



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

Pork Sector Market Watch: Fourth Quarter 2020

CC SALES
since 1911

Contents

Overview	2
Pig Slaughters	2
Producer and Wholesale Prices	5
Outlook for 2021	6



Livestock Identification Trust



Meat Processors Association of Zimbabwe



Pig Producers Association of Zimbabwe



Stockfeed Manufacturers Association



Zimbabwe Association of Abattoirs



Zimbabwe Association of Dairy Farmers



Zimbabwe Rabbit Breeders Association



Zimbabwe Fish Producers Association



Zimbabwe Free Range Meat Producers Association



Zimbabwe Herd Book



Zimbabwe Pork Producers Association



Zimbabwe Quality Assured Pork

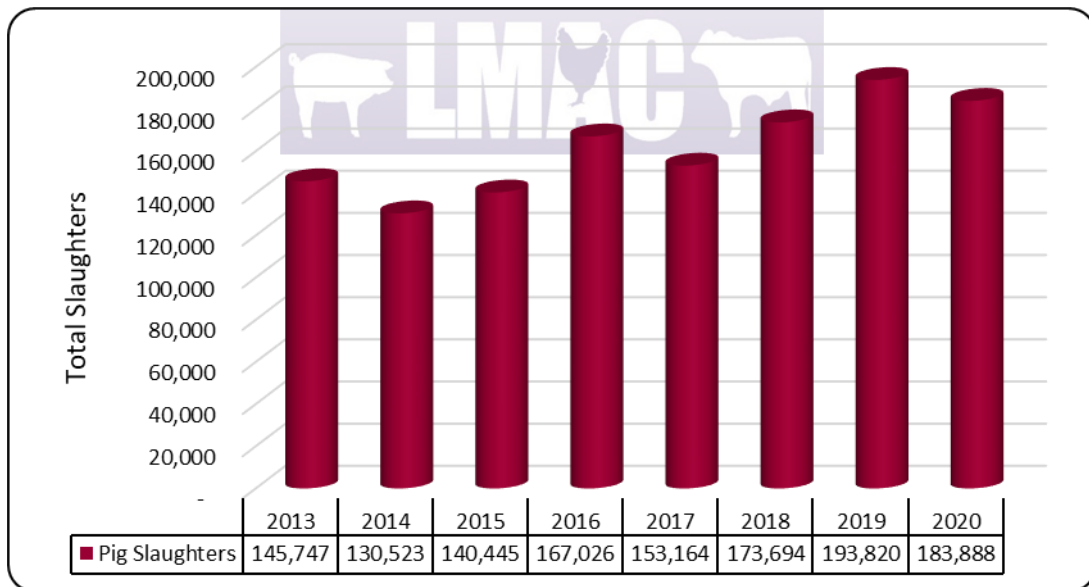
Overview

Pork is the most consumed animal protein in the world. China, the European Union, the United States, Brazil and Russia are the biggest producers, cumulatively supplying 86% of total production. In Africa, Nigeria and South Africa are the key pork producing countries.

Pig production in Zimbabwe is practised by small, medium and large-scale commercial producers in all provinces of Zimbabwe although the Mashonaland provinces account for approximately 90% as determined by slaughter statistics from registered abattoirs. About 80% of pig producers are in the small-scale sector. The main challenges facing pig producers include the use of inferior breeds, the non-availability of funding, high feed and drug costs, lack of management skills, insufficient extension services, and marketing policy bottlenecks.

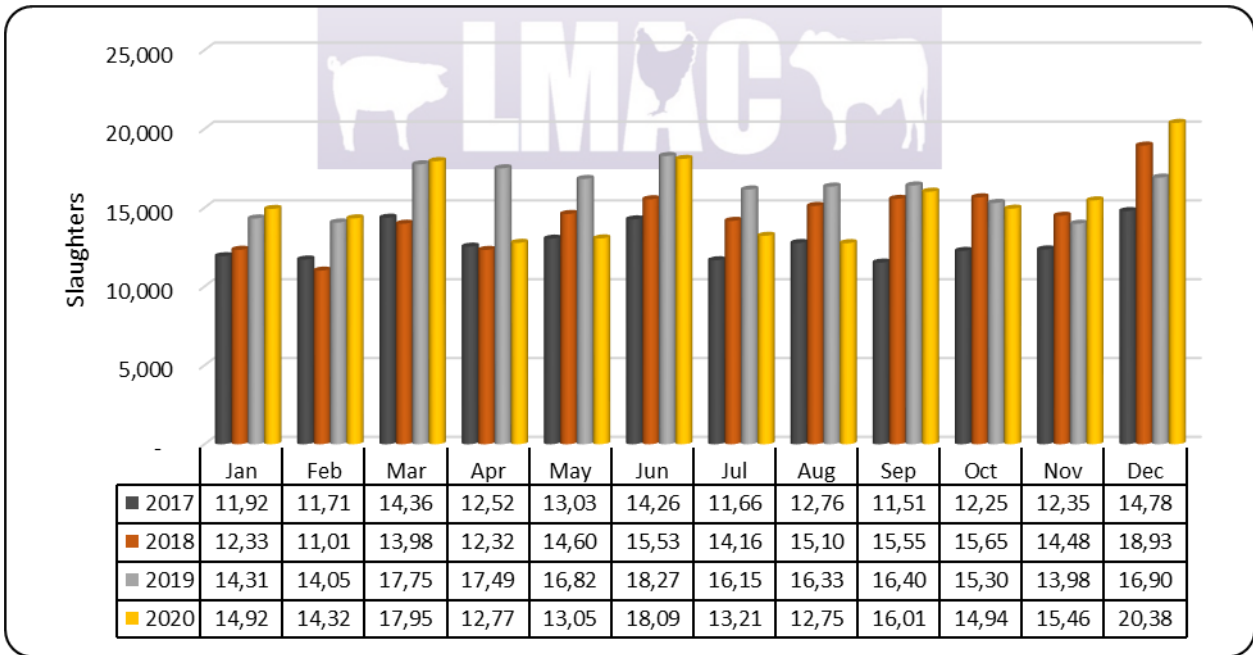
Pig Slaughters

Cumulative pig slaughters for 2020 were 183,888 head, 5% lower than 2019 and 6% more than in 2018. The lockdown disruptions appear to have had only a small effect on the supply of commercially slaughtered stock into the market.



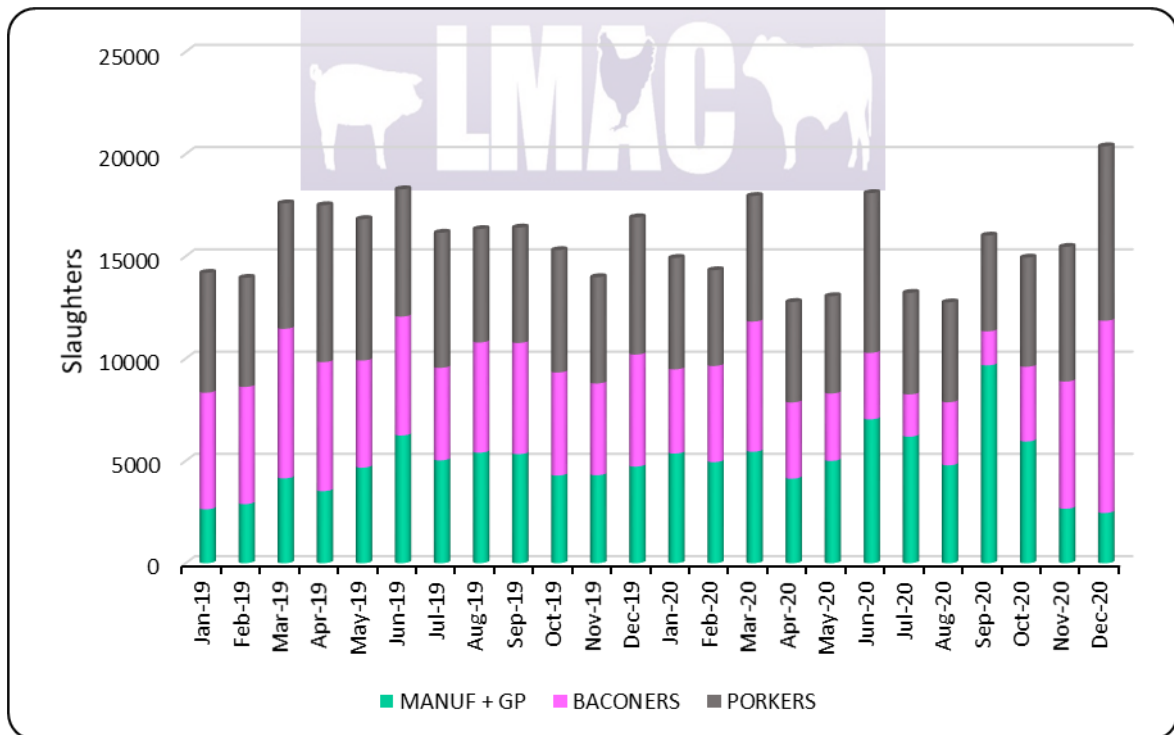
Pig Slaughters, 2013 – 2020

Monthly pig slaughters over the year averaged 15,324 head, compared with 16,152 head in 2019. November and June 2020 recorded the lowest and highest slaughters of 12,751 and 20,381 head, respectively.



Monthly Pig Slaughters, 2017 – 2020

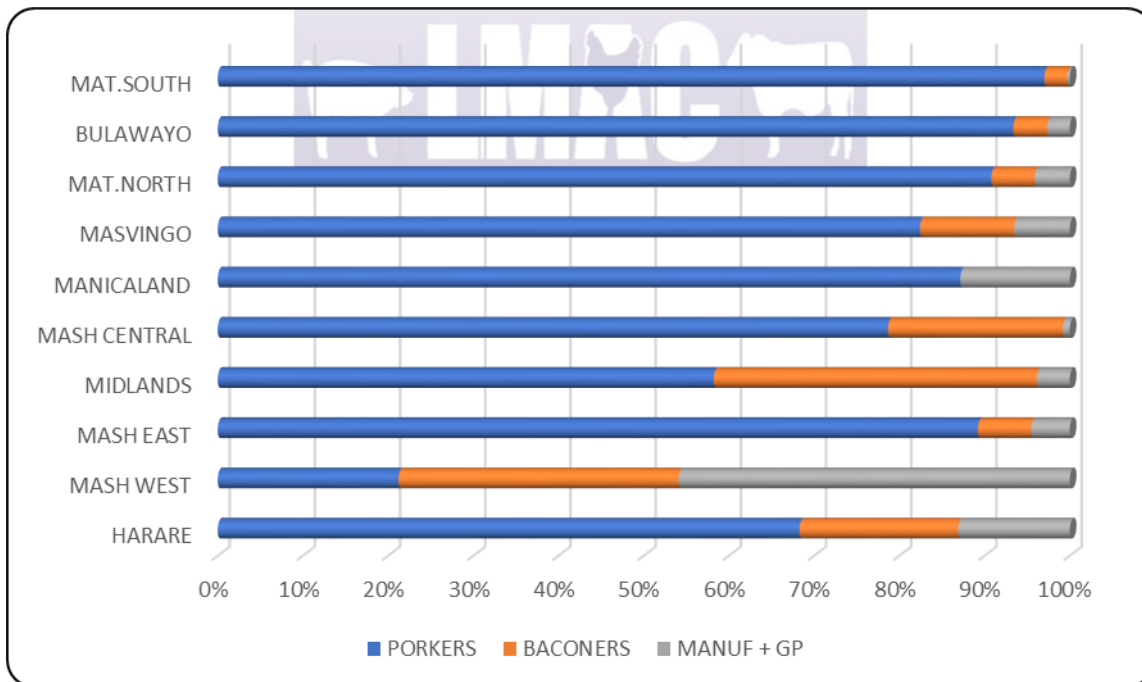
The graph below illustrates the monthly breakdown by grade for 2019 and 2020.



Monthly Pig Slaughters by Grade, 2019 and 2020

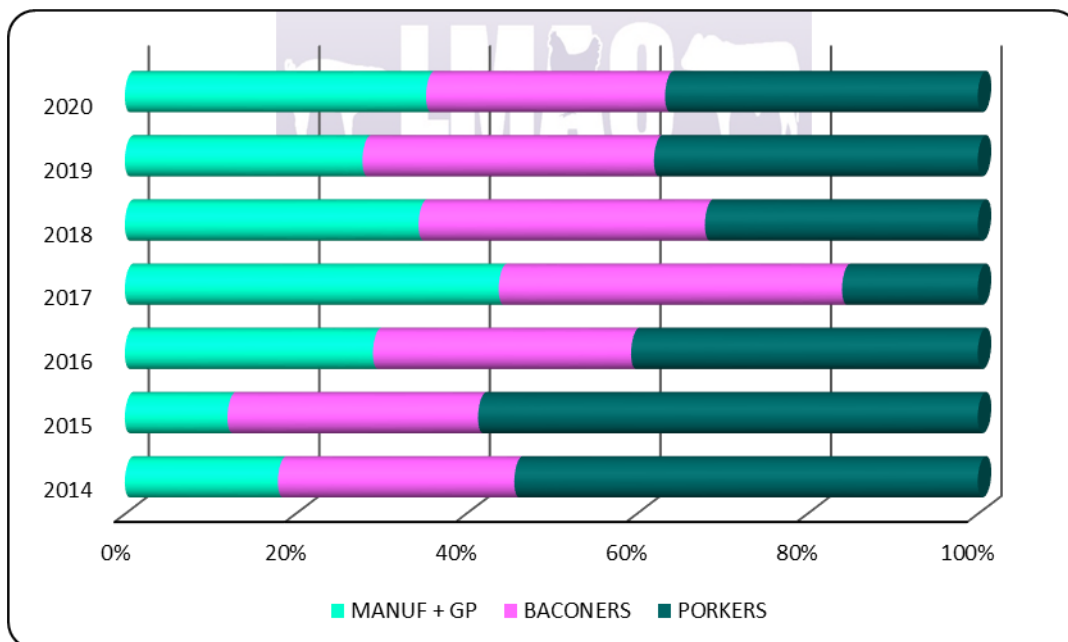
Production is concentrated in Mashonaland West and Harare provinces. For the period under review, Mashonaland West had the lowest composition of Porker grade at 21% of slaughtered pigs

whilst having the highest composition of General and Manufacturing at 46%. Matabeleland South registered the highest composition of 97% of total slaughters for Porker grade in 2020.



Proportionate Provincial Slaughters by Grade, 2020

On a national scale, in 2020, the average composition of grades was 35% for both Manufacturing and General Purpose, 28% for Baconers while Porkers made up 37% of the total slaughters.

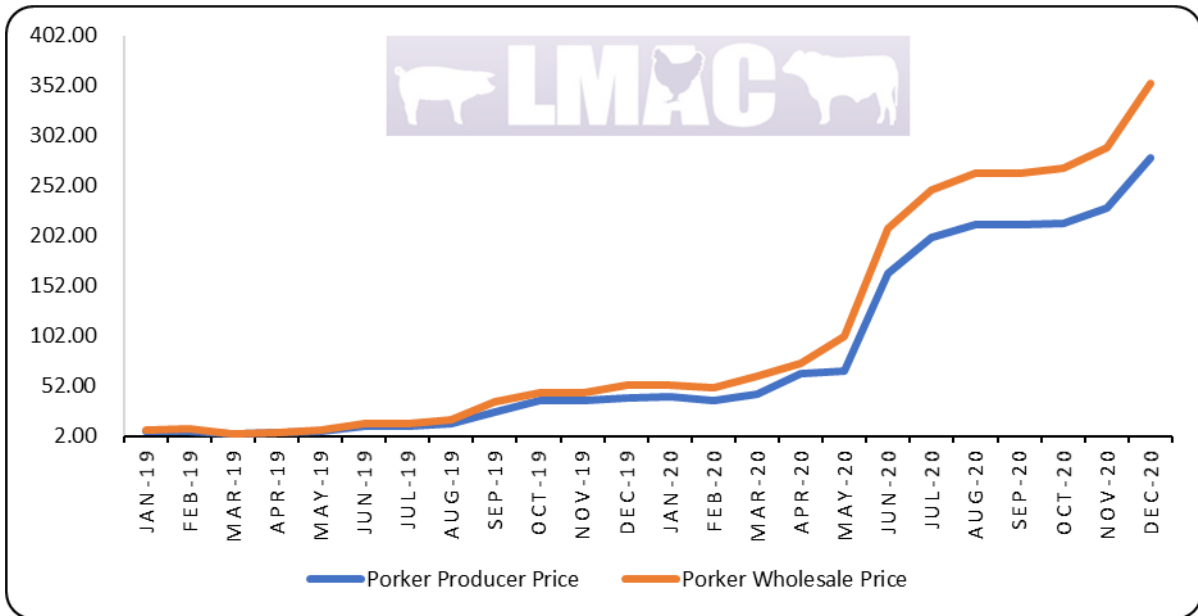


National Slaughters by Grade, 2014 – 2020

Producer and Wholesale Prices

Pig producer and wholesale prices for the year to December 2020 rose by 600 and 570%, respectively. In 2019, producer and wholesale prices had risen by 648 and 762%, respectively. Depreciation of the exchange rate was 399% over 2020, while in 2019, it depreciated by 558%.

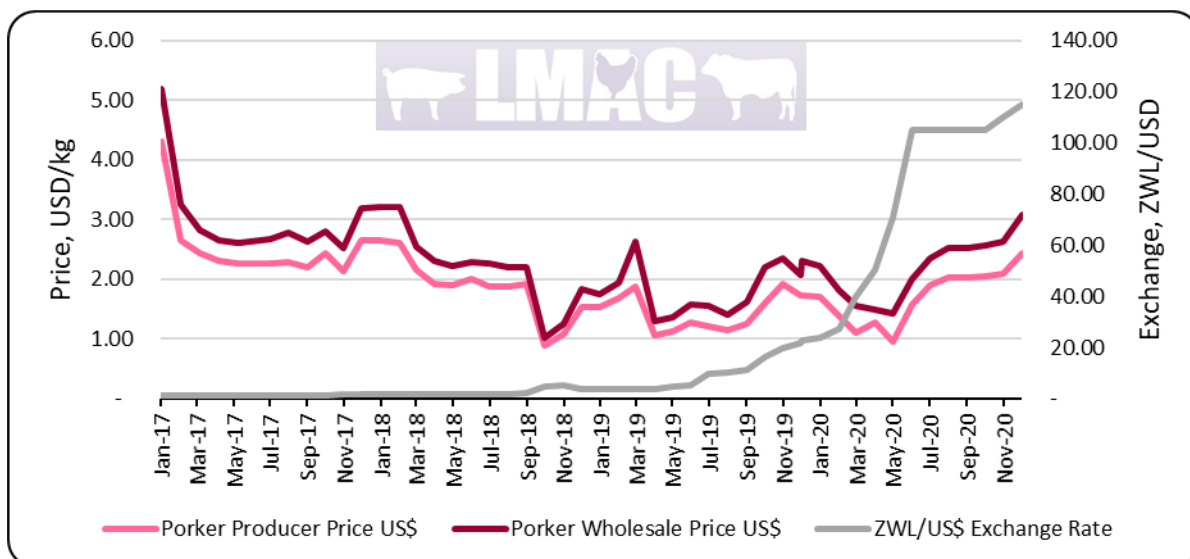
Wholesale prices, when compared to producer prices, carried margins varying between 15 – 51%, reflecting an improvement in profit for wholesalers that had ranged between 13 – 40% in 2019.



Pig Producer and Wholesale Prices ZWL/kg, 2019 and 2020

However, using the parallel market rate, pork producer and wholesale prices declined from January through to May 2020 before recovering over the rest of the year.

Producer prices for 2020 ranged between USD 0.95 – 2.43/kg while wholesale prices traded between USD 1.49 – 3.09/kg.



Pig Producer and Wholesale Prices in US\$/kg, 2017-2020

Outlook for 2021

The good rains received during the last quarter of 2020 projected for the rest of the 2020/2021 agricultural season is good news for the domestic economy and offers the best economic stimulus package to lift the pig sector out of the deep recession experienced over the last two years.

Disease outbreaks, mainly African Swine Fever (ASF), Foot and Mouth Disease and Anthrax were reported at the beginning of the year but then subsided as the year wore on. Regionally, South Africa experienced disease outbreaks that resulted in import embargos and caused production glitches, largely in the commercial pig sector.

Globally, the spread of ASF continued to have an adverse effect on pig populations in Asia and Eastern Europe and production in China being seriously affected.

In Zimbabwe, dislocations in the supply of raw materials, along with the rising cost of stockfeed and lack of accessibility, have been compounded by reduced spending of consumers. However, according to a costing model developed by the Pig Industry Board, in December 2020, a kilogram of pork cost USD 2.55 to produce and as a result, some producers are facing viability challenges and are either downscaling or closing operations.