



Livestock and Meat Advisory Council

Old Show Office Exhibition Park, Samora Machel Avenue West, PO Box BE 209 Belvedere, Harare.

Phone: +263 (24) 2756 600, 2772 915, 2777 391. Email: admin@lit.co.zw

Website: www.livestockzimbabwe.com

Aquaculture Sector Market Watch Report: Fourth Quarter 2020

Contents

Overview	2
Exports	2
Imports	4
Outlook	7

CC SALES
since 1911



Livestock Identification Trust



Meat Processors Association of Zimbabwe



PIG PRODUCERS ASSOCIATION OF ZIMBABWE



Stockfeed Manufacturers Association



Zimbabwe Association of Abattoirs



ZADF



ZICORBA



Zimbabwe Fish Producers Association



Zimbabwe Free Range Poultry Association



ZIMBABWE HERD BOOK



ZPA



Zimbabwe Quality Assured Pork



Overview

The COVID-19 pandemic, unprecedented in modern times, has completely upended the global economy. In an attempt to contain the spread of the virus, governments around the world have introduced an array of measures, including social isolation directives, limitations on business opening hours and travel restrictions. The aquaculture sector, along with the majority of industries, has had to deal with a bleak demand outlook as well as a range of supply challenges.

With the effective shutdown of the restaurant industry, food service demand has evaporated, while retail sales have been marked by extreme volatility as periods of panic buying are followed by sustained lulls. Online distributors are reporting increased interest as home-bound consumers explore retail alternatives. Overall, however, demand has been sharply reduced and prices have fallen for many species, particularly those that are important for the restaurant industry.

On the supply side, a labour shortage and other economic challenges including the decline in demand outlook has severely negatively affected fish production across the world. Aquaculture harvests are being delayed and stocking targets drastically reduced, while entire fishing fleets are lying idle. Downstream activities including processors have all been affected by the lack of raw materials on top of other operational difficulties. At the same time, logistics have become costly and slow as hauliers must contend with closed or restricted road borders and health inspection delays.

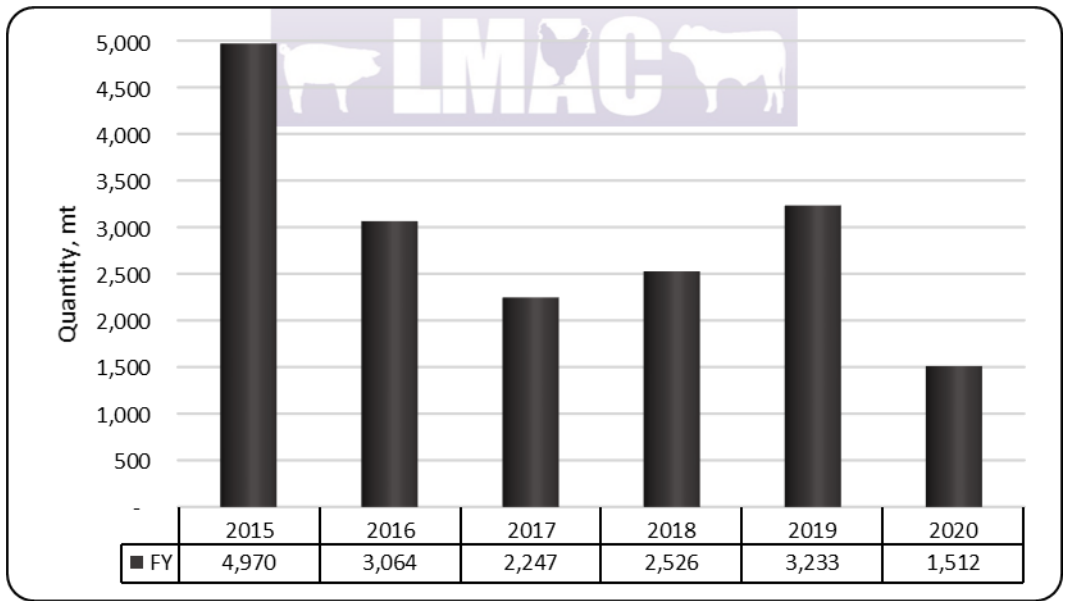
Fish industry representatives in many countries are calling for financial aid from their governments, but such measures may only provide limited relief in the face of widespread upheaval. Industry stakeholders are also calling for regulator flexibility in terms of adjusting catch quotas and raising biomass limits and emphasising the need to rapidly understand and plan for long-term changes in the market landscape.

Exports

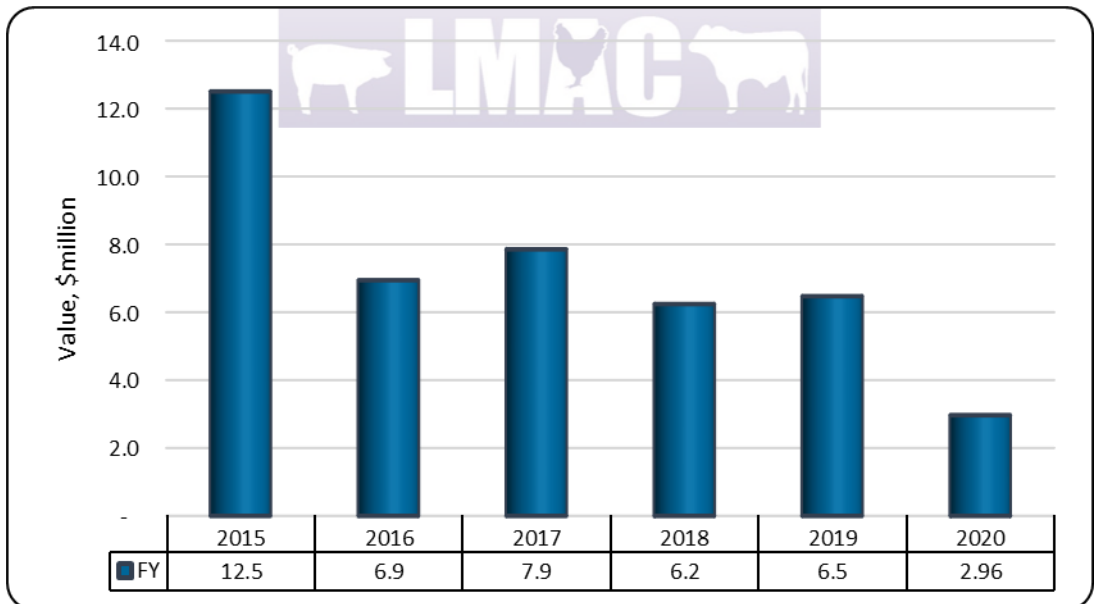
Exports of fish for 2020 was 1,512mt, valued at USD 2.96m, representing a decrease of 53% and 54% in quantity and value, respectively when compared to 2019.

Exports were dominated by frozen freshwater fish and frozen tilapia that made up 81 and 18% respectively in quantity, while in value terms, the breakdown was 69 and 16% respectively. In 2019, the percentage composition of frozen tilapia and freshwater fish was 51 and 57% in quantity and 44 and 46% in value.

While initiatives to expand the export market are growing, competitive pressures and regulatory restrictions in key markets are mitigating against these efforts.

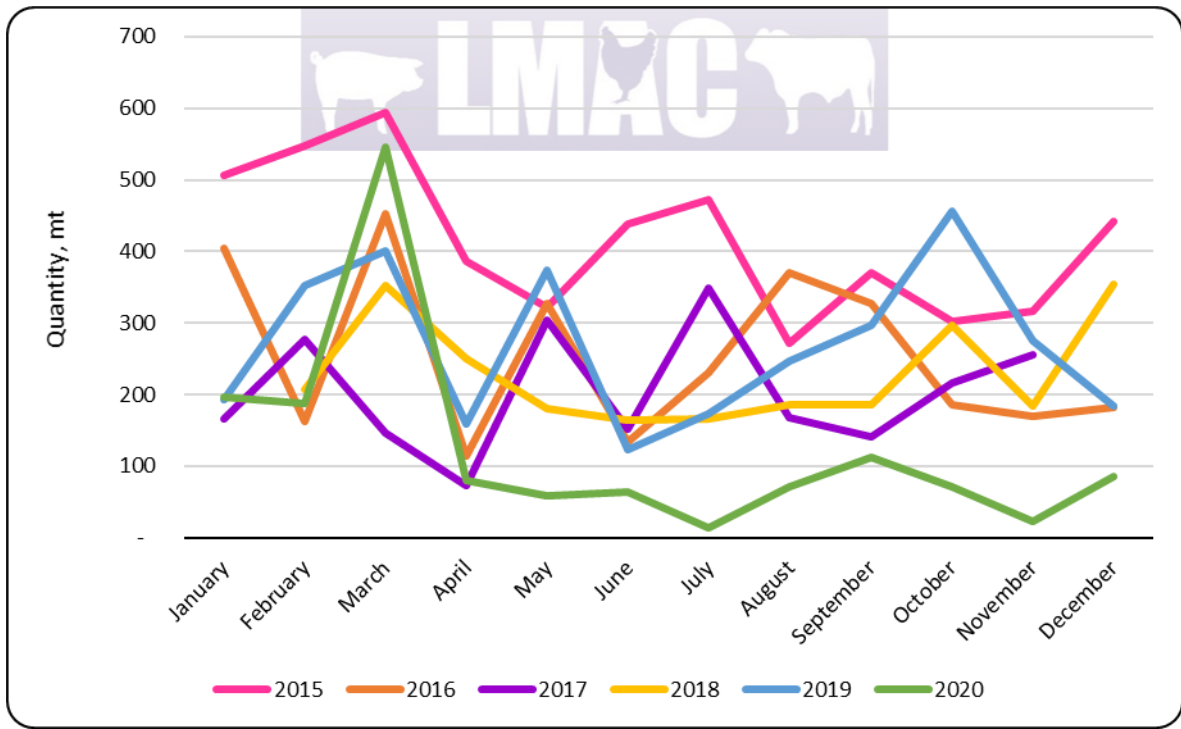


Exports of Fish (mt), 2015 – 2020

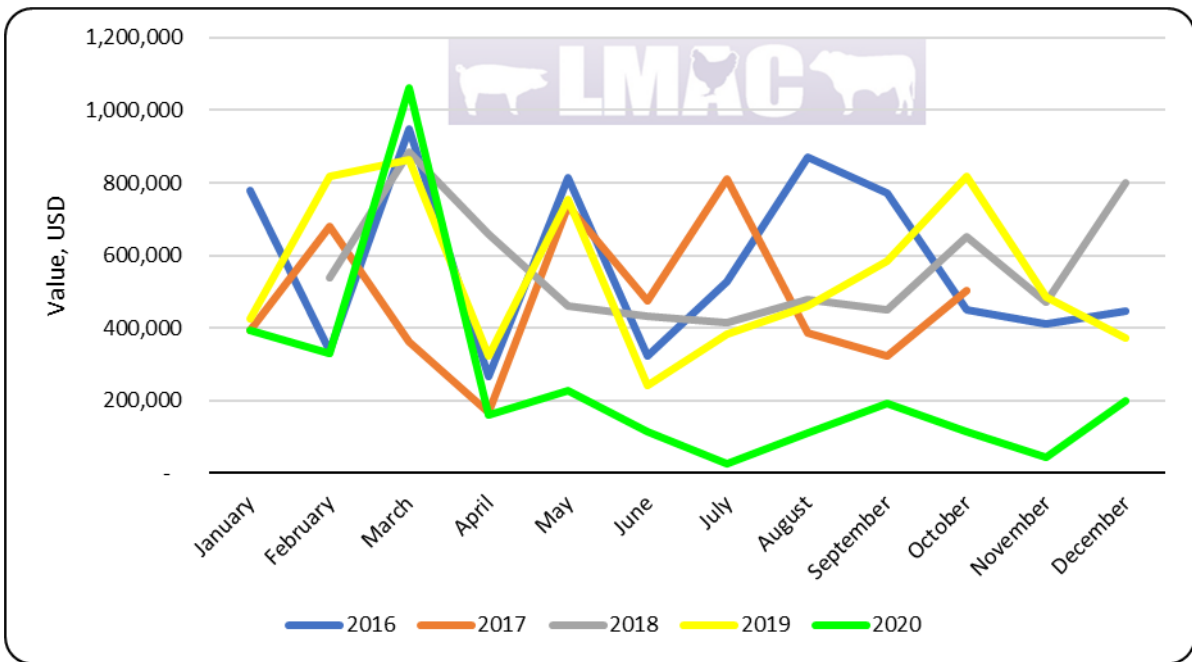


Exports of Fish (USD), 2015 – 2020

As reflected in the graph below and beginning in April 2021, monthly exports of fish post-lockdown restrictions were at their lowest since 2015.



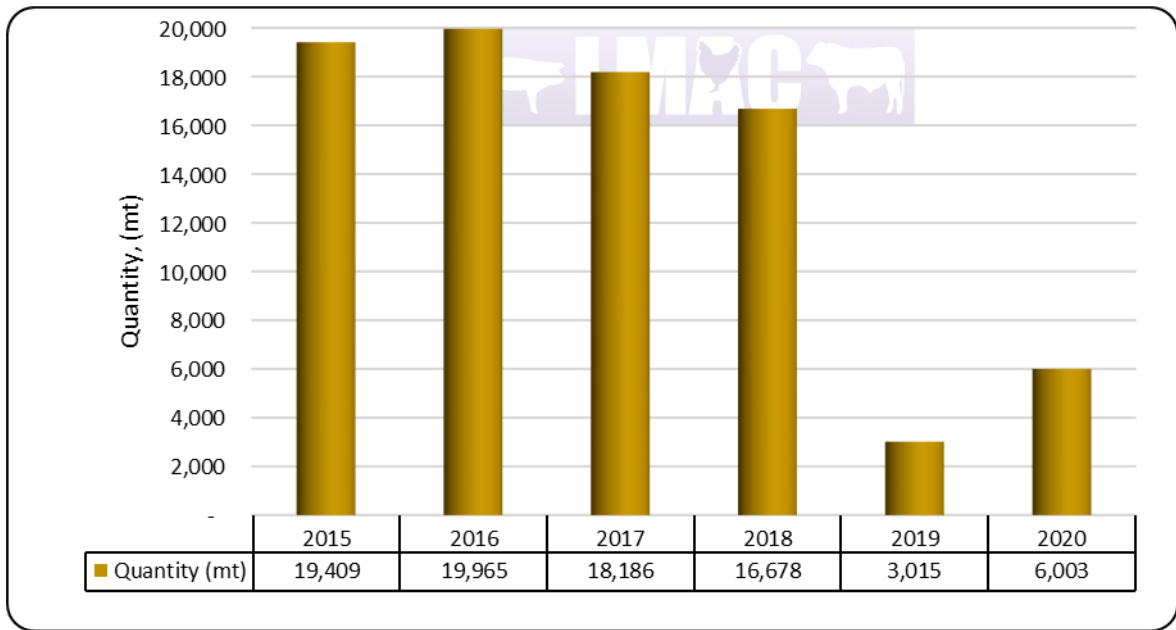
Monthly Fish Exports (mt), 2015 – 2020



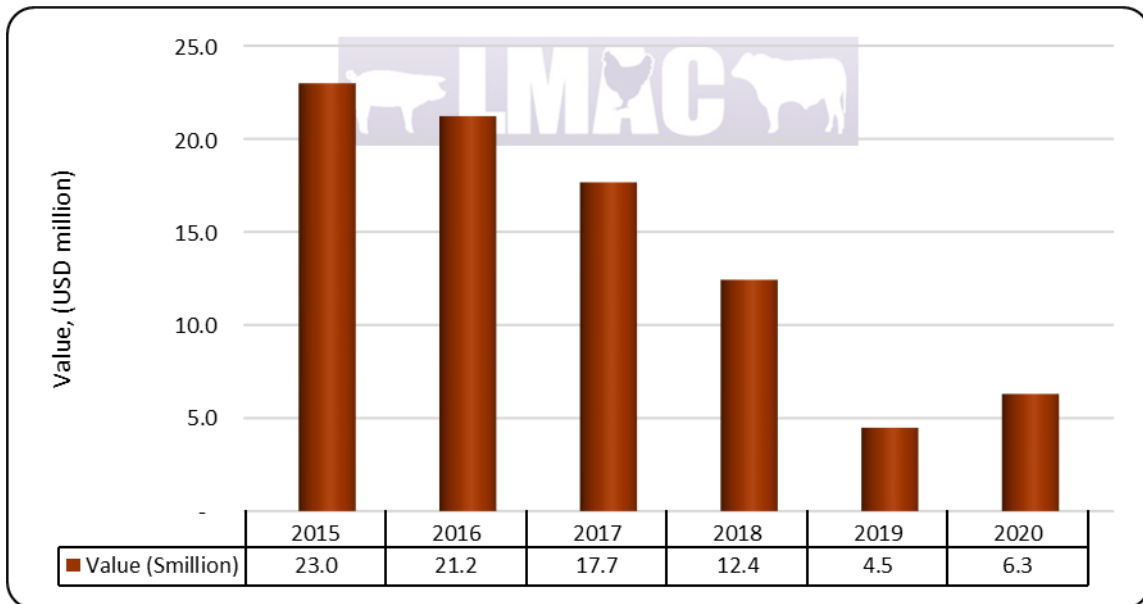
Monthly Exports of Fish (USD), 2016 – 2020

Imports

Imports of fish for 2020 totalled 6,003mt, an increase of 99% over the same period in 2019. In monetary terms, the increase was 41% from USD 4.5 million to 6.3 million. While this represents an improvement from 2019, the import figure in quantity terms for 2020 is 53% below the 5-year average of 12,769mt.

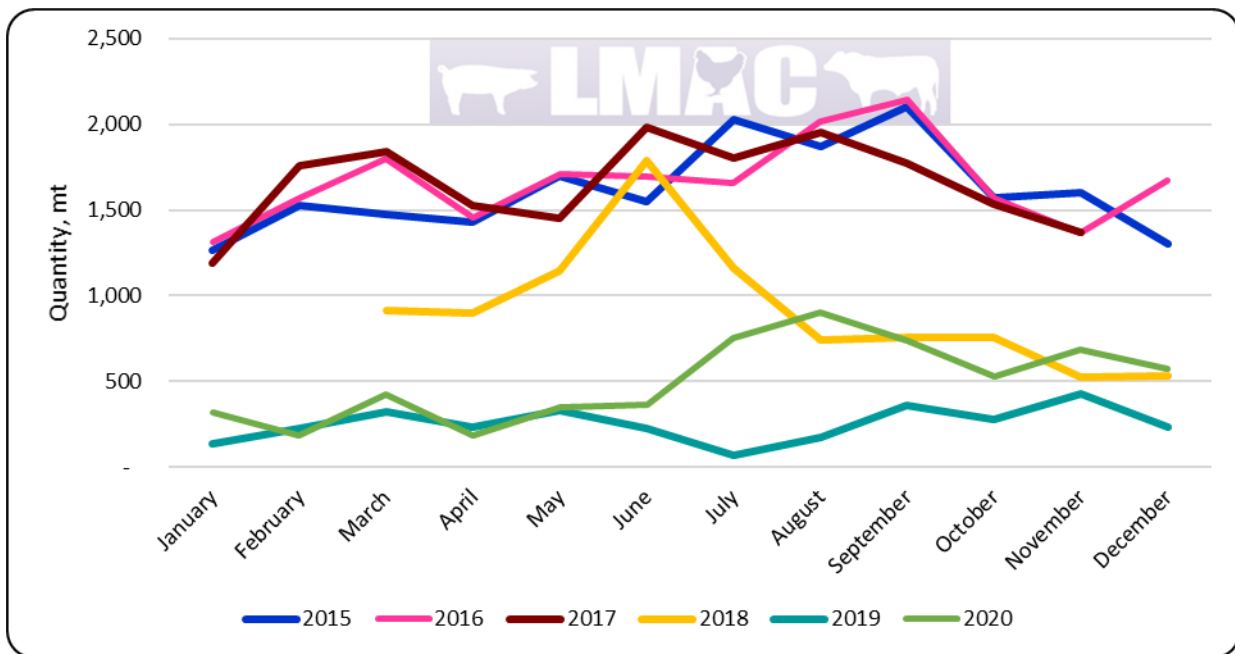


Annual Fish Imports (mt), 2015 – 2020



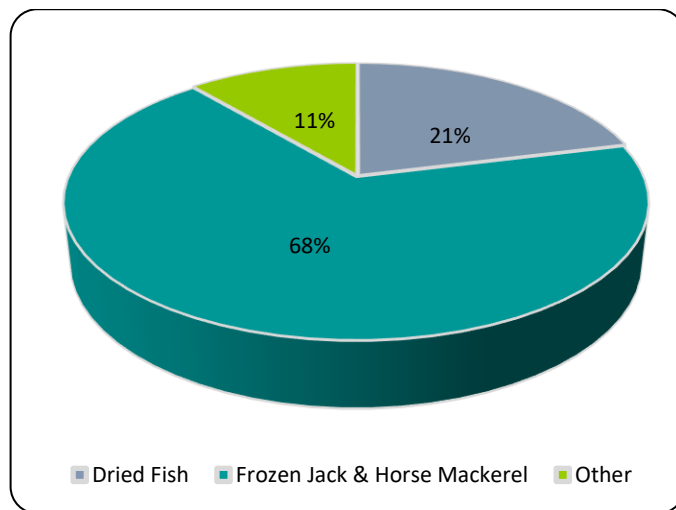
Annual Fish Imports (USD), 2015 – 2020

Monthly fish imports show a sustained recovery from June 2019 but remain below 1,000mt, last achieved in July of 2018.

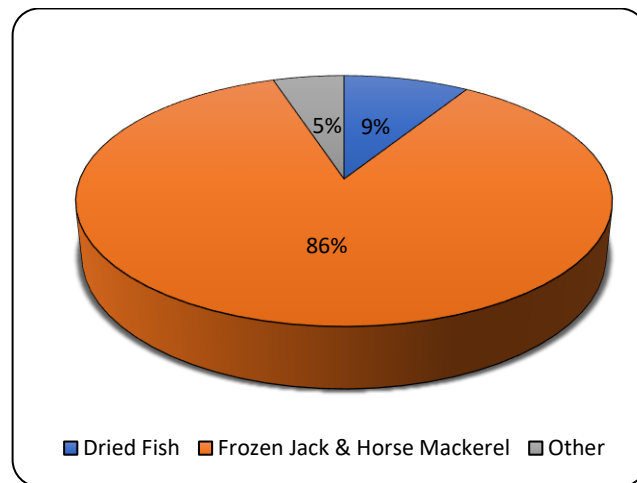


Monthly Fish Imports (mt), 2015 – 2020

The breakdown of fish imports is illustrated in the pie charts below in both value and quantity terms. Frozen Jack and Horse Mackerel made up 86% of fish imports in quantity terms but 68% in value terms.



Value, USD



Quantity, mt

Outlook

Uncertainty still dominates the outlook, particularly with regard to the duration and severity of the pandemic in different markets. While China has been able to return to near normal conditions after a few months of strict lockdown, this may be more difficult in the European Union and in the United States of America, two of the world’s most important seafood markets. Whatever the timeframe, the wide-ranging impacts of the pandemic mean that a prolonged market downturn can be expected even after current restrictions are lifted or relaxed. Luxury products and species that are primarily marketed fresh and through foodservice will be the most heavily affected.

Locally, similar constraints emanating from the pandemic and the government response to it will continue to weigh significantly on outcomes in 2021. The good rains received during the last quarter of 2020 and projected for the rest of agricultural season is good news for the domestic economy and offers the best economic stimulus package to lift the livestock sector out of the deep recession experienced over the last two years.

While the 2021 National Budget Statement confirmed that macroeconomic head winds will persist over 2021 made worse by lockdown policies, there is every hope for the fish industry to smile again with the return of better fortunes in 2021.