Zimbabwe Poultry Association

Old Show Office, Exhibition Park, Samora Machel Ave, Harare

P O Box BE 209, Belvedere, Harare

Ph 756 600 / 772 915 / 777 391 E-mail admin@lit.co.zw

Newsletter August 2018

Contents

Production News
Inputs and Raw Materials
Market Watch
Imports
Veterinary Report

Production News

Broiler Breeding: In the second quarter of 2018 (April to June: Q2), broiler breeder stocks (growing and in-lay) averaged 567,425 birds per month, being 10% up on the first quarter (January to March: Q1) of 2018 and 4% down compared to Q2 of 2017 (Table 1, Figure 1). The increase is due to enhanced investments in young growing birds, which has been partly off-set by reductions in in-lay stocks as a result of birds being culled at the end of their production cycle (Figure 1).

Hatching egg production averaged 4.6 million per month in Q2, being 15% lower than Q1 and 28% lower than Q2 of 2017 (Table 1, Figure 2). In contrast, imported hatching eggs averaged 4.8 million per month, being 32% higher than Q1 and 298% higher than Q2 of 2017; and in June 2018, imports exceeded local production (Figure 2). As a result, total hatching eggs averaged 9.4 million per month in Q2, 4% up on Q1 and 24% higher than Q2 of 2017. Similarly, day old broiler chick production averaged 7.4 million per month in Q2, 5% higher than Q1 and 20% higher than Q2 of 2017 (Table 1, Figures 2 & 3). Price of chicks remained firm in Q2 at $96 per 100 chicks (Table 1, Figure 4).

Broiler Meat Production: Total broiler meat production remains firm and averaged 11,644mt per month in Q2, which was 4% higher than Q1 and 20% higher than Q2 of 2017 (Table 2, Figure 5).

Large-scale broiler meat production declined by 12% while estimated small-scale meat production increased by 12% (Table 2). In the large-scale sector, wholesale prices declined, especially 2kg mixed portions ($3.24, -10%), 1kg mixed portions ($3.84, -8%) and whole birds ($3.43, -6%) resulting in slight reductions in stock holding (Table 1, Figures 6 & 7).

Layer Breeding: Layer breeder stocks increased by 18% in Q2 being similar to the same period last year (Table 2, Figure 8). While hatching egg production increased by 28% in the second quarter, this was still 16% lower than the same period last year. This increase is still to impact upon sexed pullet production which averaged 106,850 per month in Q2, 11% lower than Q1 and 28% lower than Q2 in 2017 (Table 3, Figure 9). The price of sexed pullets increased by 7% and averaged $143 per 100 chicks (Table 3).

Table Egg Production: Large-scale layer production stocks (growing and in-lay birds) improved significantly in the second quarter (38% and 10% respectively): stocks of growing birds were 34% up while birds in-lay were 41% down on the same period last year (Table 3, Figure 10).

Large-scale, small-scale and total table egg production increased by 13, 10 and 11% respectively (Table 3, Figure 11). Although large-scale egg production increased to 1.1 million dozen per month, this is 39% down on the same period last year. Total egg production in the second quarter was 3.0 million dozen per month. Wholesale price of table eggs remains firm and averaged $4.50 in the second quarter.

Inputs and Raw Materials

Poultry feeds continue to dominate the stockfeed industry and in the second quarter of 2018, production averaged 32,862mt/month (worth $21.3m), being increases of 46% in quantity and 37% in value over the same period in 2017. Poultry feeds accounted for 70% of all feeds produced by weight (Figure 12) and 77% by monetary value. By comparison, pig and ruminant feeds accounted for 8 and 9% of the total value of feeds produced, respectively.

Over the period April to June 2018, production of broiler feeds increased by 76% while layer feeds decreased 6% compared to the same period in 2018.

The prices of most raws procured in the second quarter of 2018 were similar to prices of the first quarter. Notable increases were: soya beans, +16%; high CP cotton cake, +18%; MCP, +22%; and fine and coarse limestone flour, 20 and 22%. Similarly, prices of most feeds in the second quarter were comparable to first quarter prices. Average weighted broiler and layer feed prices in the second quarter of 2018 were $670 and $508/mt, respectively, being 3% and 0% higher than prices in the first quarter (Figure 13).

In addition to difficulties in acquiring foreign currency for the procurement of key raw materials, major challenges facing the feed and livestock production sectors is the cost and availability of soya beans/solvent extracted meal, wheat bran and molasses.

Market Watch

Demand for broiler meat increased significantly in the first half of 2018 compared to the same period last year. This was accompanied by increased demand in the smallholder sector for day-old chicks. Industry expects the elevated demand to persist into the second half of the year, driven by increased prices of beef sustained by low cattle supply currently being experienced, especially in the northern provinces.

The high prices of eggs has spurred significant investments into layer production. Supply of table eggs is therefore expected to improve towards the end of 2018 as placed layers come into production.

Reasonable 2017-18 maize yields, high carry-over stocks and GMB wholesale price subsidies to feed manufacturers - for both locally produced maize and soyabeans - have helped cushion farmers from the high day-old chick prices induced by the need to import hatching eggs following last year's outbreak of Avian Influenza.

Imports

The poultry industry commends efforts by border authorities to curb illegal importation of chicken offal, particularly from South Africa which has not yet fully controlled the Avian Influenza outbreak that started mid-2017. Mirror trade data from the South African Revenue Service indicates that only 75mt of chicken offal were exported to Zimbabwe in the first 6 months of 2018.

Veterinary Report

Newcastle Disease remains a challenge for the poultry sector. However, the industry commends the efforts of the Department of Veterinary Services which is currently embarking on an NCD vaccination programme of the communal poultry flock.

Kind regards,

Solomon Zawe
<u>Chairman</u>

Table 1. Broiler Monthly Average Production Returns, 2017 to June 2018

	2017				2018		%
	Jan-Mar	**Apr-Jun**	**Jul-Sep**	**Oct-Dec**	**Jan-Mar**	**Apr-Jun**	**change**
Female Parent Stock							
Chick Sales and Retentions	54,923	42,805	3,112	3,600	8,098	7,684	-5%
Growing	286,041	250,533	181,787	146,265	235,371	298,895	27%
In Production	349,335	337,720	284,941	317,316	281,594	268,530	-5%
Hatching Eggs							
Produced (ea)	6,460,580	6,424,019	5,164,012	6,536,527	5,474,263	4,643,372	-15%
Imported (ea)	743,965	1,199,888	2,133,404	1,684,406	3,623,785	4,773,497	32%
Total (ea)	7,204,546	7,623,907	7,297,416	8,220,933	9,098,048	9,416,869	4%
Day Old Chicks							
Chick Sales and Retentions	5,366,646	6,199,191	5,007,786	6,384,809	7,098,638	7,419,687	5%
Price per 100 chicks	65.86	66.91	79.40	93.48	97.33	96.37	-1%
Broilers							
Number slaughtered	1,727,906	1,840,966	1,887,576	2,107,771	2,345,540	2,142,989	-9%
Average live weight	1.69	1.78	1.80	1.79	1.76	1.83	4%
Producer price, $/kg	1.84	1.88	1.90	2.01	2.00	2.02	1%
Total dressed weight, tonnes	2,614	3,000	2,831	3,326	3,935	3,481	-12%
Wholesale - whole bird	3.18	3.21	3.34	3.67	3.65	3.43	-6%
Leg quarters	3.64	3.91	3.84	4.15	3.83	3.75	-2%
Breast	4.57	4.72	4.83	5.27	4.88	4.66	-4%
1kg IQF	3.13	3.17	3.27	3.63	4.18	3.86	-8%
2kg IQF	3.03	3.11	3.18	3.51	3.60	3.24	-10%
Stock Holding (tonnes)	616	322	370	229	909	1,230	35%

Table 2. Average Monthly Broiler Meat Production (mt), 2017 to June 2018

	2017				2018		%
	Jan-Mar	**Apr-Jun**	**Jul-Sep**	**Oct-Dec**	**Jan-Mar**	**Apr-Jun**	**change**
Large-scale	2614	3000	2831	3326	3935	3481	-12%
Small-scale	5584	6729	4715	6549	7278	8163	12%
Total	8197	9729	7546	9876	11213	11644	4%

Table 3. Layer Monthly Average Production Returns, 2017 to June 2018

	2017				2018		%
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	change
Female Parent Stock							
Chick Sales and Retentions	1,195	2,989	-	4,999	-	-	
Growing	18,860	21,513	13,594	12,071	21,099	20,950	-1%
In Production	23,625	25,376	16,536	18,341	17,275	24,338	41%
Hatching Eggs							
Produced (ea)	446,102	512,327	357,747	354,407	342,074	436,845	28%
Imported (ea)	65,763	9,833	13,320	-	-	-	
Total (ea)	511,865	522,160	371,067	354,407	342,074	436,845	28%
Day Old Chicks							
Chick Sales and Retentions	158,388	147,553	122,358	116,349	120,725	106,850	-11%
Price per 100 chicks	122.22	126.67	124.78	131.67	133.44	142.78	7%
Point of Lay							
Sales	6,234	1,522	4,446	2,095	12,928	7,404	-43%
Price per bird	9.48	10.64	10.67	11.67	11.28	11.67	3%
Layers							
Growing	227,316	276,905	160,130	182,927	268,064	369,903	38%
In-lay	875,394	909,320	612,253	471,243	487,633	534,882	10%
Sale price of spent hens	3.67	3.33	3.70	4.01	3.67	3.59	-2%
Table Eggs							
Produced (doz)	1,763,721	1,729,790	1,262,479	921,637	928,448	1,051,452	13%
Wholesale price per tray	3.50	3.61	3.84	4.31	4.50	4.45	-1%
Stockholding (doz)	141,942	153,307	63,584	55,199	48,703	52,331	7%

Table 4. Average Monthly Table Egg Production (million dozen), 2017 to June 2018

	2017				2018		%
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	change
Large-scale	1.8	1.7	1.3	0.9	0.9	1.1	13%
Small-scale	1.9	1.6	1.6	1.8	1.8	2.0	10%
Total	3.6	3.4	2.9	2.7	2.7	3.0	11%

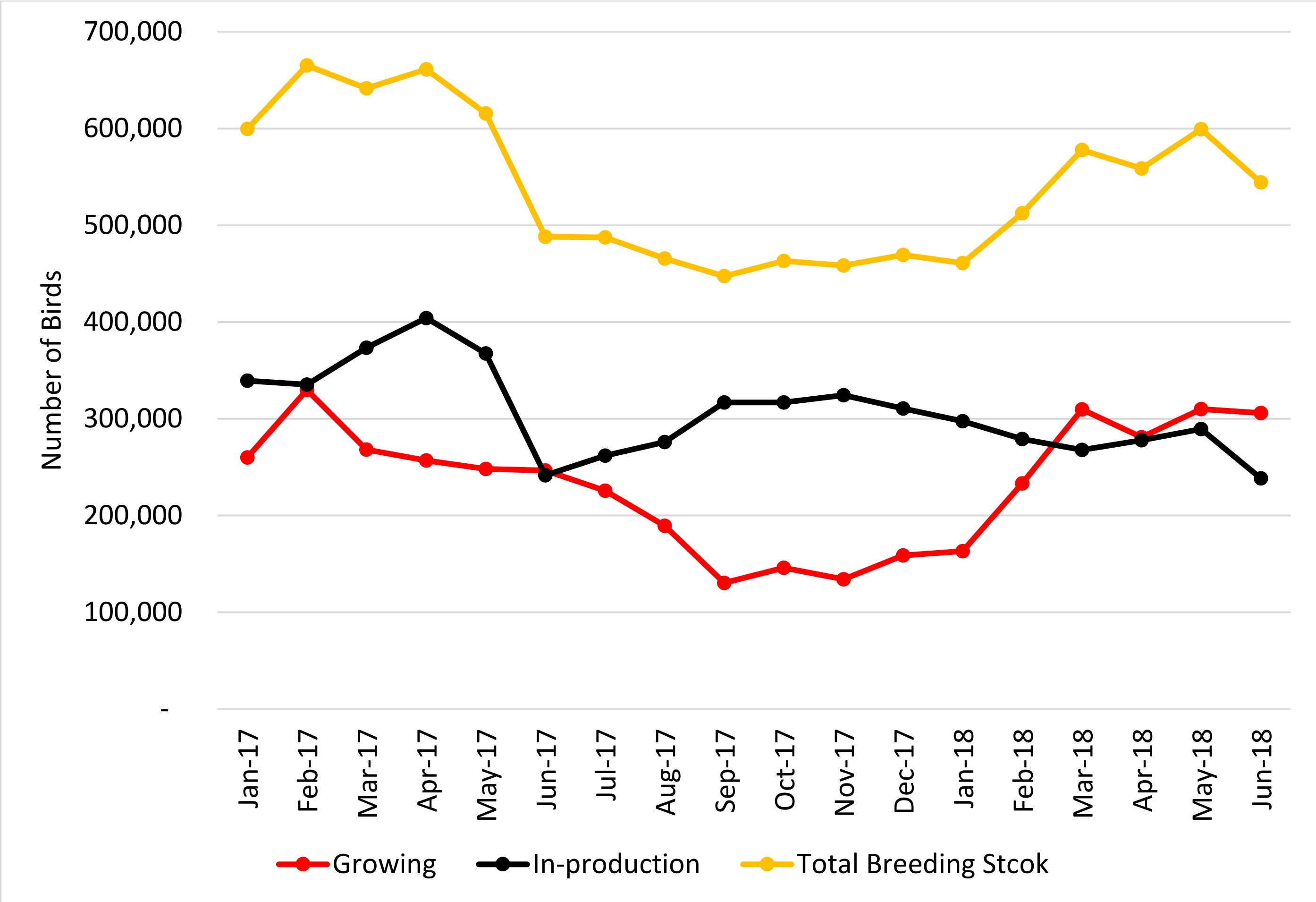

Figure 1. Broiler breeder growing and in-production stocks, 2017 to June 2018

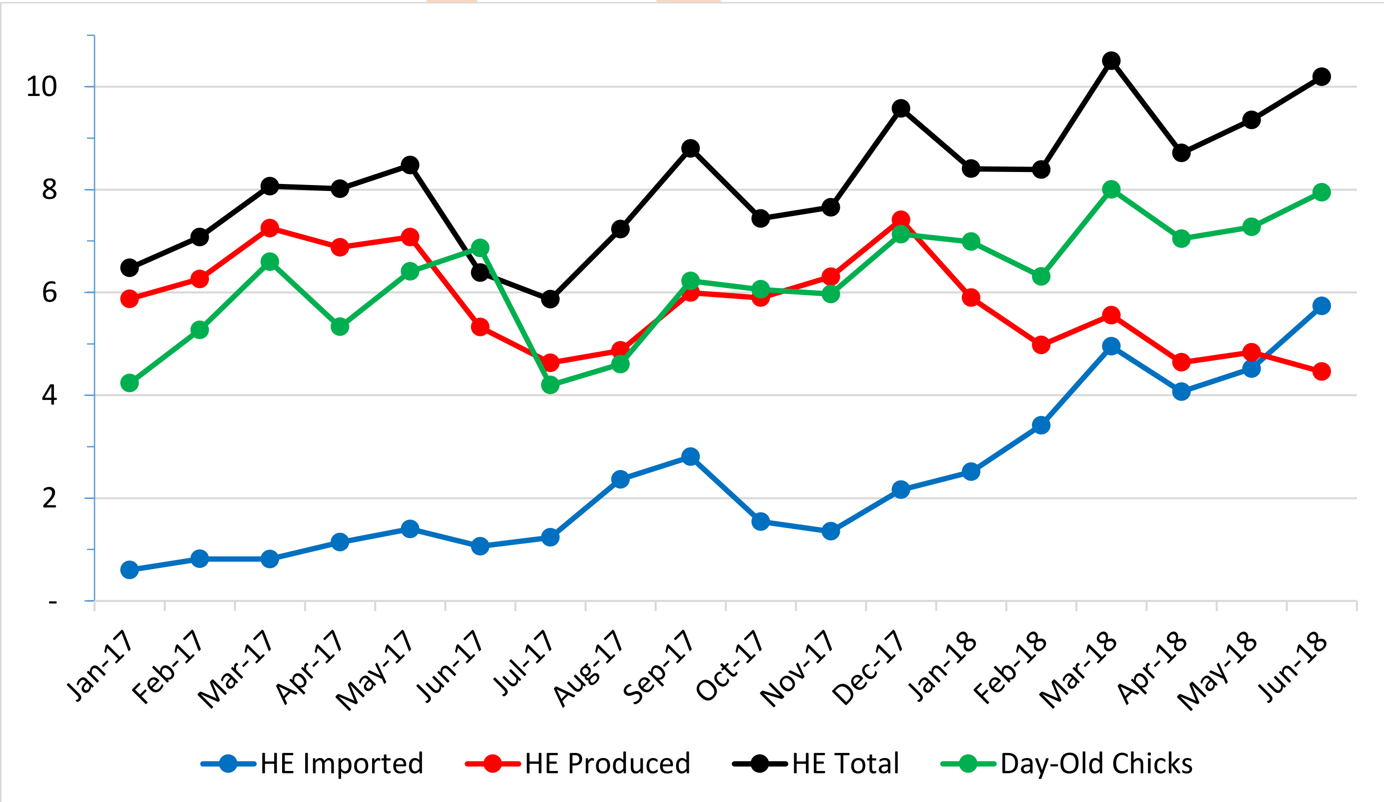

Figure 2. Broiler hatching eggs and day-old chicks, 2017 to June 2018

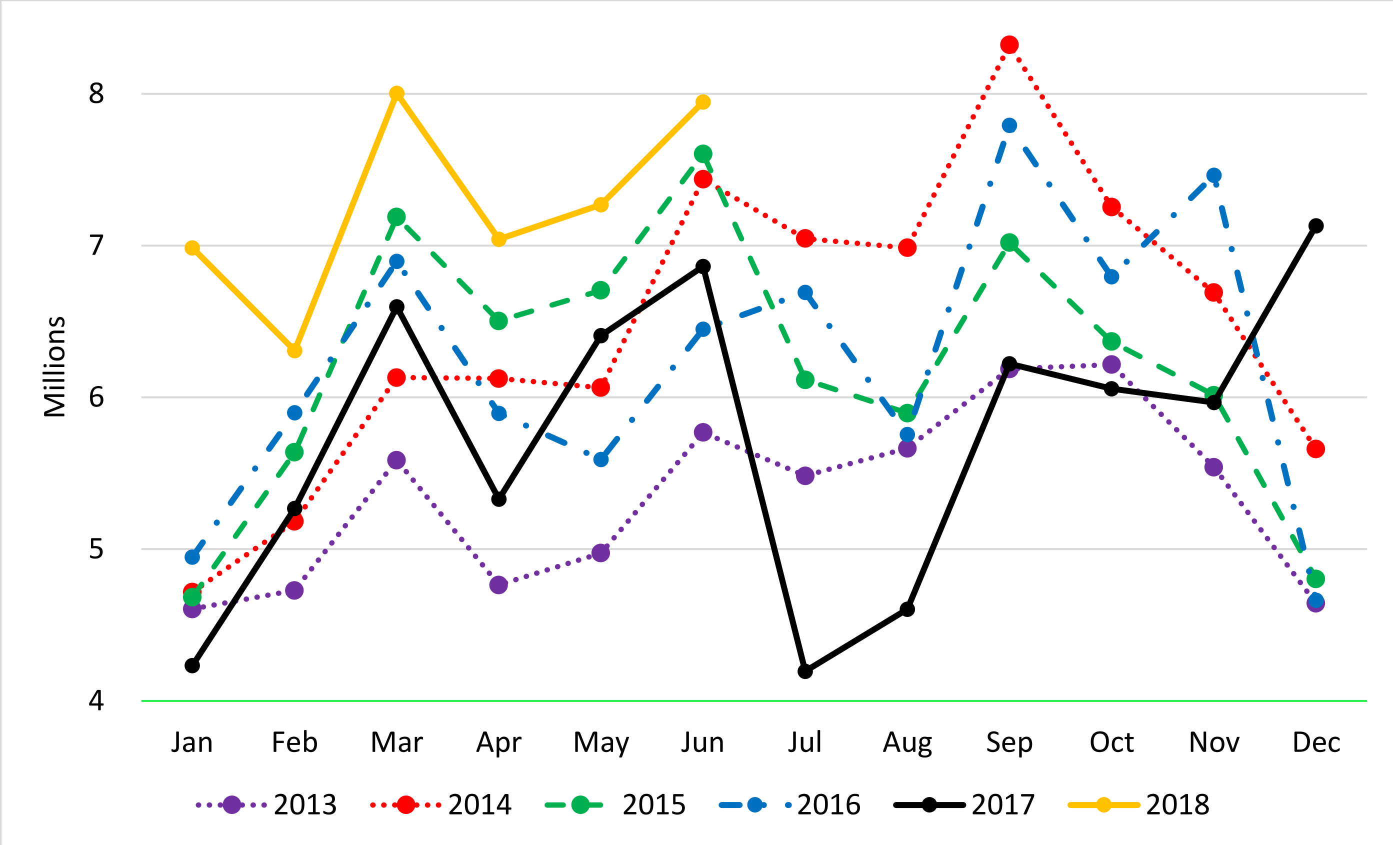

Figure 3. Broiler day-old chicks, 2013 to June 2018

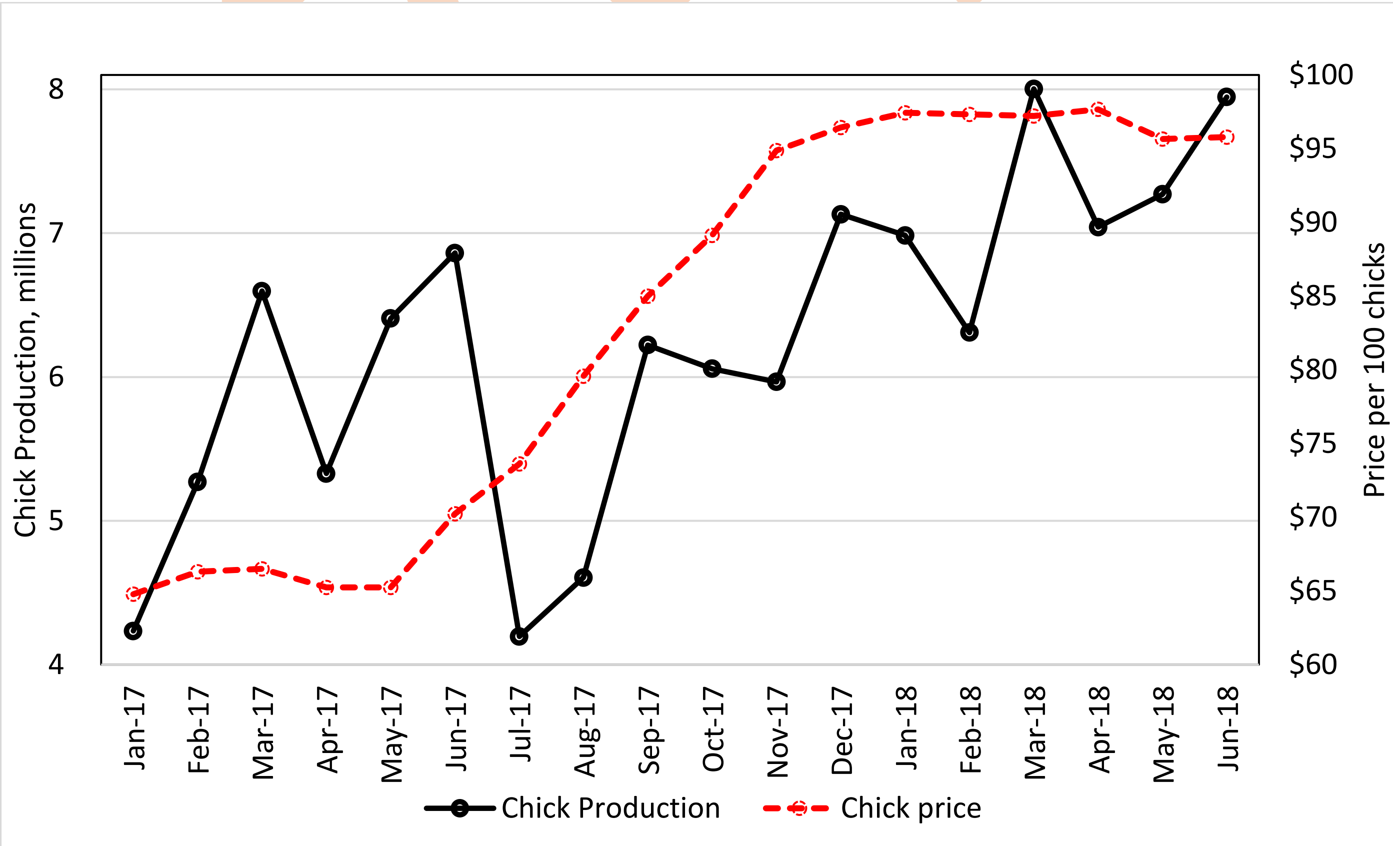

Figure 4. Broiler day-old chick production and prices, 2017 to June 2018

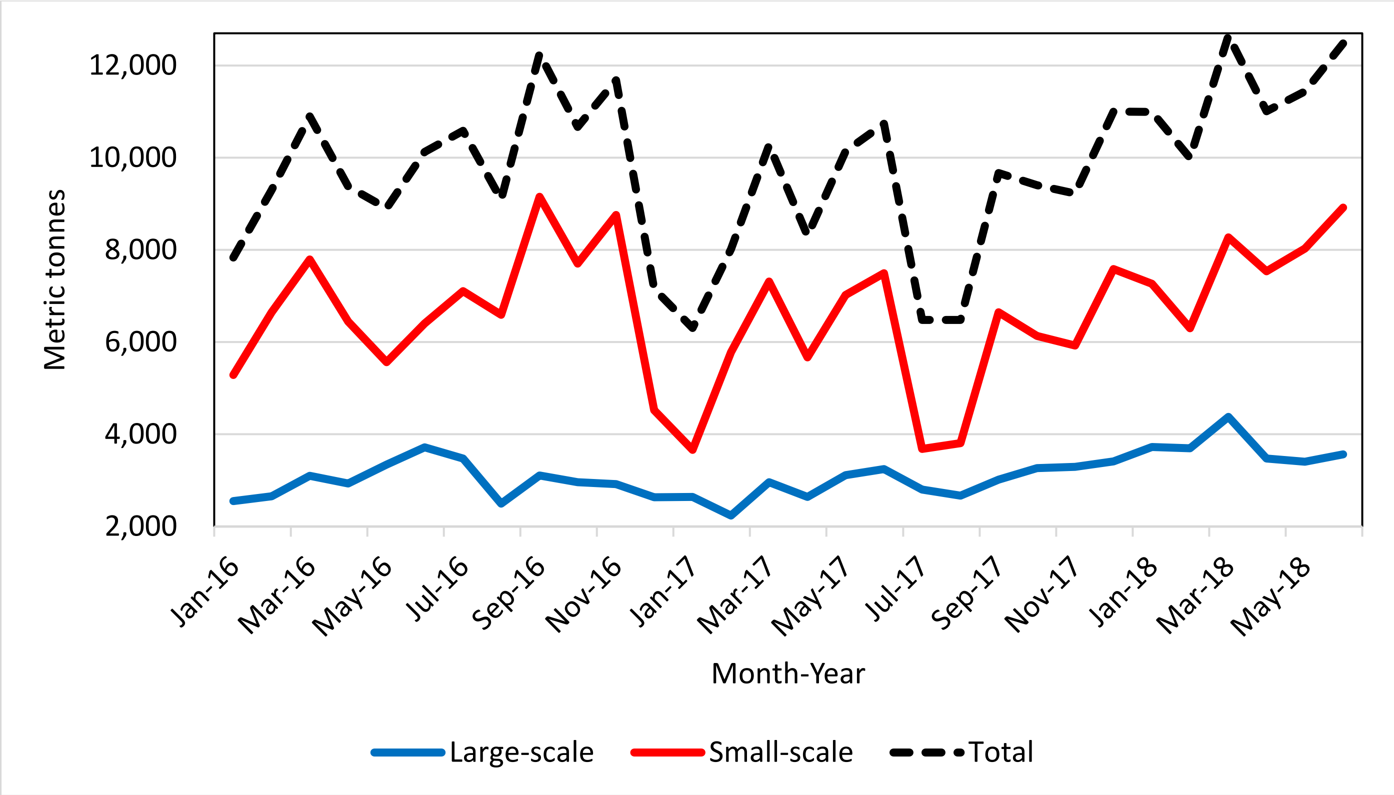

Figure 5. Broiler meat production, 2015 to June 2018

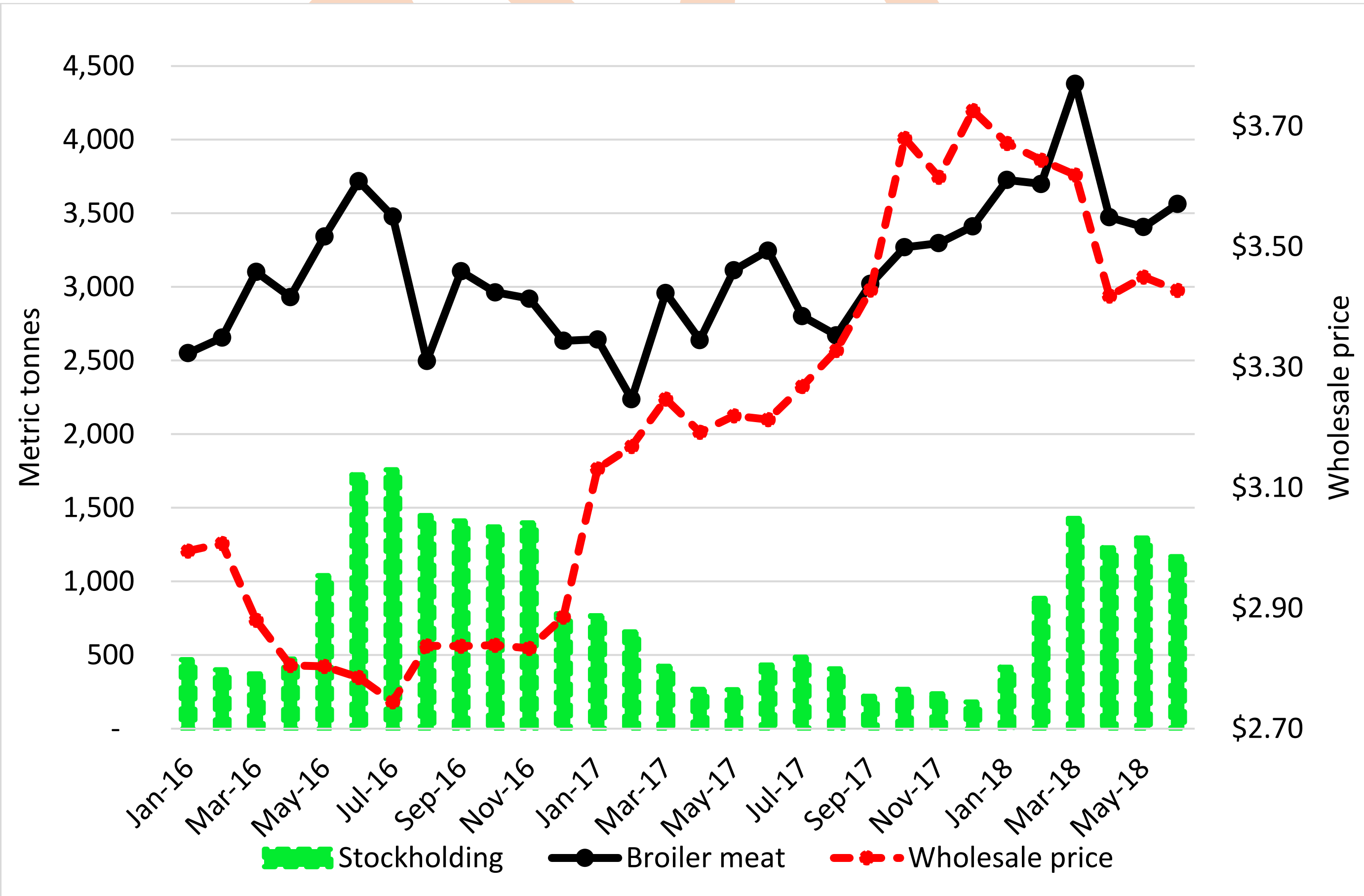

Figure 6. Large-scale broiler production, stockholding and whole bird wholesale price, 2016 to June 2018

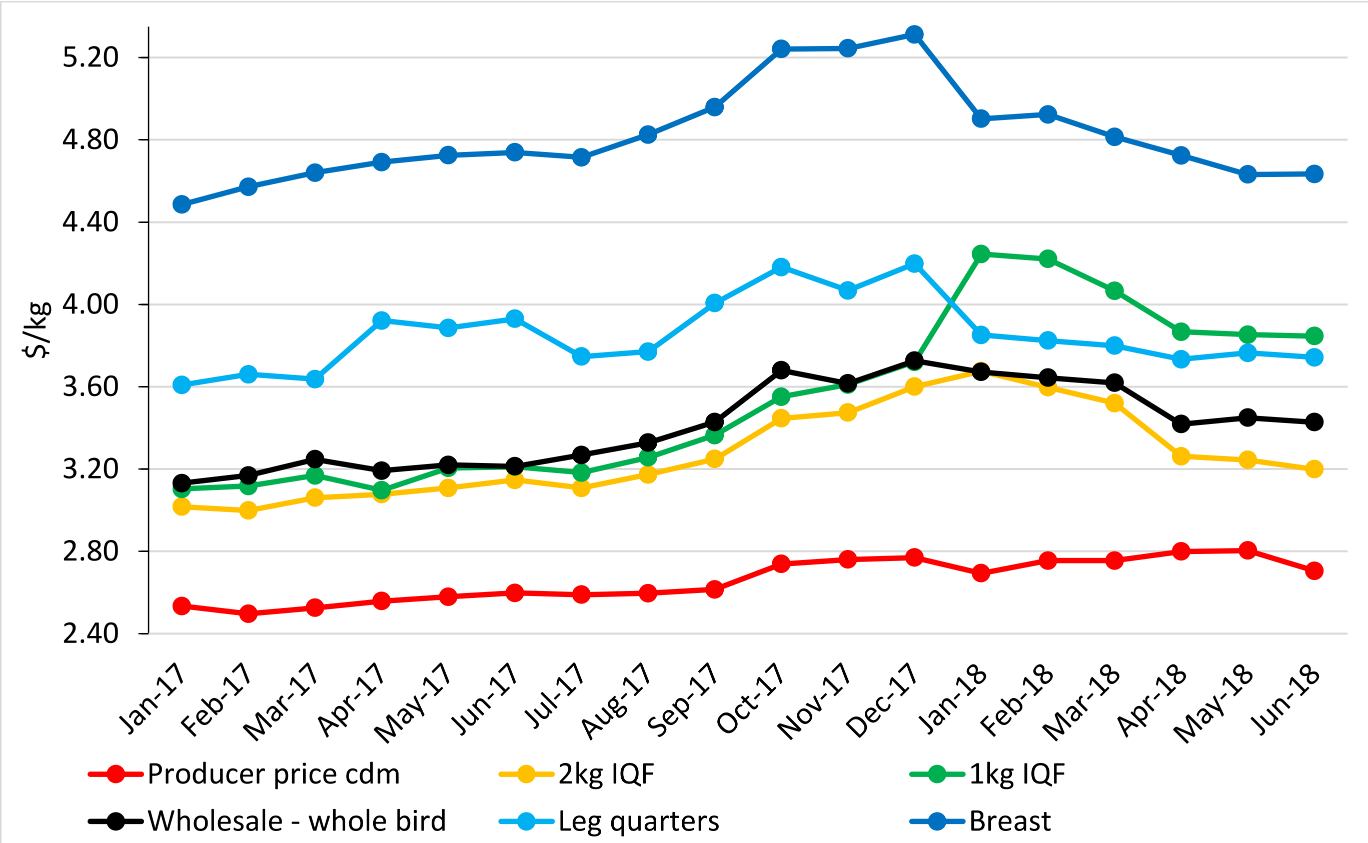

Figure 7. Broiler meat wholesale price trends, 2017 to June 2018

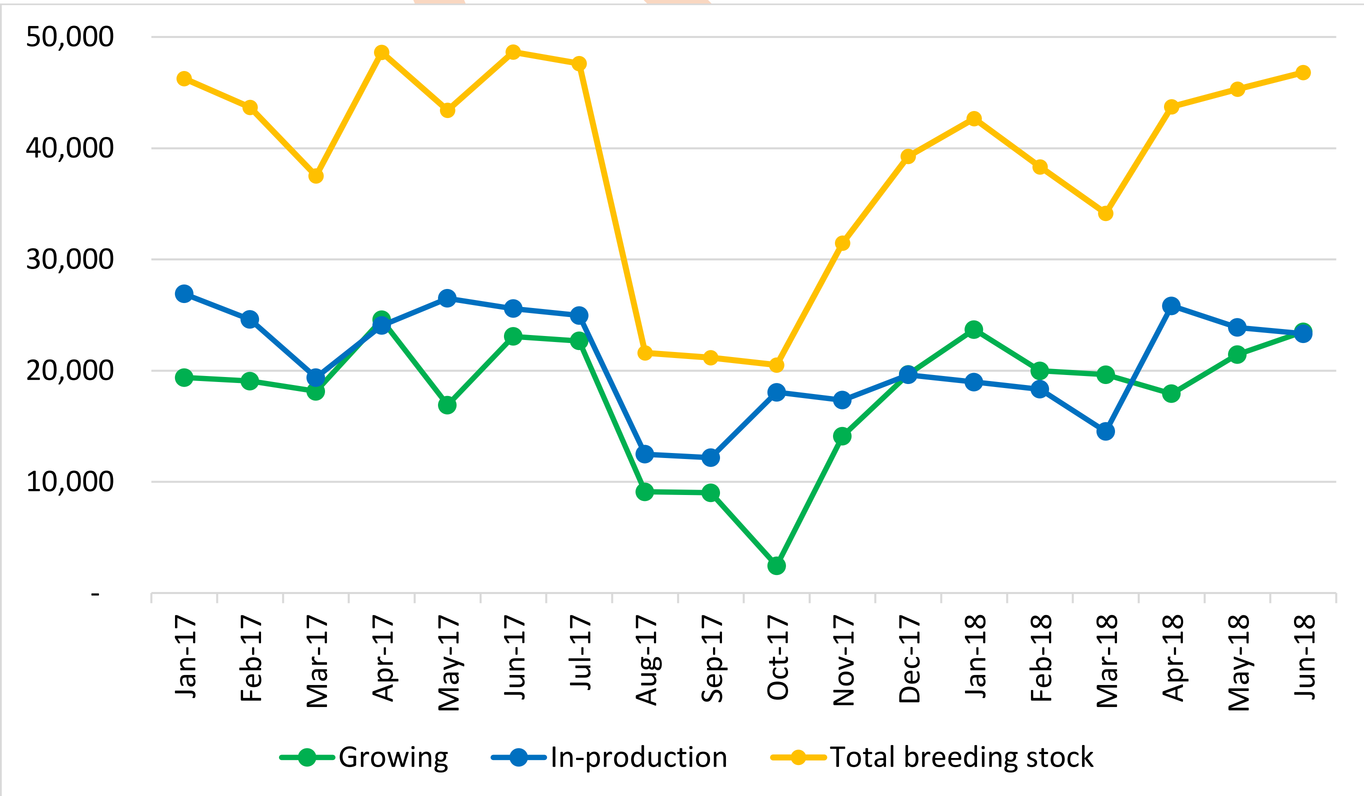

Figure 8. Layer breeder growing and in-production stocks, 2017 to June 2018

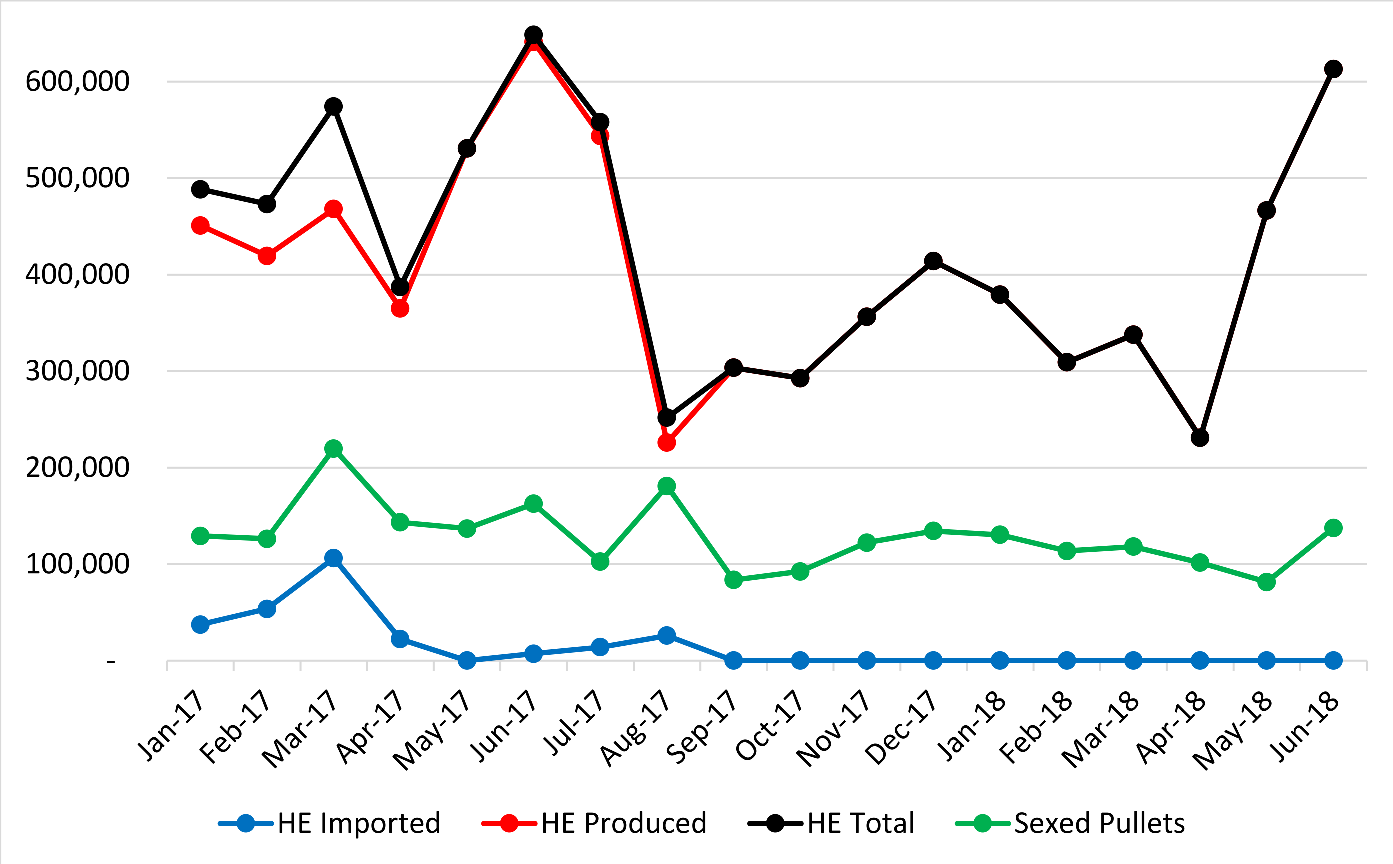

Figure 9. Layer hatching eggs and sexed pullets, 2017 to June 2018

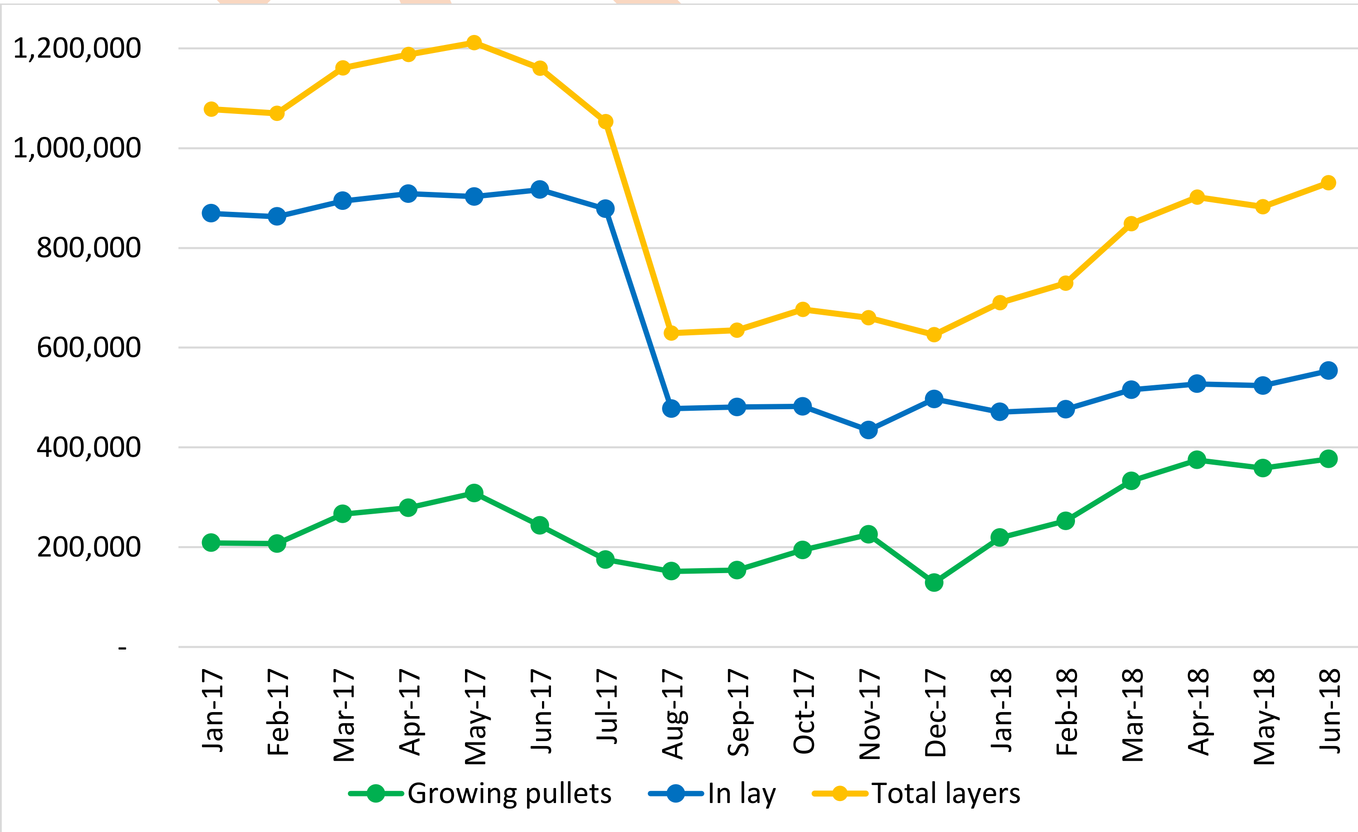

Figure 10. Large-scale layer production stock, 2017 to June 2018

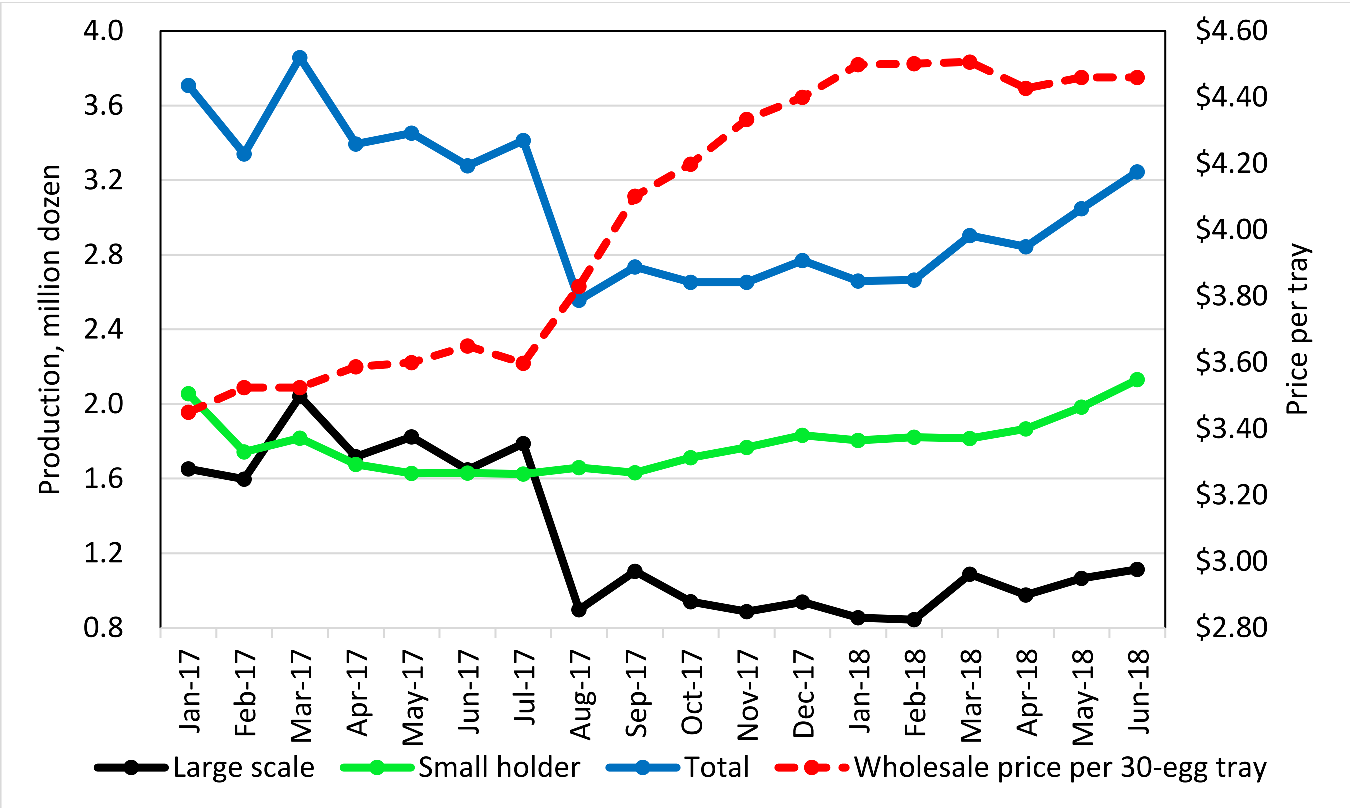

Figure 11. Table egg production and wholesale prices, 2017 to June 2018

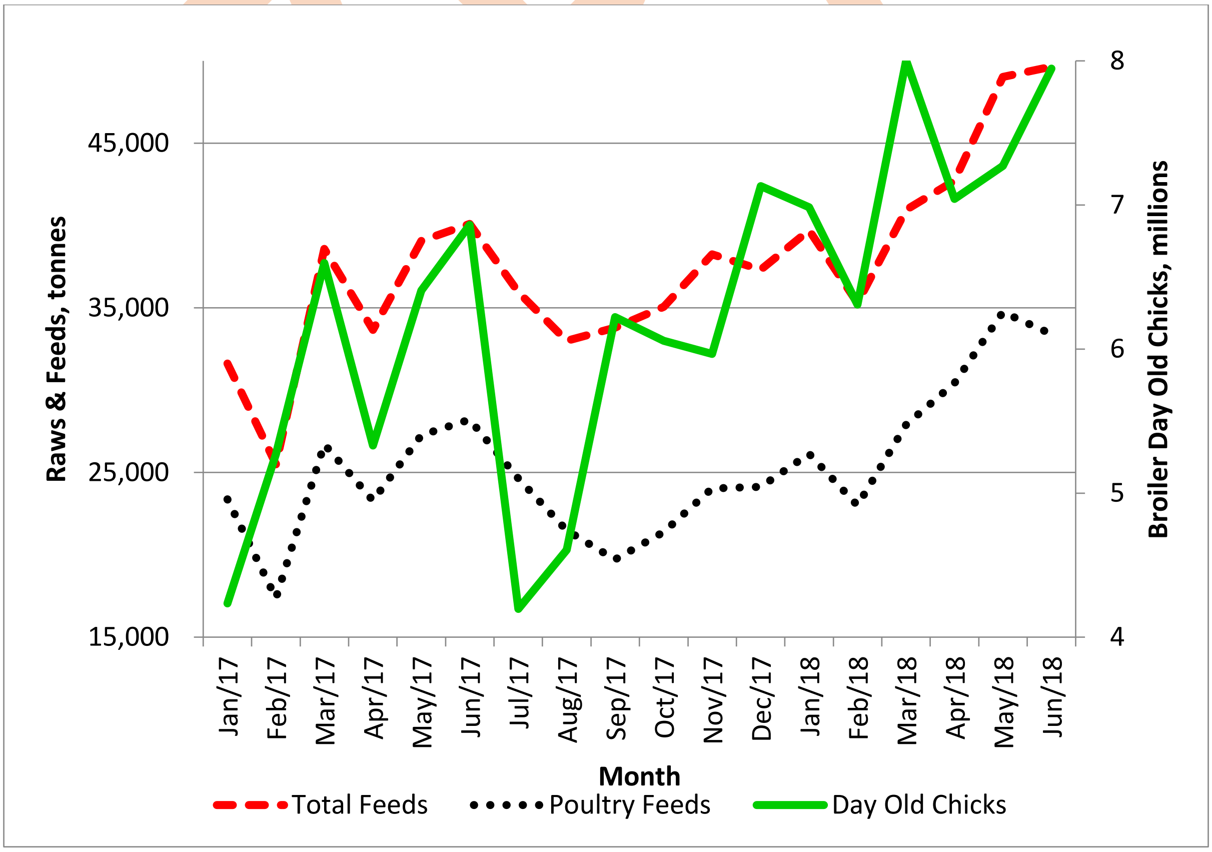

Figure 12. Production of poultry feeds, total feeds and broiler day old chicks, 2017 to June 2018

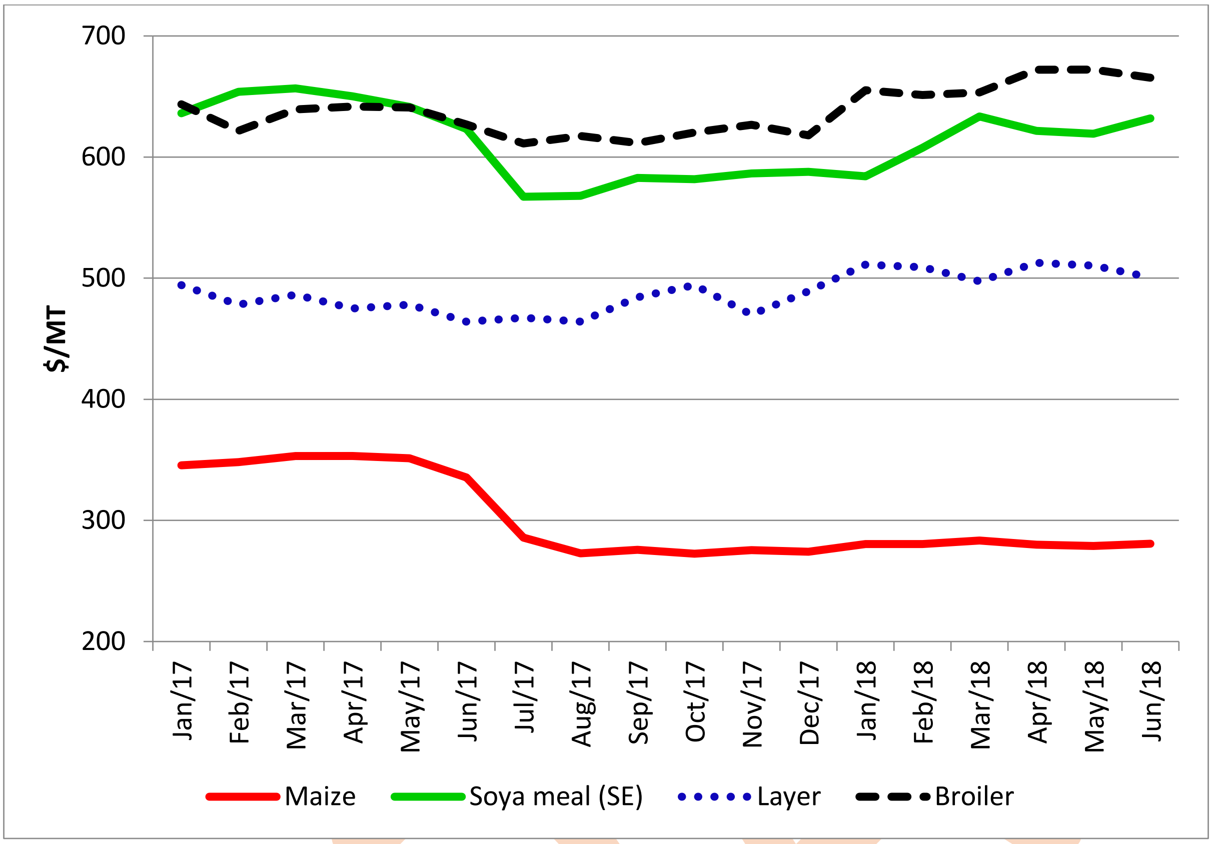

Figure 13. Prices of maize, solvent extracted soya meal and layer and broiler feeds, 2017 to June 2018