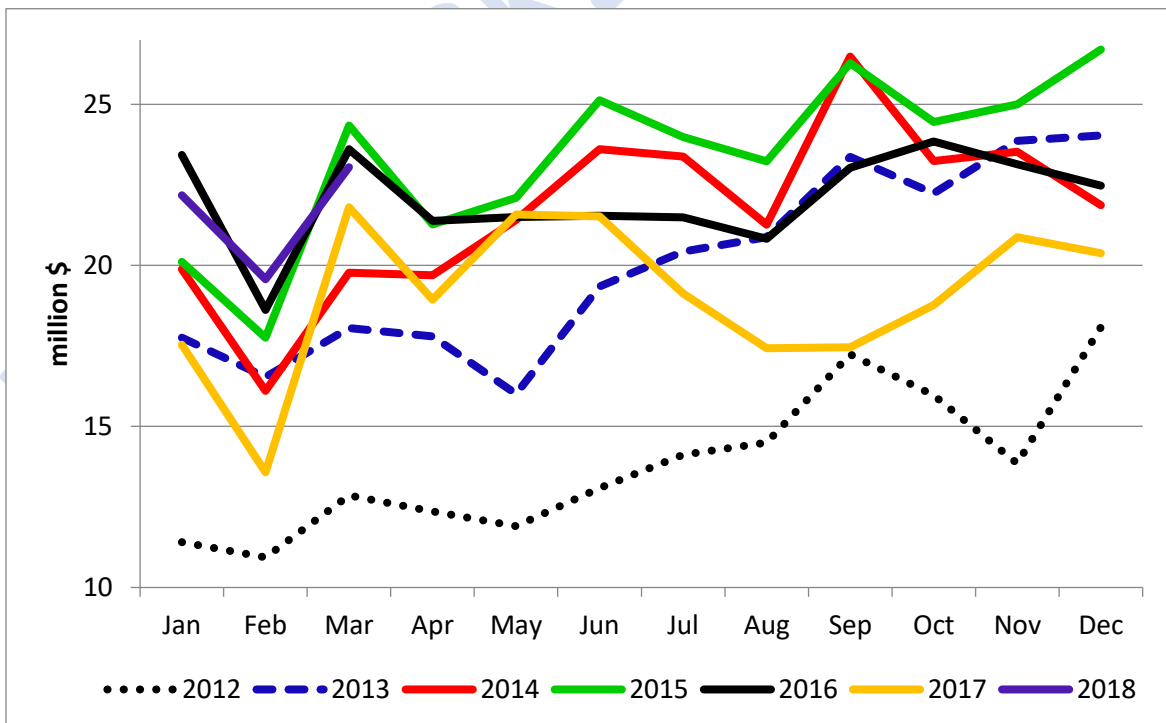
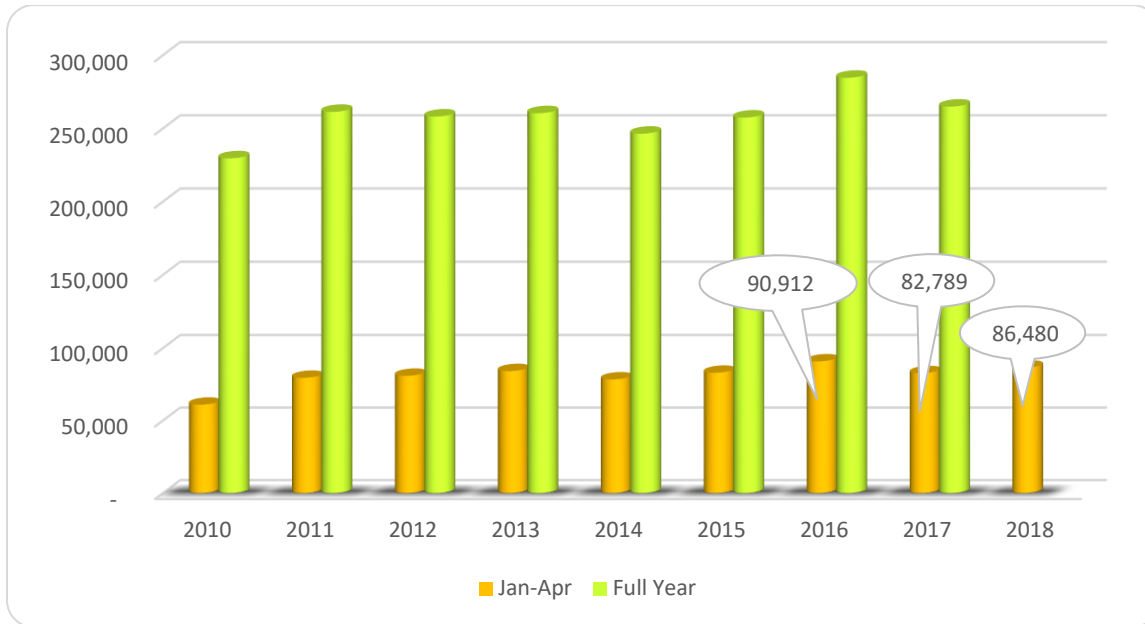


Figure 12 Monetary Value of Feeds Produced

## 2.0 Beef Sector

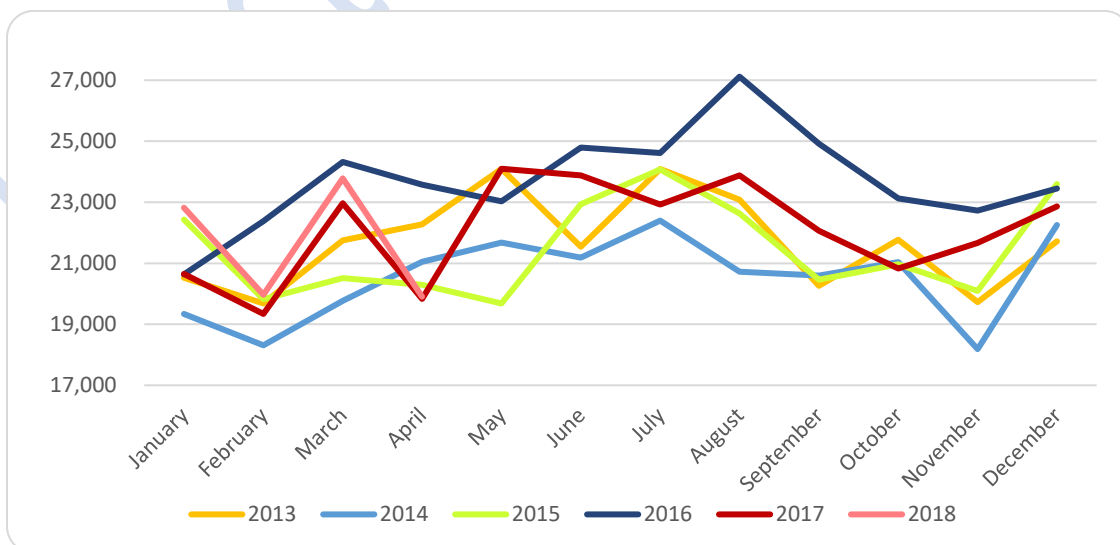
Cumulative cattle slaughters to April 2018 were 86,480 head, an increase of 4% and a decline of 5% over the corresponding period in 2017 and 2016 respectively (Figures 13).



**Figure 13 Cumulative Cattle Slaughter 2010 - 2018**

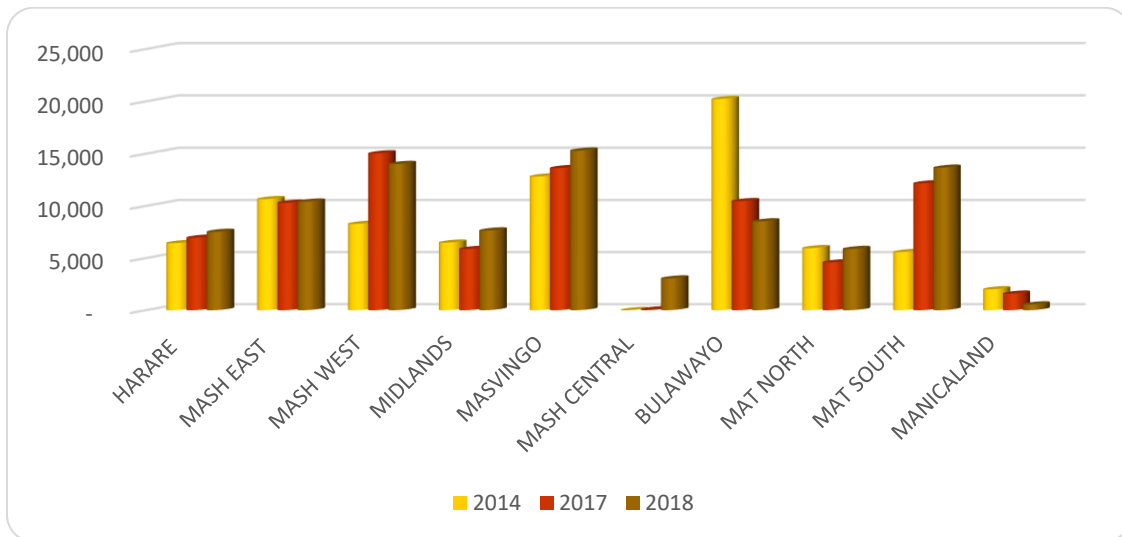
Monthly cattle slaughters from January to April as shown in Figure 14 display a high level of instability, driven by the availability of slaughter stock, within the smallholder sector that accounts for the vast majority of cattle producers.

In January and April 2018, 22,824 and 19,907 cattle were slaughtered, respectively.



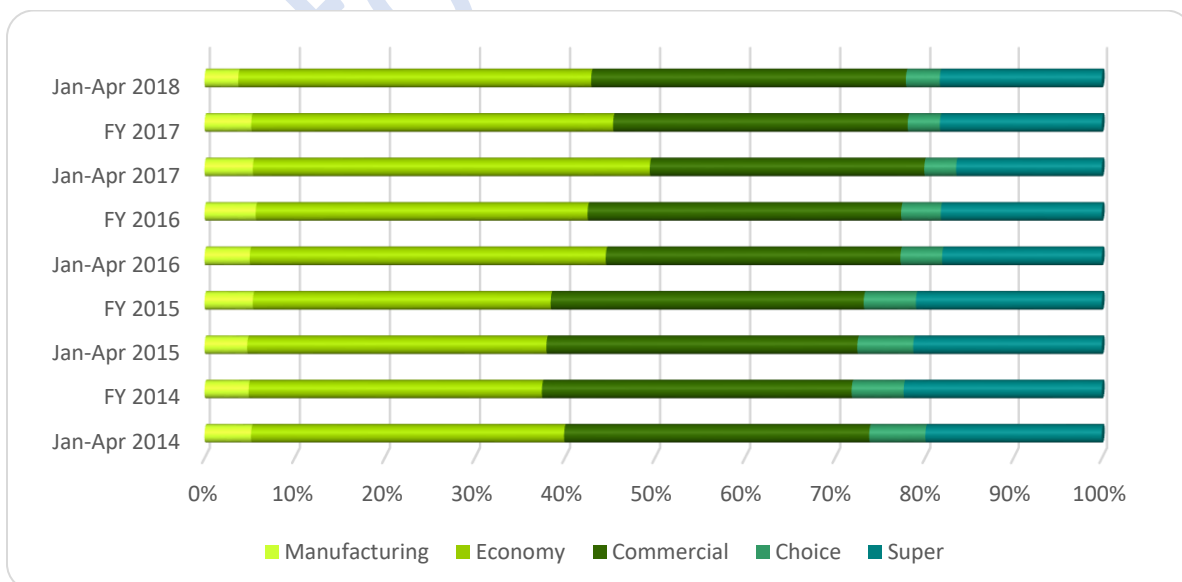
**Figure 14 Monthly Cattle Slaughters, 2013 – 2018**

Masvingo and Mashonaland West provinces slaughtered the highest number of cattle, numbering 15,291 and 14,015 respectively between January and April.



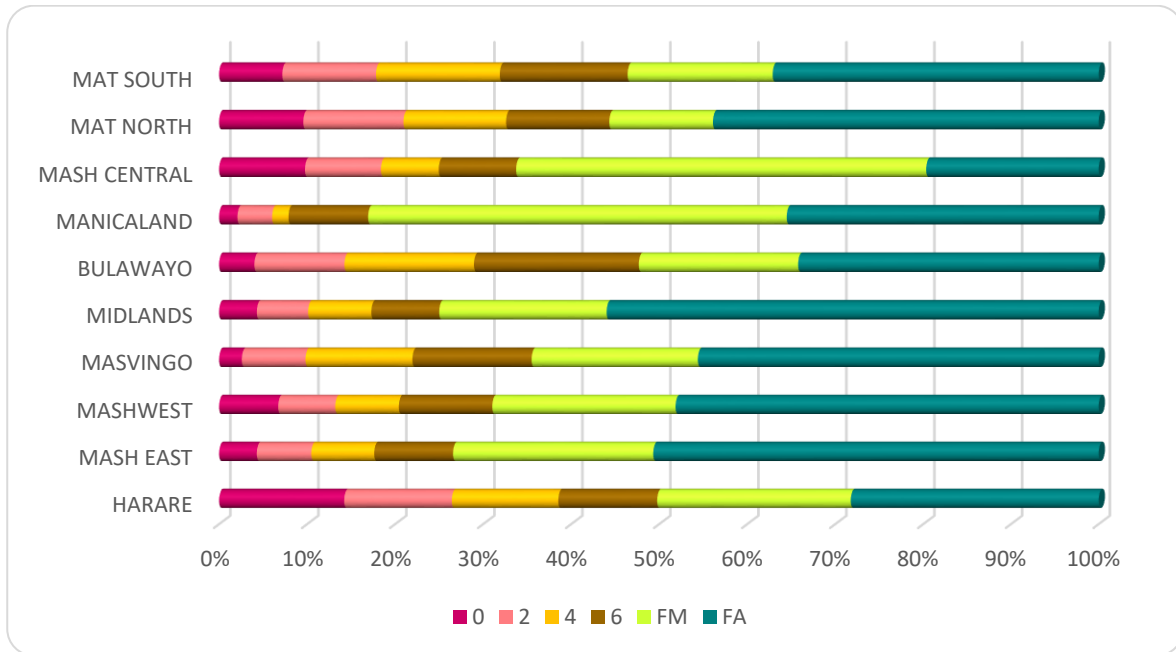
**Figure 15 Accumulated Provincial Slaughters, 2013 - 2018**

Super grade accounted for 18% of slaughtered stock for the period January to April 2018, a change of 2% over the corresponding period in 2017. The general trend has been that the super grade composition of slaughtered cattle stock has declined, economy grade has compensating for the decline, while commercial grade has remained relatively stagnant.



**Figure 16 Quality Composition by Grade, 2014 – 2018**

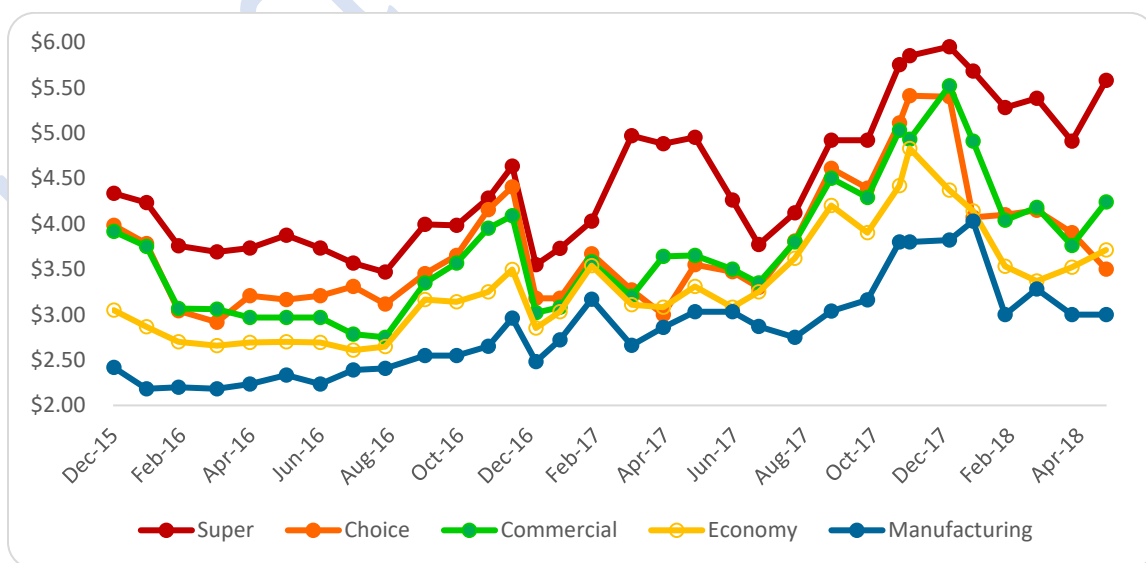
As depicted in Figure 17, full mouth and full aged cattle continue to dominate the slaughter of cattle at monitored abattoirs.



**Figure 17 Cattle Slaughters Classified by Age**

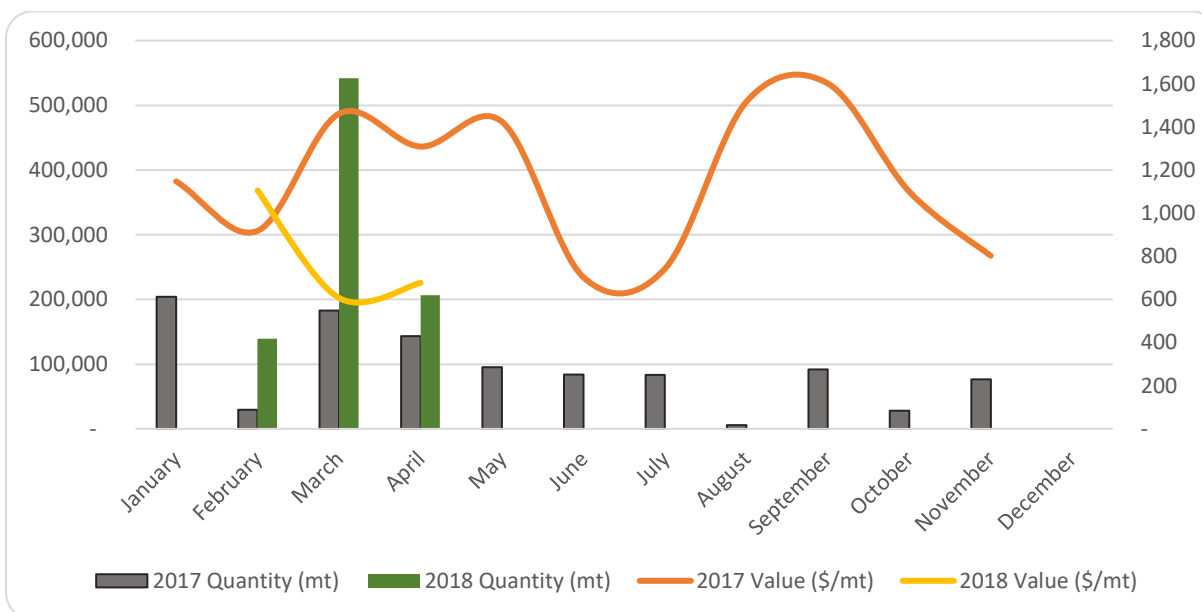
Beef prices experienced significant declines in February 2018, driven by a slump in demand for meat. The average price of super grade was \$5.28 in February, a decrease from January.

In May, prices across the meat grades showed an increase with the exception of choice.



**Figure 18 Indicative Beef Prices, 2016 – May 2018**

In the period February to April 2018, exports of wet blue hides totaled 888mt at a weighted price of \$700/mt.



**Figure 19 Exports of Wet Blue Hides, 2017 – April 2018**

### 3.0 Poultry Sector

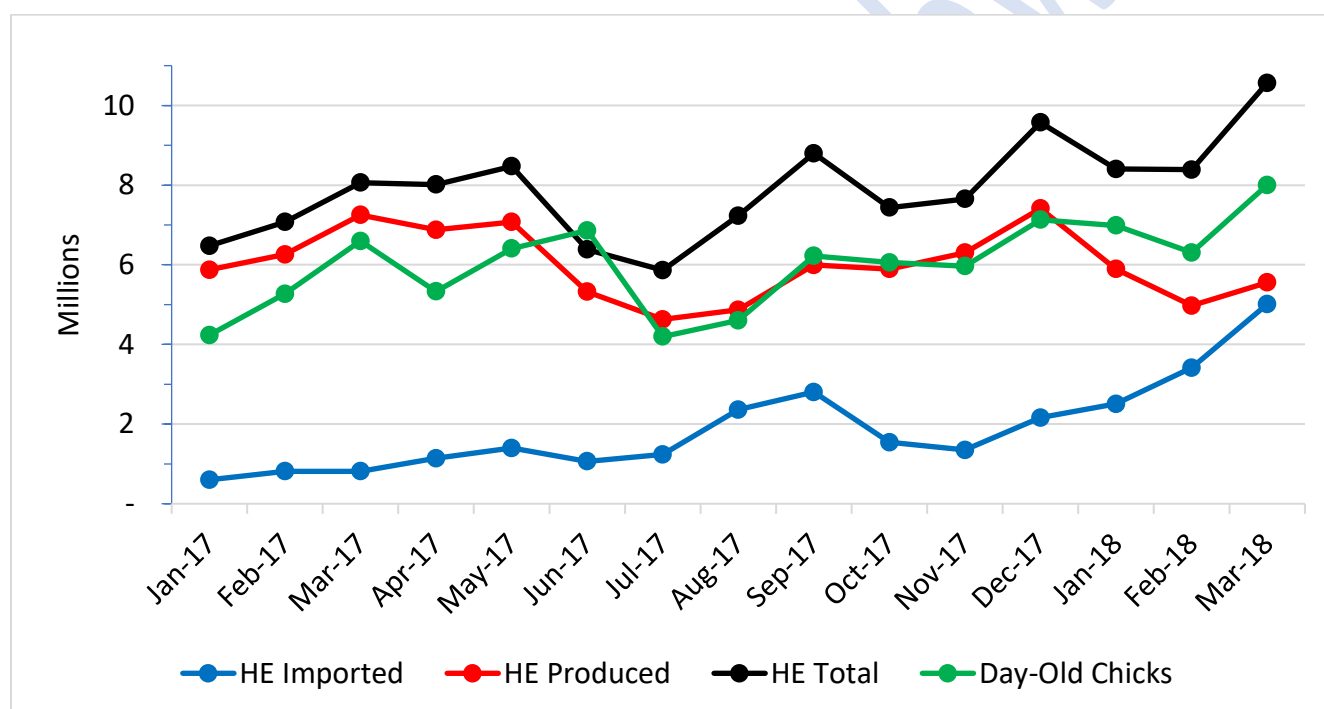
#### Broiler Breeding

Following the outbreak of Avian Influenza (AI) in May 2017, the national total stock of broiler breeders declined from 660,000 birds in April to 490,000 birds in June and declined further to 470,000 in December 2017. Since then, an aggressive restocking of breeder birds by the poultry industry has occurred and pre-laying broiler breeder birds increased from 130,000 birds in September 2017 to 306,000 birds in March 2018. As a result, there is an upward increase in the total number of broiler breeder birds which rose to 574,000 birds in March 2018. However, this is still 13% lower than the stocks before the outbreak of AI.

Between January and March 2018, laying breeder stocks declined from 298,000 birds to 268,000 birds as spent breeder layers were not matched or surpassed by growing breeders coming into lay. Therefore, projections are that local production of hatching eggs will remain depressed until the last quarter of 2018, necessitating the continued

high dependence on imported hatching eggs to satisfy demand for day-old chicks from local poultry farmers.

Local production of hatching eggs declined 7.4 million in December 2017 to 5.5 million in March 2018 while hatching egg imports increased from 1.35 million in November 2017 to 5.0 million in March 2018 (Figure 20). As a result, production of day-old chicks (DoCs) has remained firm and averaged 7.1 million in the first quarter of 2018, representing an increase of 32% on the same period in 2017. Prices of DoCs remained firm in the first quarter of 2018.



**Figure 20 Broiler hatching eggs and day-old chicks, 2017 to March 2018**

### Broiler Meat Production

Broiler meat production, which had declined to a monthly average of 7,546mt in the third quarter of 2017, has recovered very strongly since then. The recovery has continued into the first quarter of 2018. The monthly average production of 11,213mt of broiler meat during the first quarter of 2018 was 37% more than the average production in the first quarter of 2017. Large-scale broiler meat production peaked at a new high of 4,379mt in March 2018. While producer and wholesale prices held firm in the first quarter of 2018 at \$2.00 and \$3.65/kg, stockholding started to increase and

reached 1,428mt in March and price of 2kg IQF dropped from a peak of \$3.60/kg in December to \$3.40 in March.

**Table 1 Average Monthly Broiler Meat Production (mt), 2017 to March 2018**

	2017				2018	% change
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	
Large-scale	2,614	3,000	2,831	3,326	3,935	18%
Small-scale	5,584	6,729	4,715	6,549	7,278	11%
Total	8,197	9,729	7,546	9,876	11,213	14%

**Table 2 Market Prices, 2017 – March 2018**

	Jan – Mar 17	Apr – Jun 17	Jul – Sept 17	Oct – Dec 17	Jan – Mar 18
Producer price \$/kg	1.84	1.88	1.90	2.01	2.00
Whole bird (wholesale)	3.18	3.21	3.34	3.67	3.65
Leg quarters	3.64	3.91	3.84	4.15	4.19
Breast	5.4	5.05	5.08	4.61	4.85
1kg IQF	3.13	3.17	3.27	3.63	3.65
2kg IQF	3.03	3.11	3.18	3.51	3.48
Average monthly stock holding, (mt)	616	322	370	229	909

### Layer Breeding

Total layer breeding stock dropped from 48,000 in July to 22,000 in August 2017 because of destocking measures to contain AI. Total breeding stock had recovered to 42,000 in January 2018 on the back of investments in growing stock but had declined to 34,000 March 2018. Production of hatching eggs in the first quarter was similar to that of the last quarter of 2017. Production of sexed pullets in the first quarter of 2018 was 4% up on the last quarter of 2017 but 24% lower than that of the first quarter of 2017. Price of sexed pullets remained firm at \$1.33 per chick.

### Table Egg Production

The total large-scale laying stock (growing and in-lay) partially recovered from the AI-induced destocking low of 629,000 in August 2017 to 848,000 in March 2018 but was still 80% of pre-AI stock levels. In-lay stocks partially recovered from a low of 478,000 in August to reach 515,000 in March and investments in growing stocks increased significantly from 128,000 birds in December to 333,000 in March 2018.

Large-scale table egg production increased from a low of 0.9 million dozen for the period August 2017 to February 2018 to 1.1 million dozen in March. Small-scale egg production is estimated to also have increased to 1.8 million dozen per month for the period December to March. Large-scale, estimated small-scale and total egg production in the first quarter was similar to that of the last quarter of 2018 but was 47%, 3% and 25% lower than first quarter 2017, respectively. Prices of table eggs increased from a low of \$2.86 per tray of 30 eggs in November 2016 and stabilised at \$4.50 per tray in the first quarter of 2018

**Table 3 Average Monthly Table Egg Production (million dozen), 2017 to March 2018**

	2017				2018	% change
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	
Large-scale	1.8	1.7	1.3	0.9	0.9	1%
Small-scale	1.9	1.6	1.6	1.8	1.8	2%
Total	3.6	3.4	2.9	2.7	2.7	2%

### **Veterinary Report**

The poultry industry is on high alert, following reports of an outbreak of AI in North West Province, South Africa. The Department of Veterinary Services and the Zimbabwe Poultry Association are calling on all poultry farmers to be vigilant and to practice stringent biosecurity in the wake of the re-emergence of this highly contagious poultry disease in South Africa.

Poultry production in Zimbabwe is still recovering from the effects of a single outbreak of AI a year ago which occurred on the largest poultry breeder operation in the country. This disrupted production across the industry and resulted in a shortage of eggs. Zimbabwe was declared AI-free by the World Organisation for Animal Health on 31<sup>st</sup> January this year, but the ban on the importation of all poultry products and live birds from South Africa remains in force as a control measure to protect the local poultry industry.

It is illegal to import chicken products into Zimbabwe from South Africa; whether in large refrigerated consignments or coming through the border with packs of frozen chicken in the family grocery shopping. This also applies to bringing in live birds from

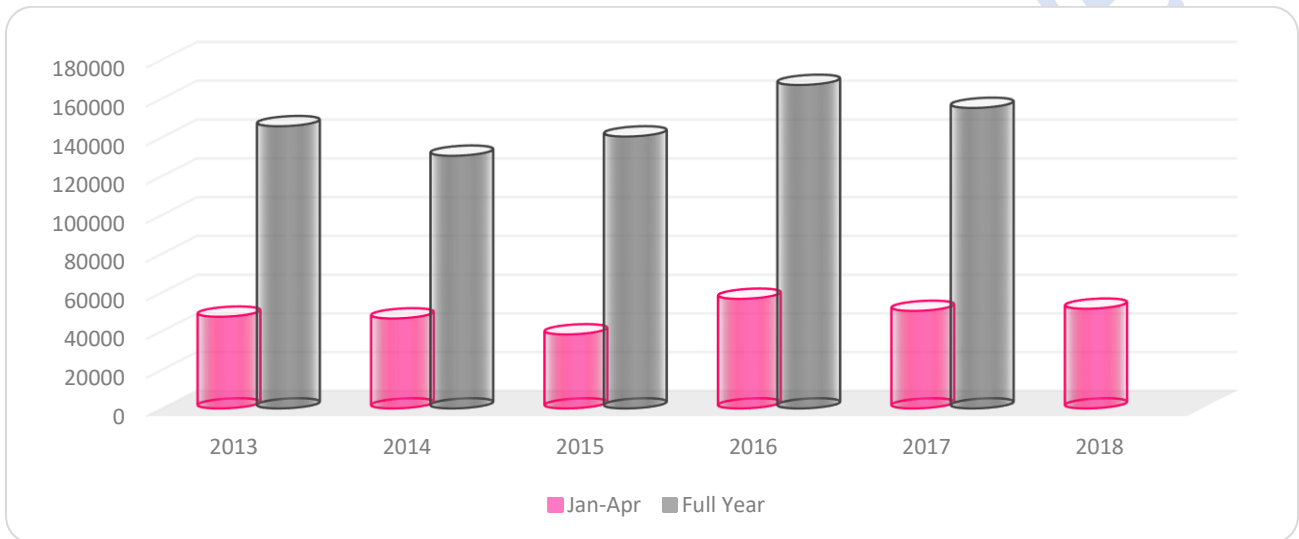


South Africa, because of the risk of AI, which can spread rapidly and decimate whole flocks.

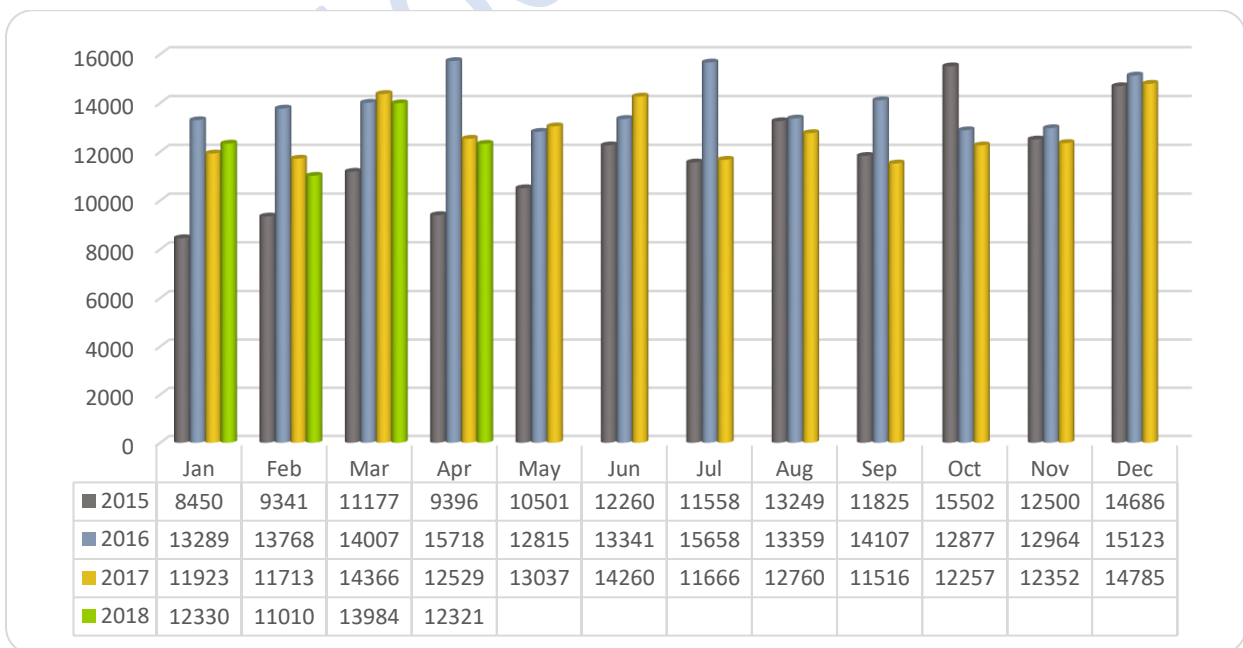
## 4.0 Pork Sector

### Pig Slaughters

Cumulative pig slaughters from January to April 2018 were 51,663 head, 2% above the corresponding period last year of 50,531 but 9% less than the same period in 2016.

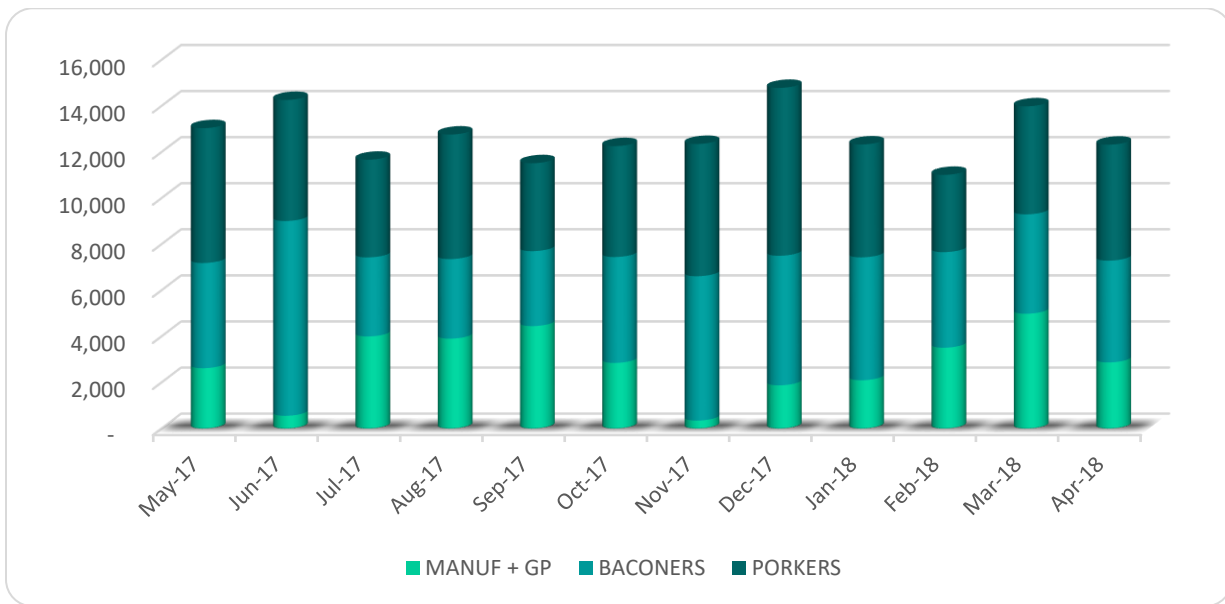


**Figure 21 First Quarter Pig Slaughters, 2013 - 2018**

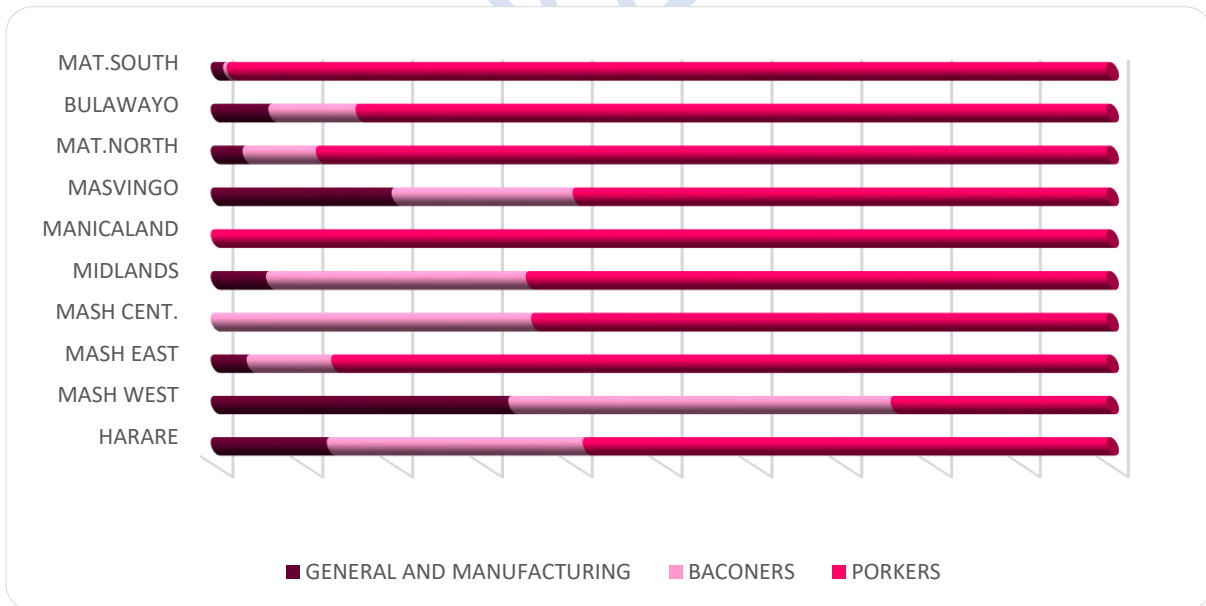


**Figure 22 Monthly Pig Slaughters, 2015 – 2017**

Cumulative slaughters to April 2018 were composed of 36% Porkers, 37% Baconers, with the remaining 27% made up of Manufacturing and General Purpose grades.

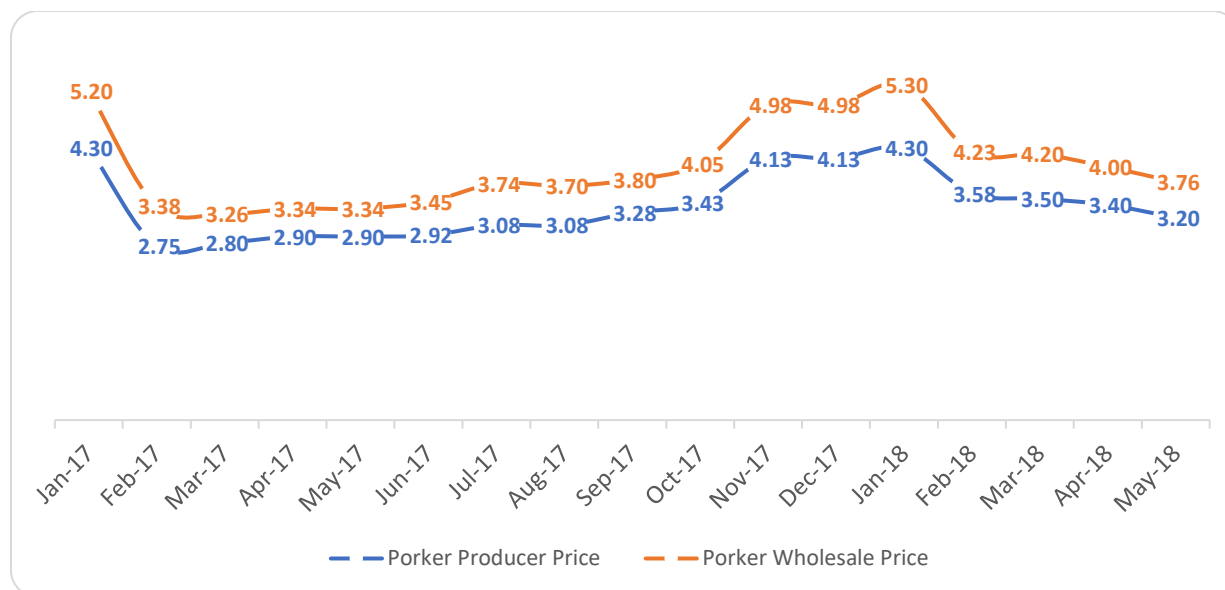


**Figure 23 Pig Slaughters by Grade**



**Figure 24 Provincial Slaughters by Grade**

Producer and wholesale prices in 2018 have come under sustained downward pressure from December 2017 as noted by surveys carried out by the Pig Industry Board in May 2018 and averaged \$3.20 for Porkers, a decline of 25% from the January 2018 price of \$4.30/kg.

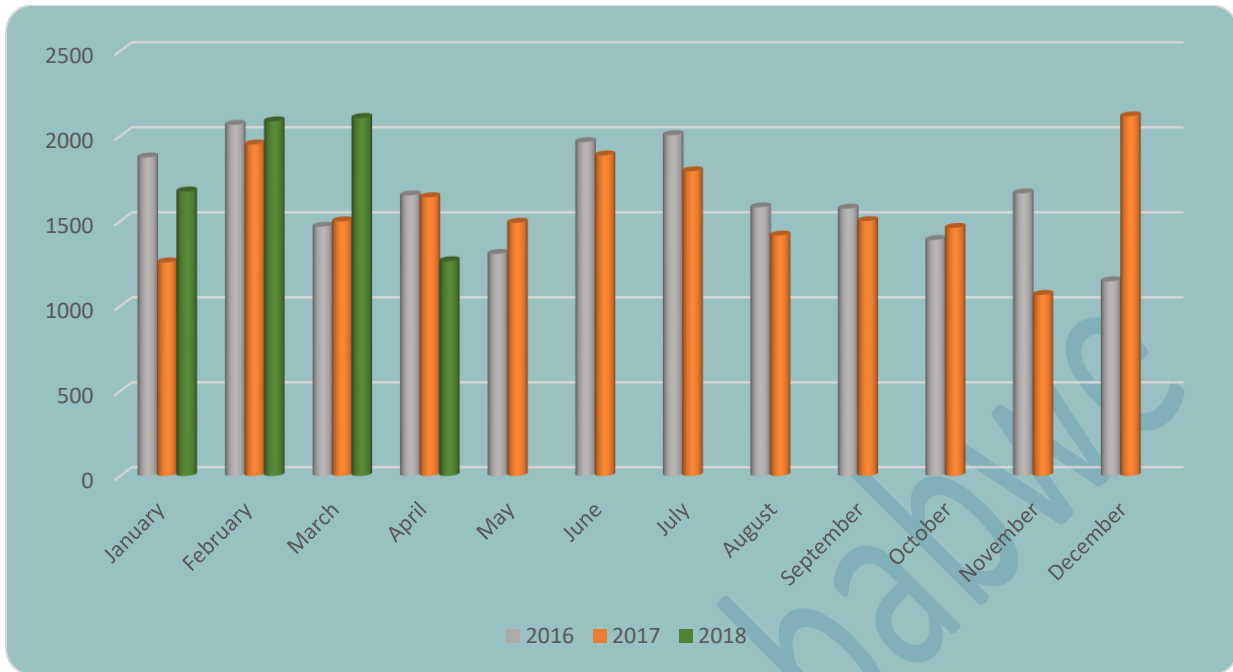


**Figure 25 Pig Producer and Wholesale Prices**

Concern has been raised about the increase in imports of frozen pork and other related products. Total imports of frozen pork in February and March 2018 totaled \$433,000, higher than for 2017.

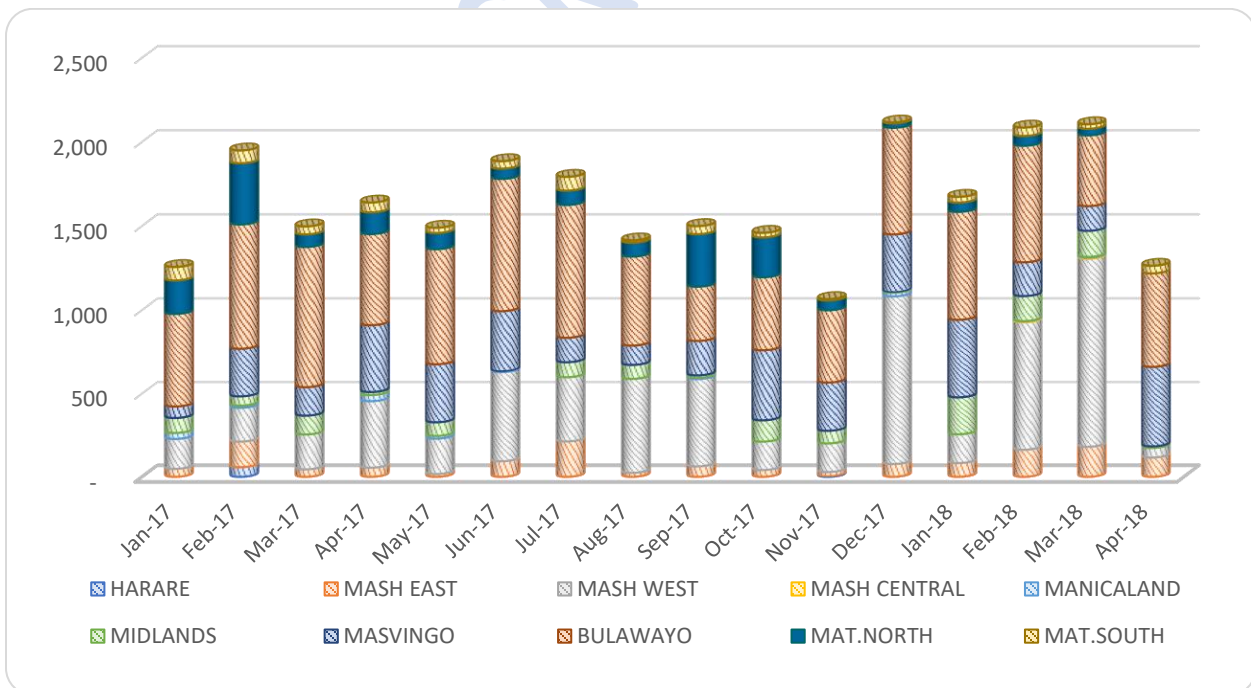
## 5.0 Goat Sector

Total goat slaughters at abattoirs monitored by the Department of Livestock Production and Development for the period January to April 2018 totaled 7,058, 11% more than the same period in 2017.

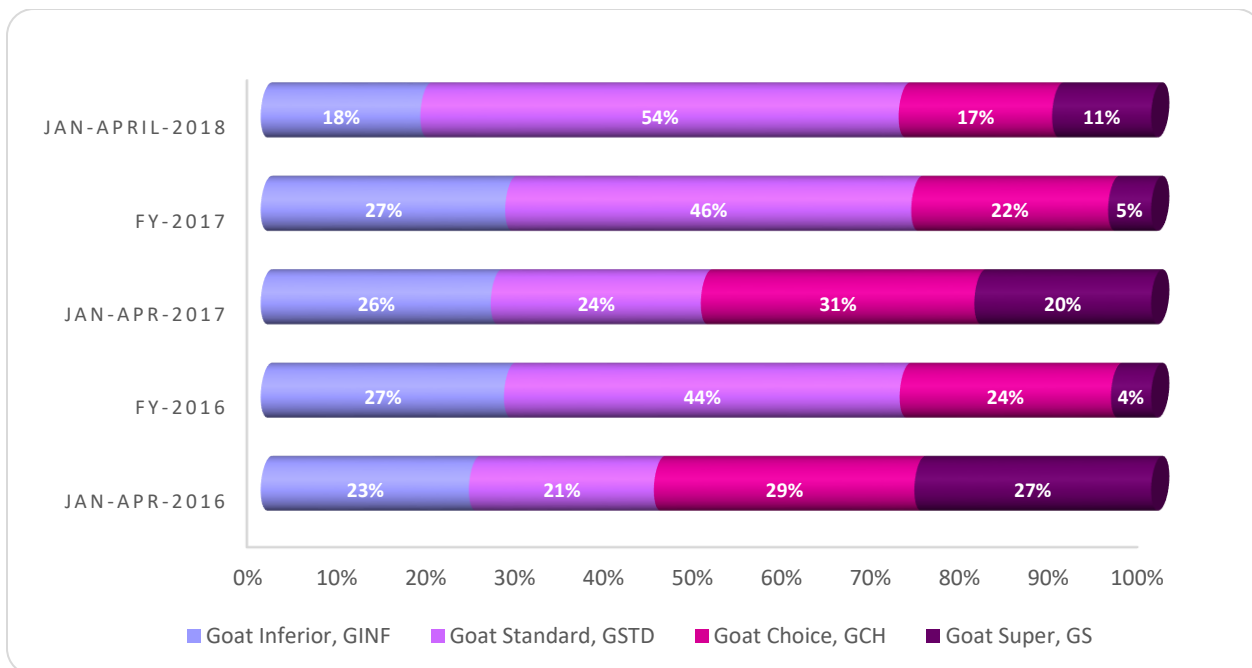


**Figure 26 Goat Slaughters, 2016 – April 2018**

Cumulative goat slaughters for January to April 2018, show that Bulawayo province recorded the highest number, accounting for 32% of the total slaughter. Mashonaland West and Masvingo provinces had the second and third highest slaughters, respectively.



**Figure 27 Cumulative Goat Slaughters, 2017 – April 2018**



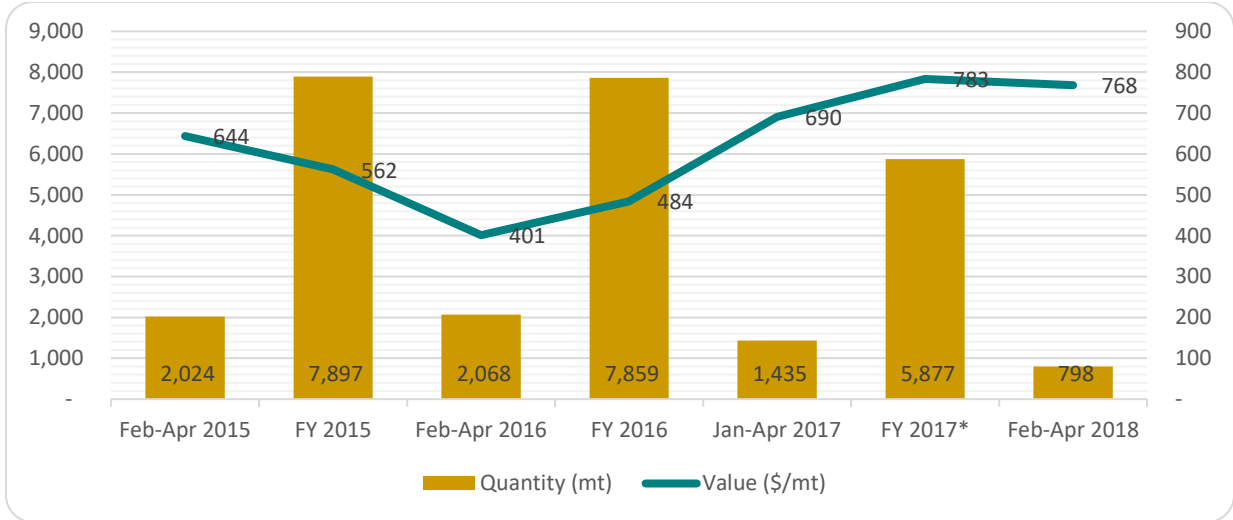
**Figure 28 Goat Slaughters by Grade, 2016 – April 2018**

## 6.0 Meat Processing Sector

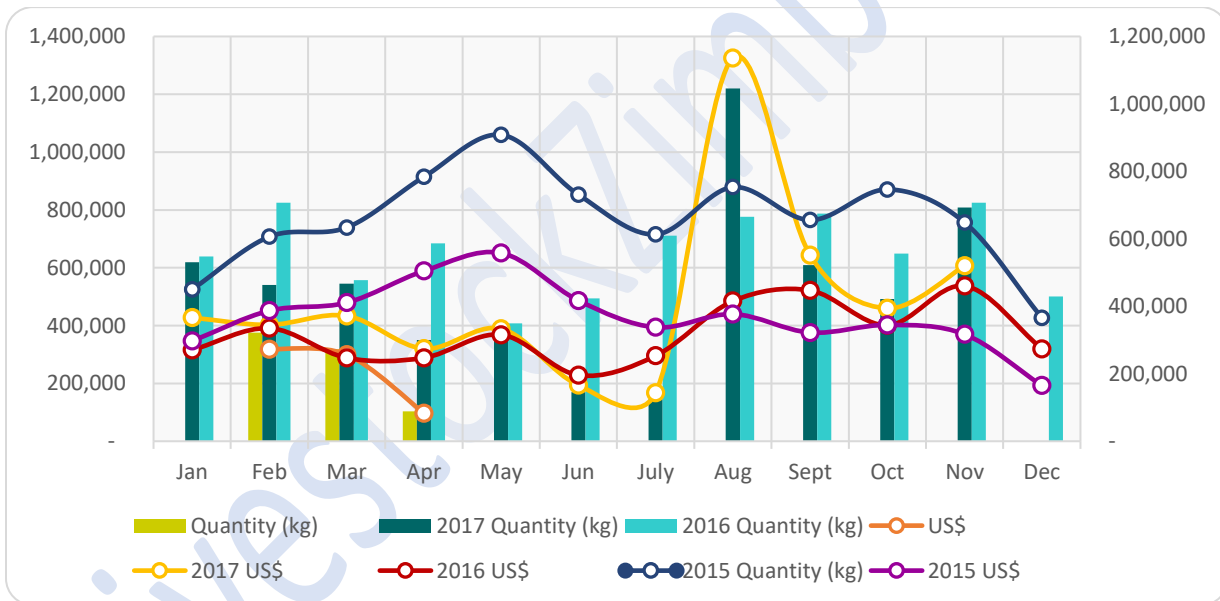
### Imports of Mechanically Deboned Meat

Cumulative imports of mechanically deboned meat (MDM) for February to April 2018 was 798mt, representing a decline of 44% over the same period in 2017.

The cost of MDM averaged \$768/mt between January and April, an increase of 11% over the same period in 2017. The rise in cost is due to a number of factors, including supply constraints from traditional markets such as Brazil and Argentina. The import duty of 40% continues to put upward pressure on cost, notwithstanding the fact that MDM is categorised as a raw material.

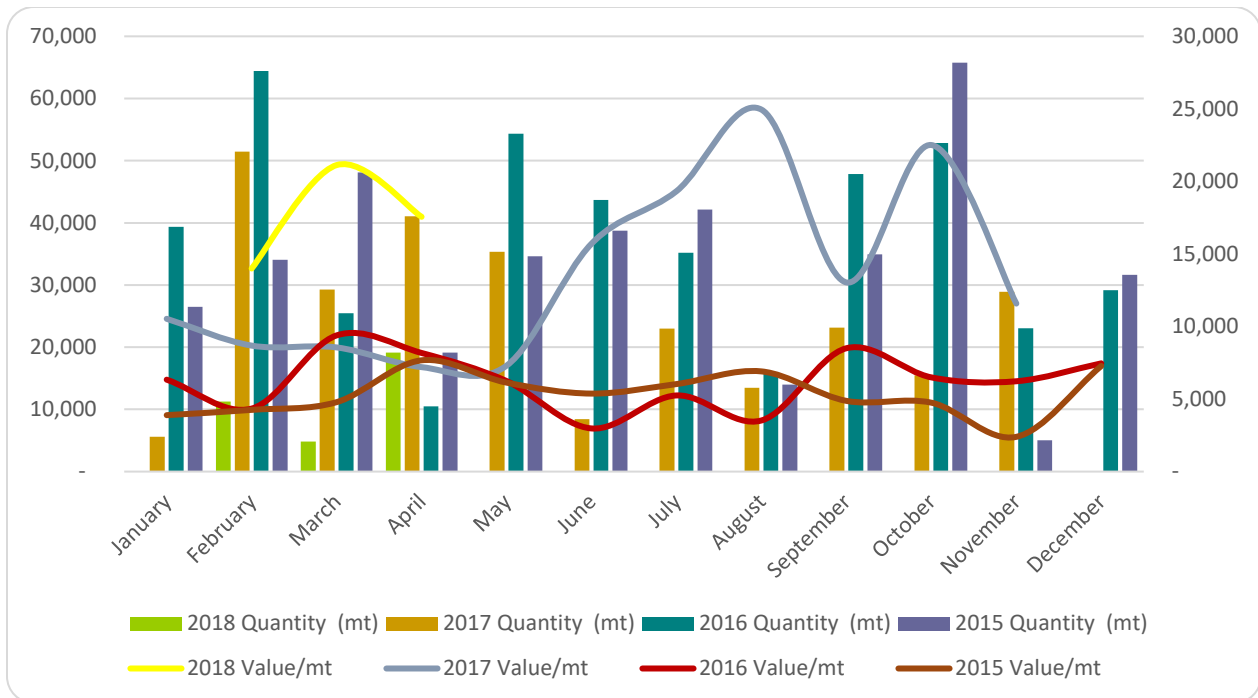


**Figure 29 Imports of Mechanically Deboned Meat, 2015 – April 2018**



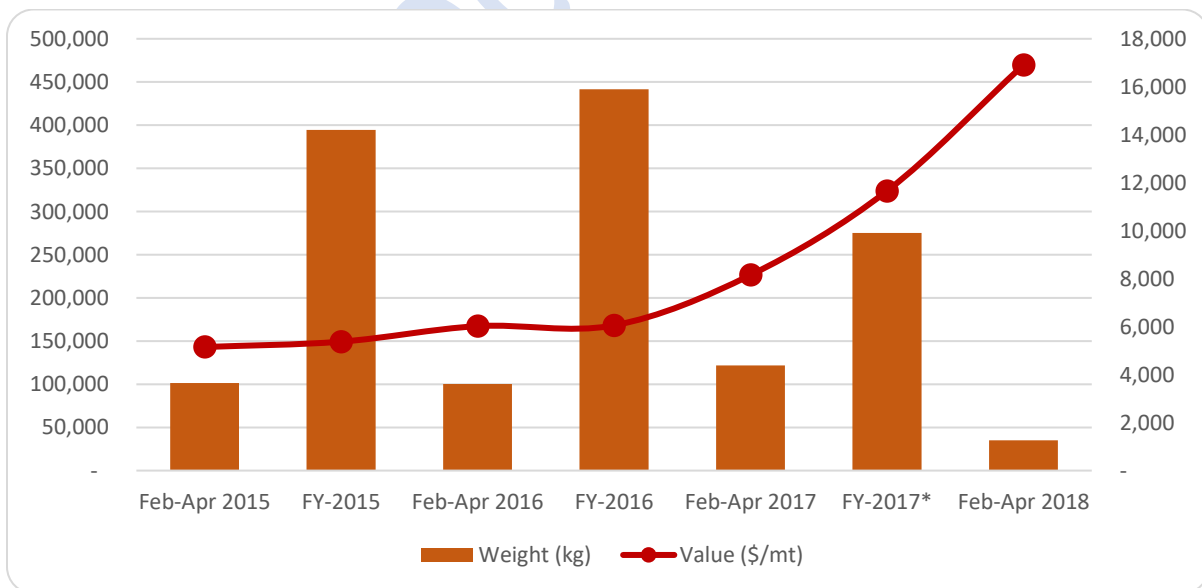
**Figure 30 Monthly Imports of Mechanically Deboned Meat, 2015 – April 2018**

Imports of sausage casings for the three months between February and April 2018, amounted to 798mt, a decline of 44% over the same period in 2017. The total value of imports was \$612,847 against \$991,047 in the corresponding period in 2017.



**Figure 31 Imports of Sausage Casings, 2017 – April 2018**

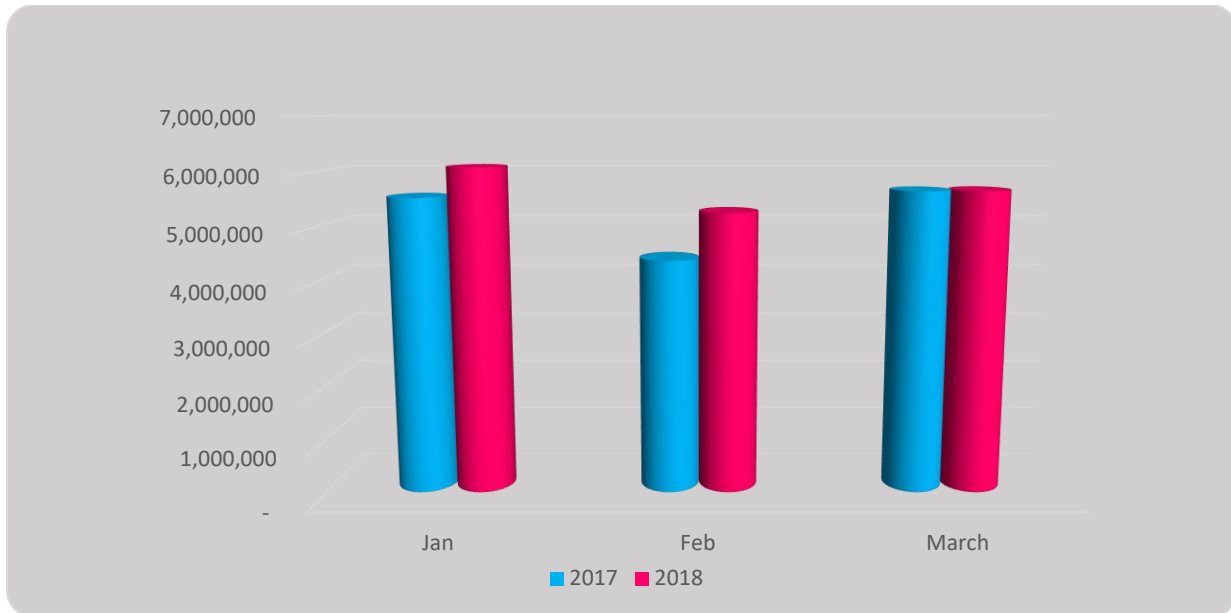
The average import cost was \$16,914/mt, an increase of 107% over the same period in 2017. The significant increase in cost reflects both the acquisition cost of offshore payment facilities and the increase in casings on the global market.



**Figure 32 Aggregate Value and Weight of Sausage Casings Imported, 2015 – April 2018**

## 7.0 Dairy Sector

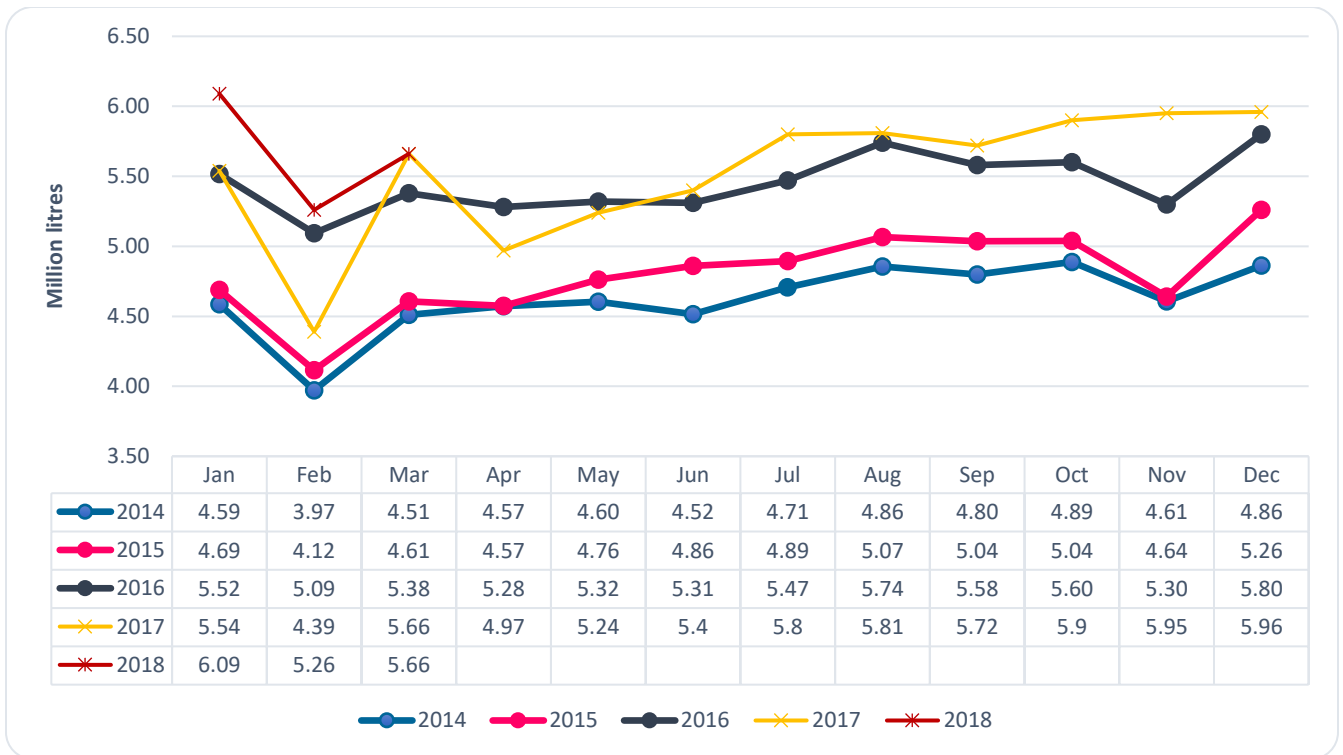
Milk production for the three months to March totaled 17.0 million litres, an increase of 9% over the same period in 2017.



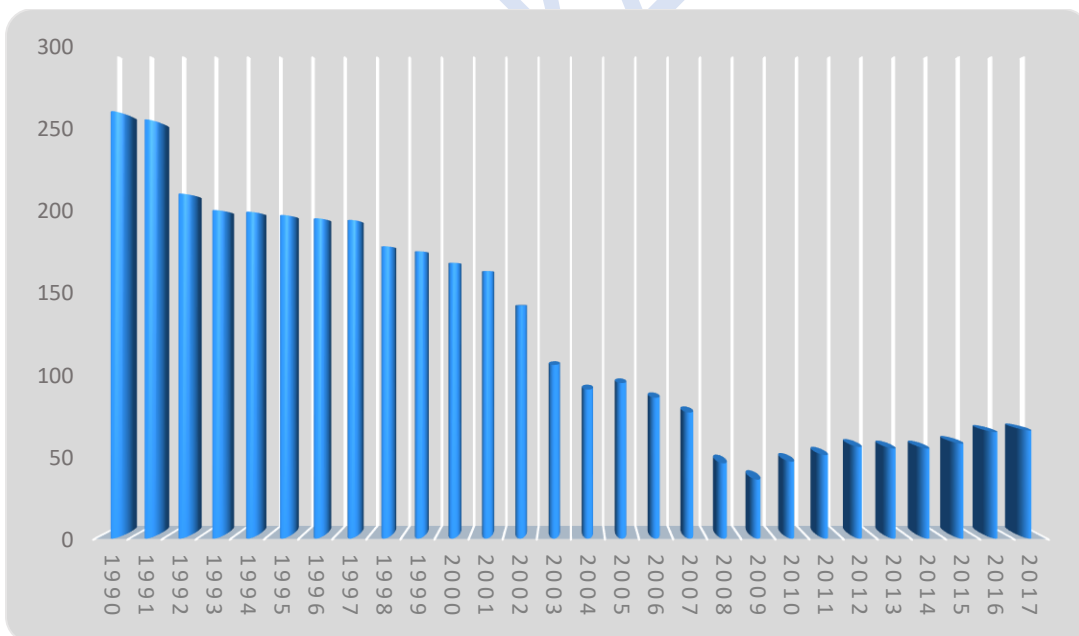
**Figure 33** First Quarter Milk Production, 2014 - 2017

	2017	2018	Var
<b>Jan</b>	5,537,978	6,086,385	10%
<b>Feb</b>	4,394,995	5,263,450	20%
<b>March</b>	5,660,330	5,662,186	0%





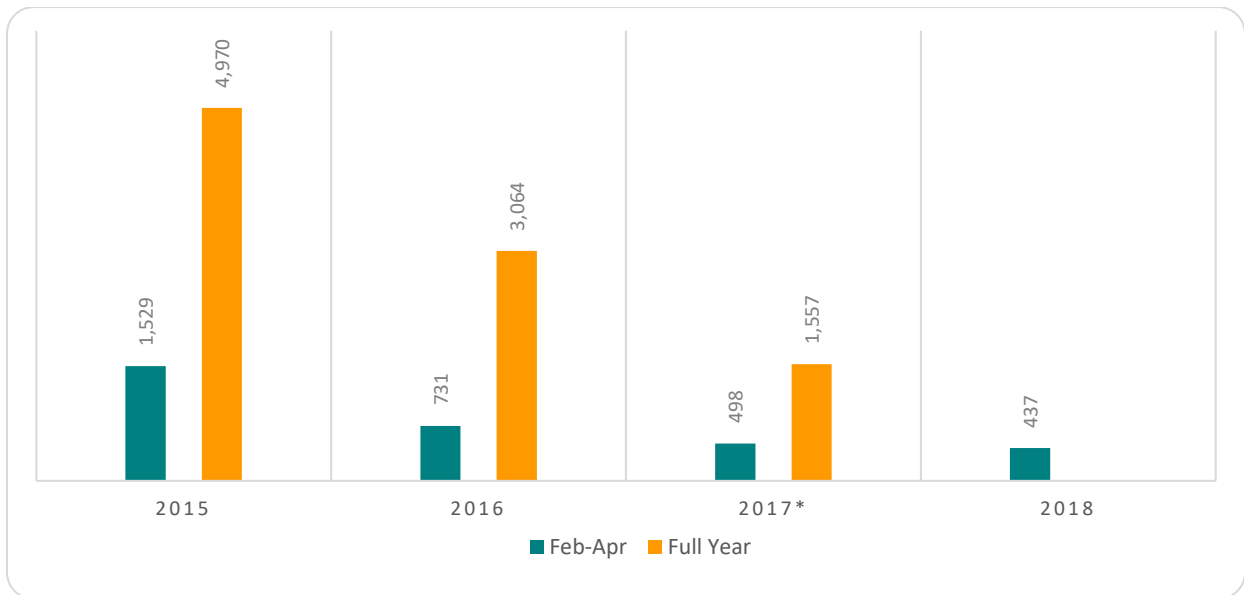
**Figure 34 Monthly local raw milk production, 2014 – March 2018**



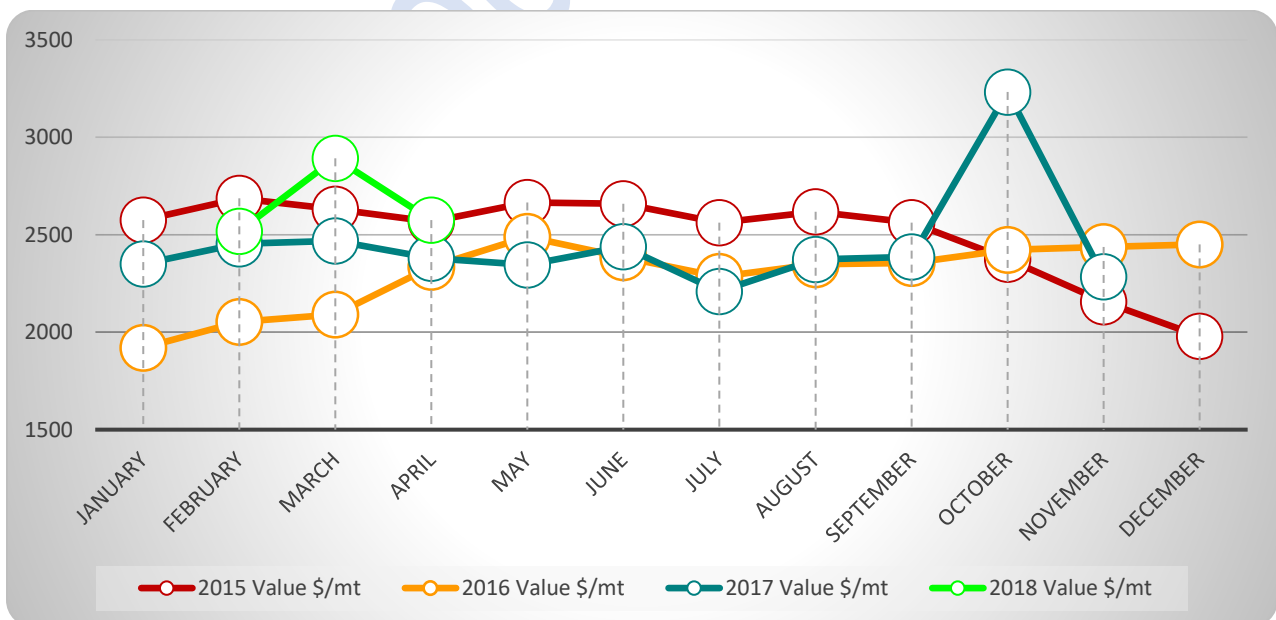
**Figure 35 Annual Milk Production, 1990 - 2017**

## 8.0 Aquaculture Sector

Exports of fish between February and April 2018 were 437mt, valued at \$1.14m. This represents a decline of 12% and 6% in quantity and value, respectively when compared to the same period in 2017. The persistent increases in the cost of doing business have decreased the country's competitiveness in export markets with cost of fish feed often cited as a major cost driver in farmed fish.

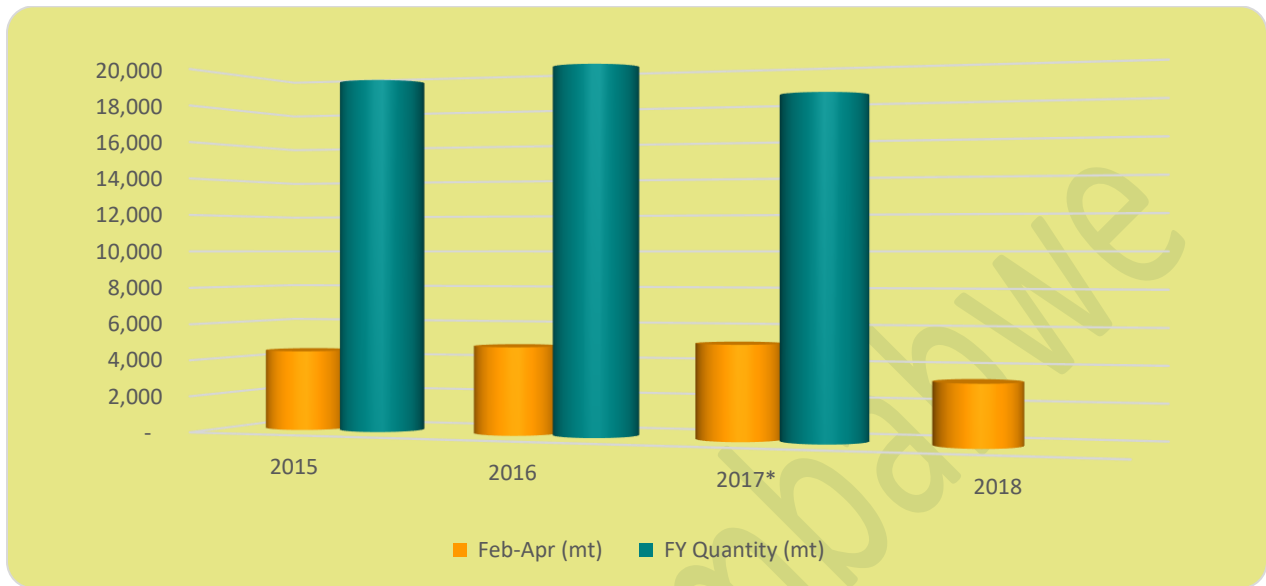


**Figure 36 Fish Exports (mt), January 2015 to April 2018**

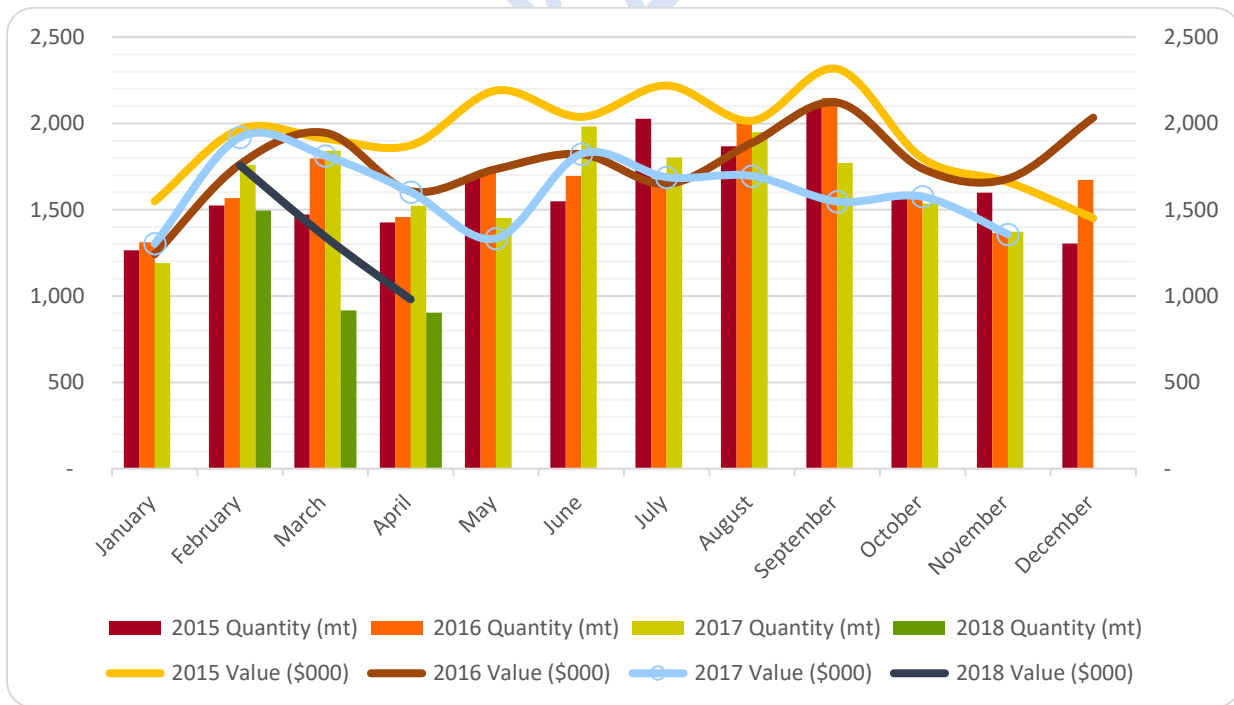


**Figure 37 Value of Fish Exports \$/mt, 2015 – April 2018**

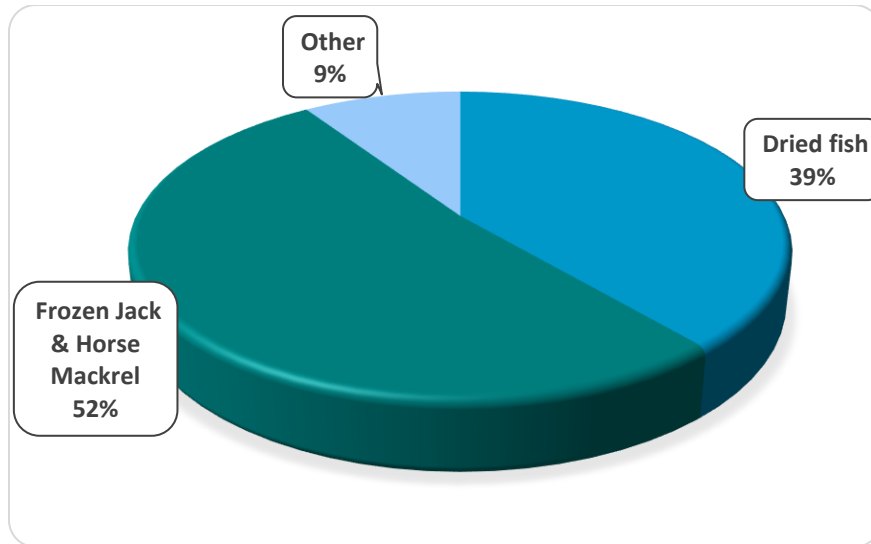
Fish Imports for February to April were 3,314mt 35% down on the same period in 2017. In value terms total imports were \$4.1m which is 24% down on same period 2016.



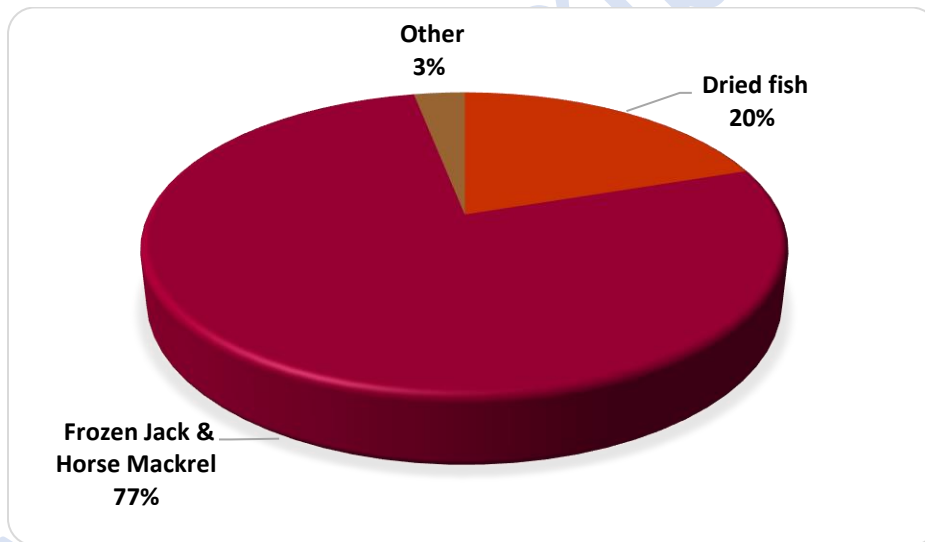
**Figure 38 First Quarter Fish Imports, 2015 - 2018**



**Figure 39 Monthly Fish Imports, 2015 – April 2018**



**Figure 40** Proportionate Value of Fish Imports, \$



**Figure 41** Proportionate Quantity of Fish Imports, mt