



Zimbabwe Poultry Association

Old Show Office, Exhibition Park, Samora Machel Ave, Harare
 P O Box BE 209, Belvedere, Harare
 Ph: +263 (242) 756 600 / 772 915 / 777 391
 Email: admin@lit.co.zw

Newsletter September 2021

Contents

- Production News
- Inputs and Raw Materials
- Market Watch
- Imports
- Veterinary Report

Production News

Broiler Breeders: Stocks of growing and in-production broiler breeder birds averaged 877,921 in the third quarter of 2021 (Q3: July to September) being an 8% improvement on the second quarter (Q2: April to June) and the highest quarterly average achieved to date (Table 1, Figures 1 and 2) demonstrating breeder’s response to meet increasing demand for broiler day old chicks (DoCs).

Table 1. Monthly average number of broiler breeder stocks (thousands), January 2020 to September 2021

Breeders	2020				2021		
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Growing	238	249	292	278	282	366	365
In-Production	427	375	415	451	480	448	513

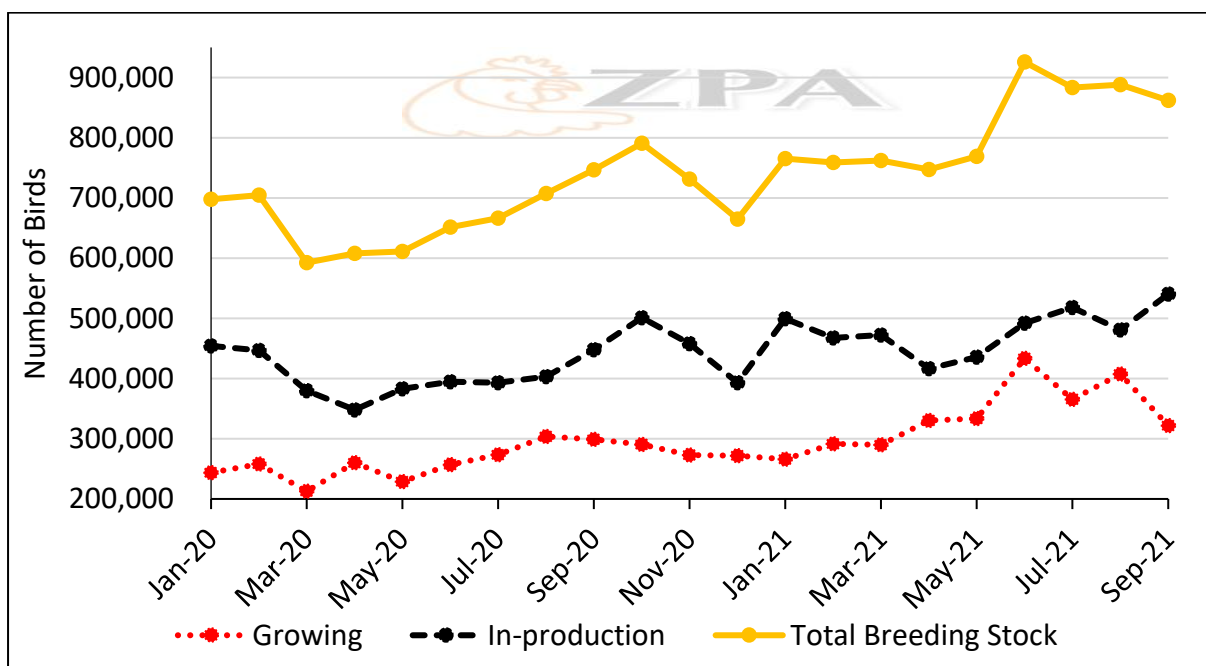


Figure 1. Broiler breeder stocks, January 2020 to September 2021

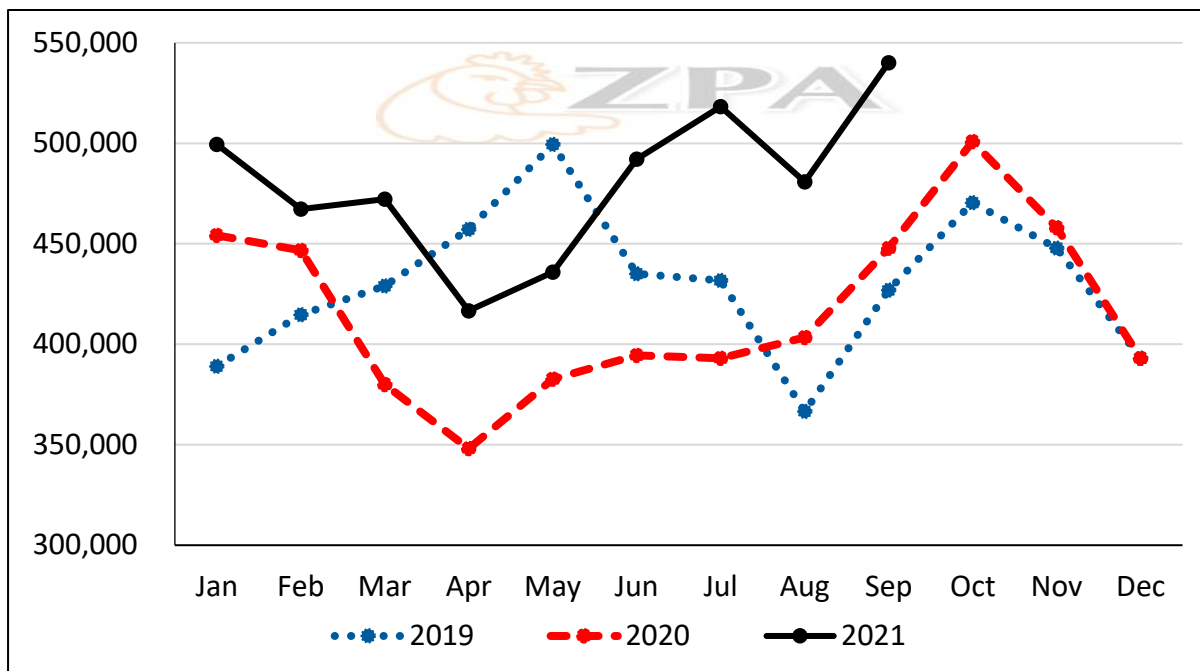


Figure 2. Broiler breeder in-production stocks, January 2019 to September 2021

Broiler Hatching Eggs: Local production of hatching eggs averaged 9.4 million per month in Q3 of 2021, being 11% higher than Q2. Imports of hatching eggs in Q3 averaged 1.5 million per month, being 10% lower than Q2, however, total hatching eggs averaged 10.9 million per month being 8% higher than Q2 of 2020 and the highest Q3 average (Table 2, Figures 3, 4 & 5).

Table 2. Monthly average number of locally produced, imported and total broiler hatching eggs (millions), January 2020 to September 2021

	2020				2021		
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Produced	8.4	6.5	8.3	8.6	8.1	8.5	9.4
Imported	0.4	0.3	0.4	0.4	0.6	1.7	1.5
Total	8.8	6.8	8.7	9.0	8.7	10.2	10.9

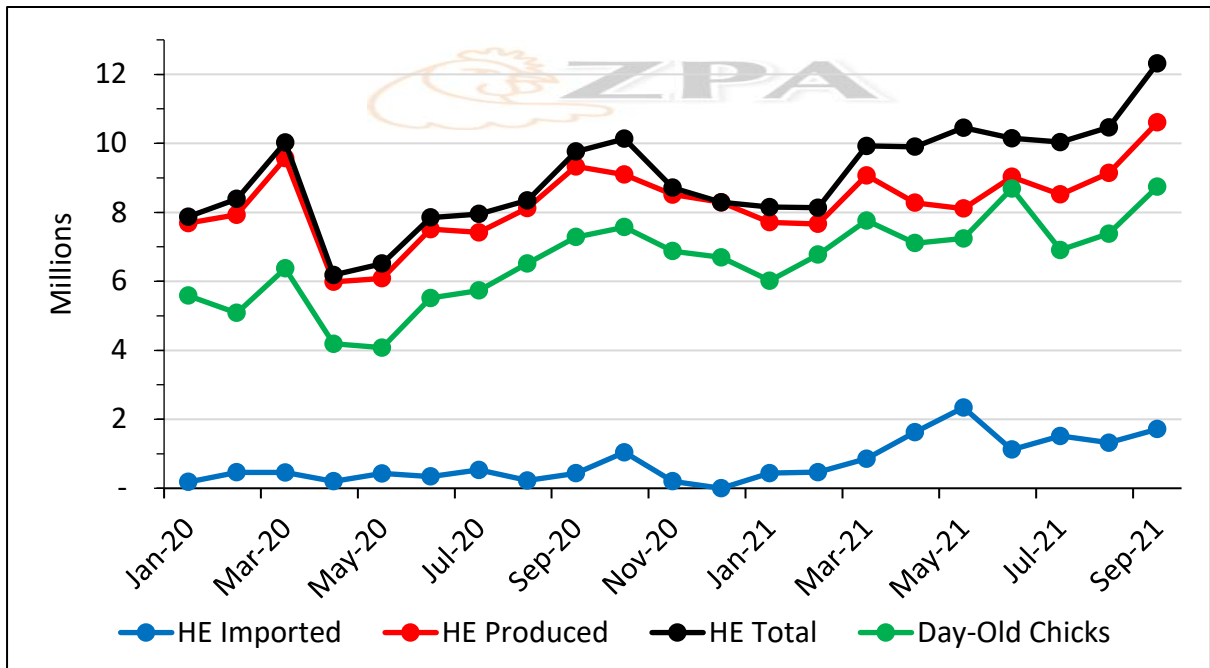


Figure 3. Locally produced and imported broiler hatching eggs (HE) and production of Day-Old Chicks, January 2020 to September 2021

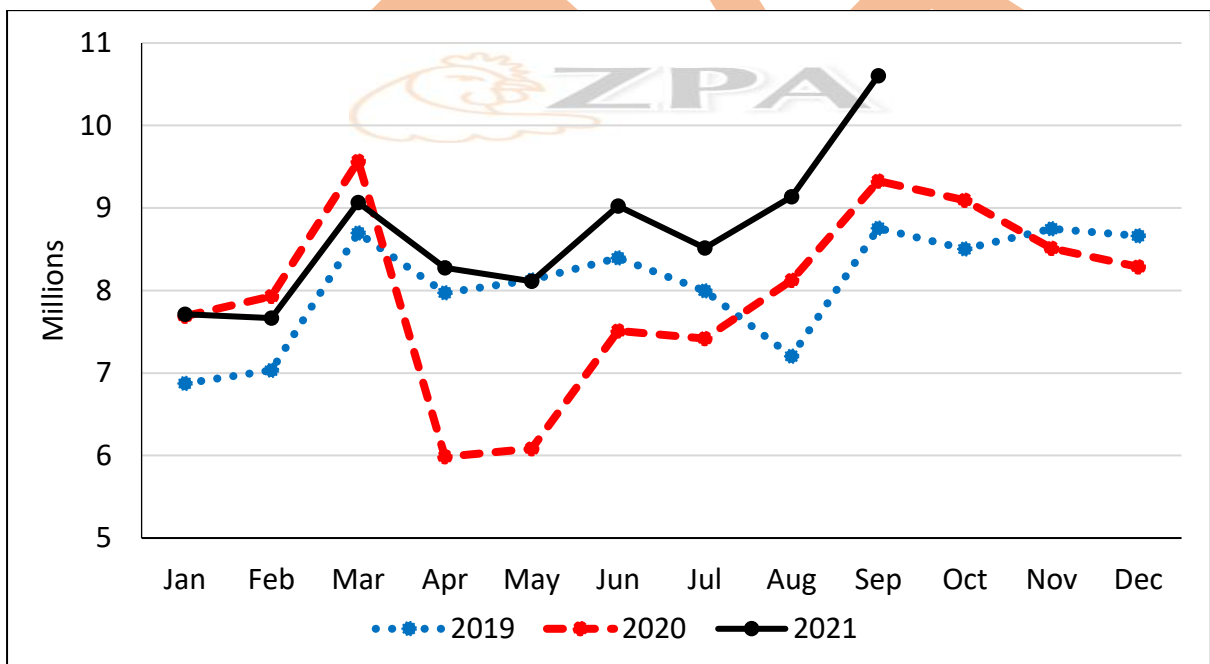


Figure 4. Locally produced broiler hatching eggs, January 2019 to September 2021

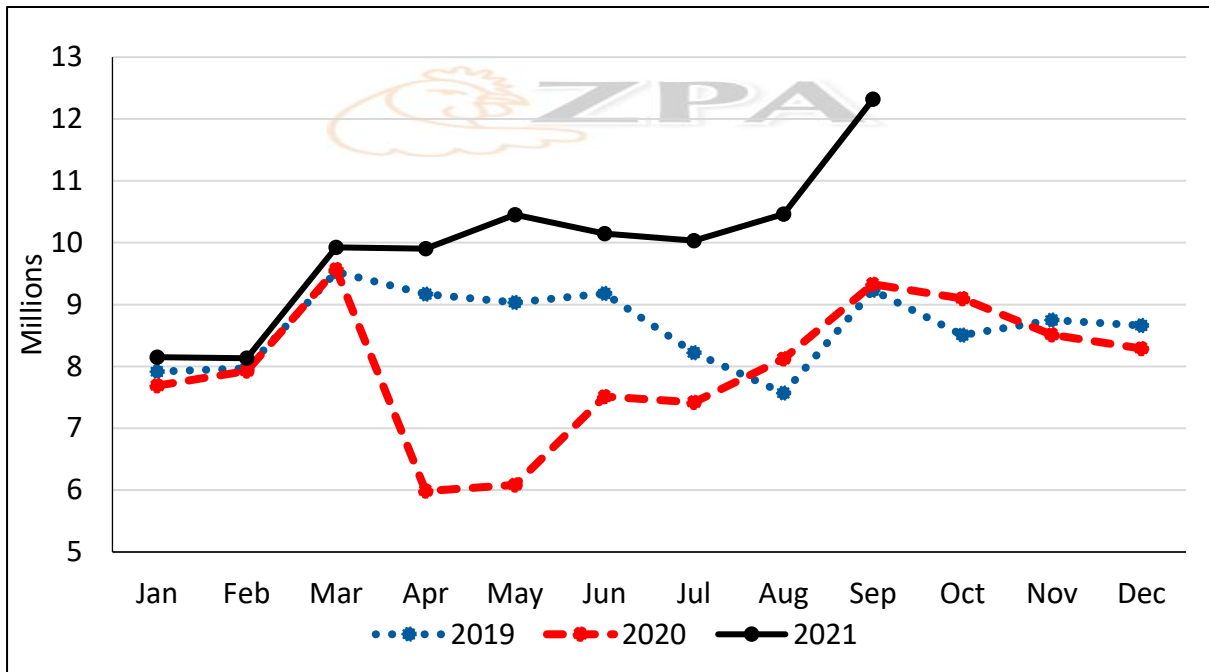


Figure 5. Total broiler hatching eggs, January 2019 to September 2021

Broiler Day-Old Chicks: Broiler day-old chicks averaged 7.7 million per month for Q3 of 2021, being the same as Q2 (Table 3, Figure 3 & 6) matching peak performance achieved in 2018 when the industry was heavily reliant on imported hatching eggs.

Table 3. Monthly average broiler chick production (millions), January 2020 to September 2021

2020				2021		
Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
5.7	4.6	6.5	7.0	6.9	7.7	7.7

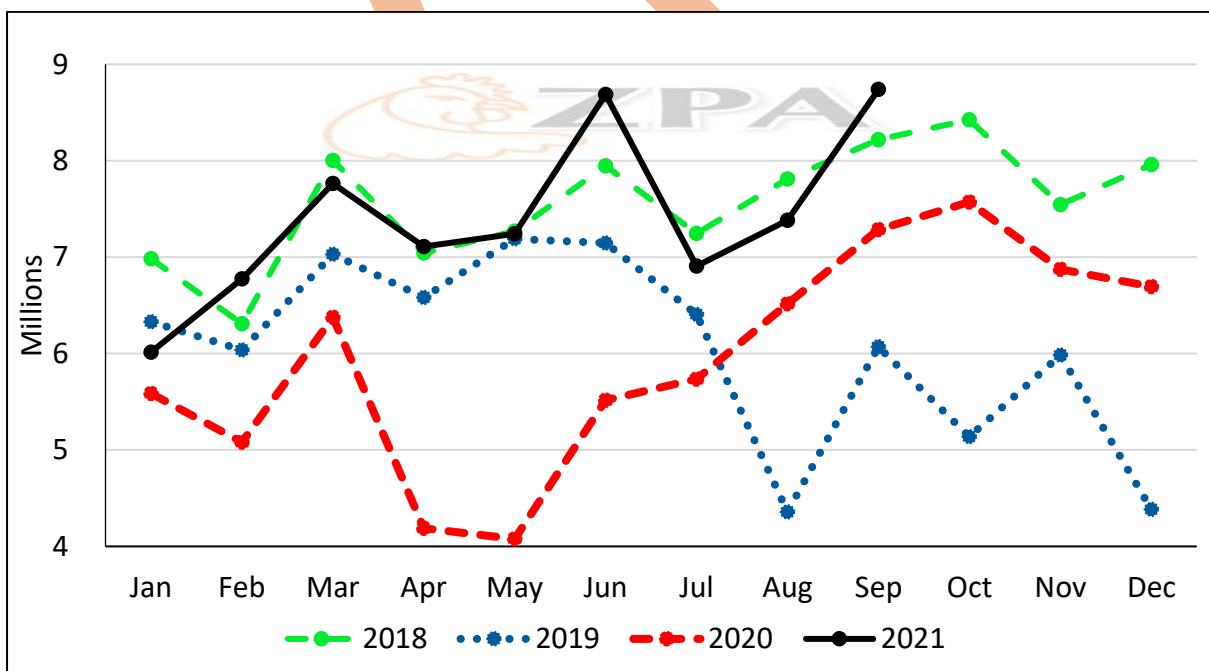


Figure 6. Broiler day-old chicks, January 2018 to September 2021

The price of DoCs continued to increase and in September was ZWL 15,369 (USD 99) per 100 chicks (Table 4, Figure 7).

Table 4. Monthly average broiler chick prices (per 100 chicks), January 2020 to September 2021

	2020				2021		
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
ZWL	1,161	3,157	6,240	8,928	9,291	11,023	13,947
USD	39	47	59	82	82	91	95

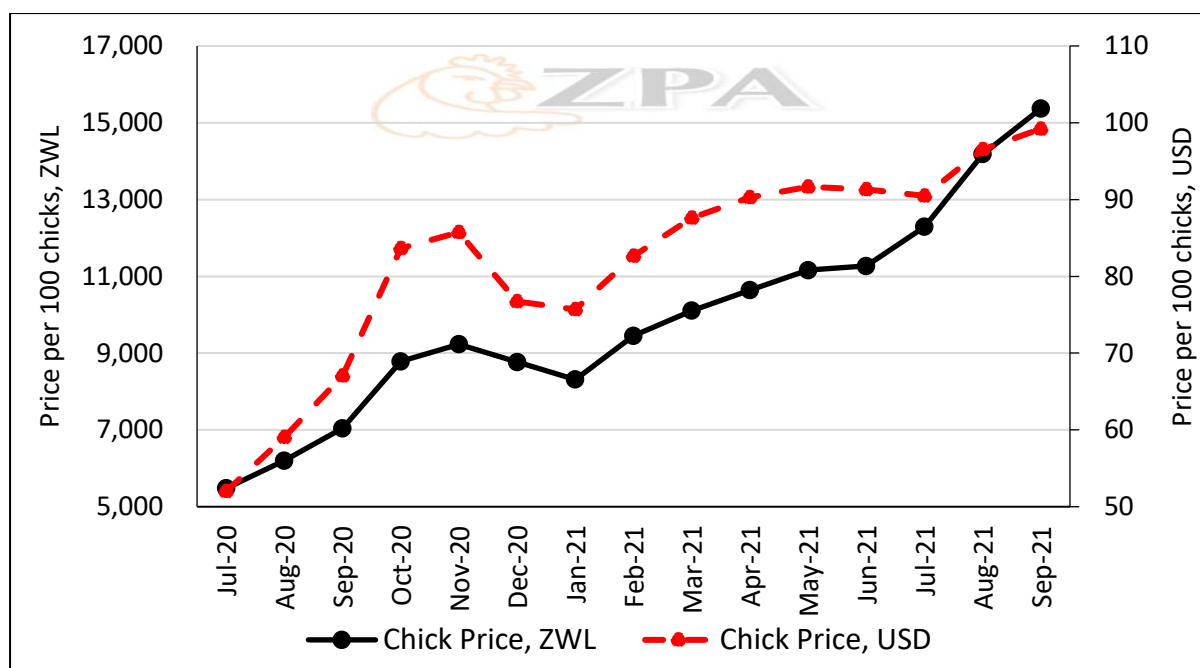


Figure 7. Broiler day-old chick prices, July 2020 to September 2021

Broiler Meat Production: The estimate of broiler meat production is based on total DoCs produced. Returns from large-scale abattoir operators provide information on the number of birds processed, primarily for the large retail outlets, and is approximately one third of the total number of chicks marketed. The difference between total chicks sold and birds processed by large-scale abattoirs is assumed to be chicks taken up mostly by small and medium producers (SMPs). These differences, after taking into consideration estimated mortalities, are used to provide an estimate of meat production from this sector.

Large-scale, estimated small-scale and total meat production in Q3 changed by -12, 1 and -2% respectively compared with Q2 and was 31, 13 and 17% higher than the same period last year respectively (Table 5, Figures 8 to 11).

Table 5. Average monthly broiler meat production (metric tonnes), January 2020 to September 2021

	2020				2021		
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Large-Scale	3,089	2,014	2,197	2,685	2,983	3,273	2,888
Estimated Small-Scale	5,650	5,127	8,082	8,338	7,639	9,038	9,118
Total	8,739	7,140	10,280	11,023	10,622	12,312	12,007

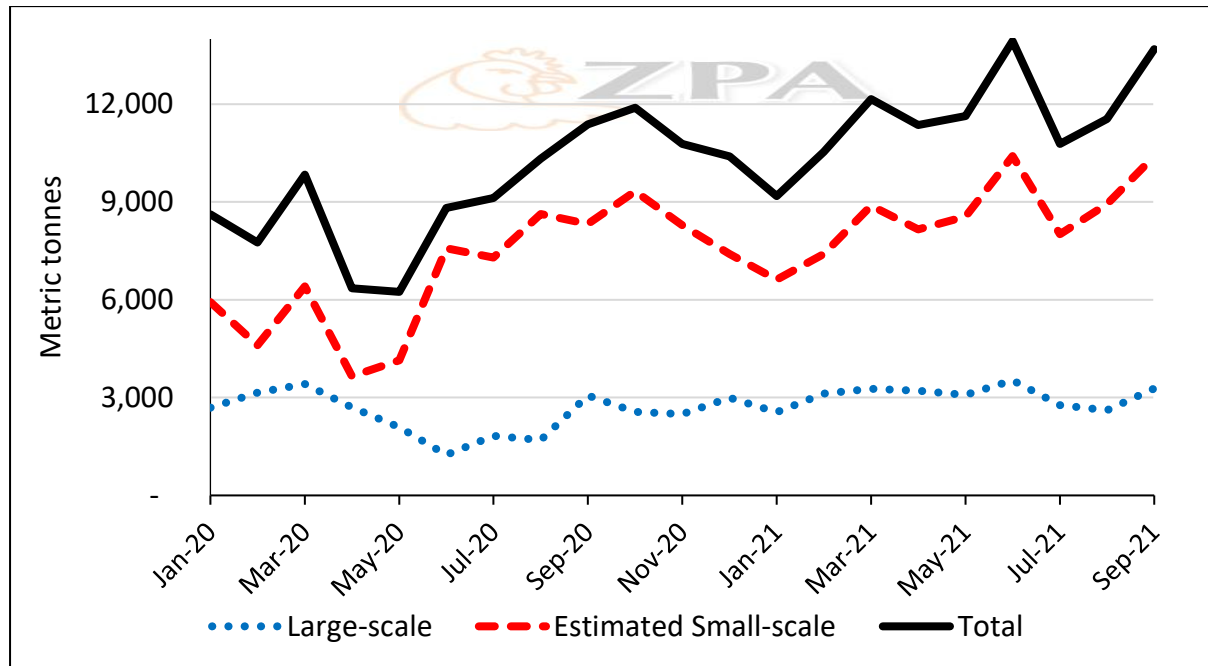


Figure 8. Estimated total broiler meat production, January 2020 to September 2021

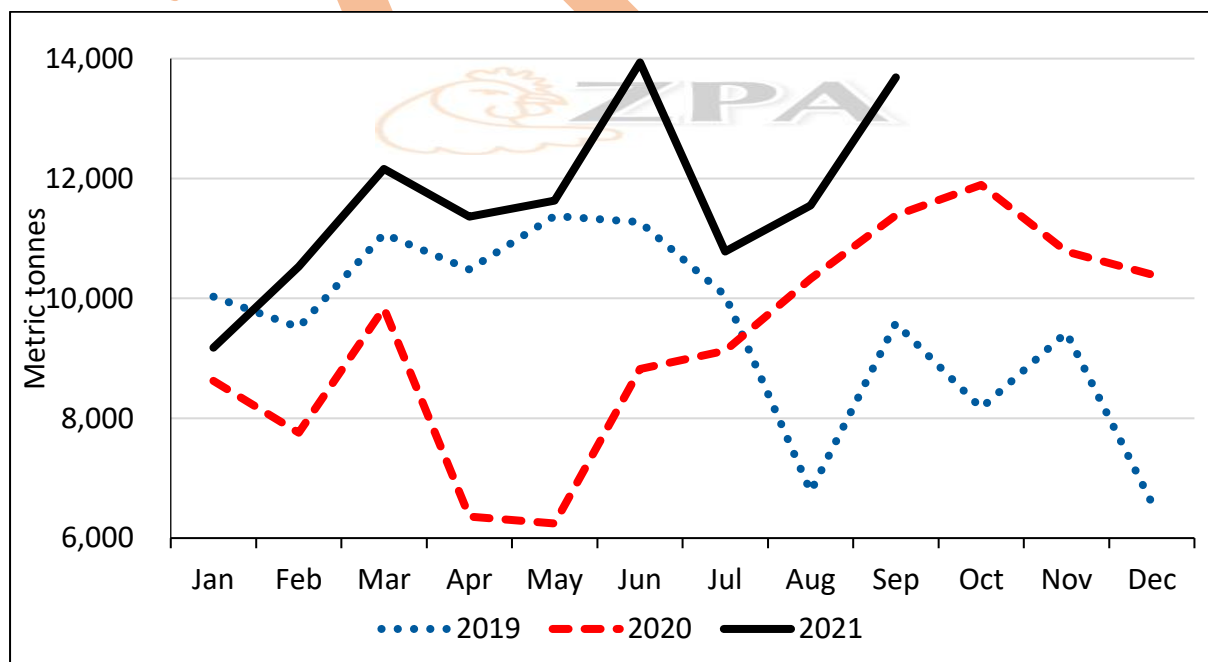


Figure 9. Estimated total broiler meat production, January 2019 to September 2021

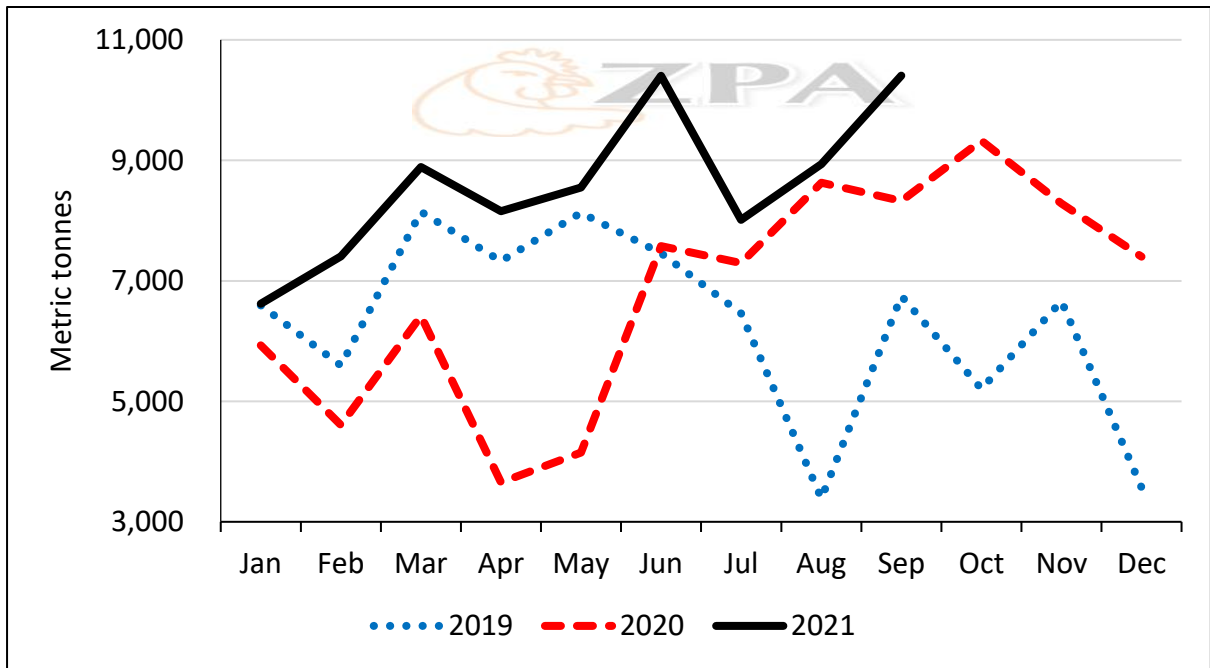


Figure 10. Estimated small-scale broiler meat production, January 2019 to September 2021

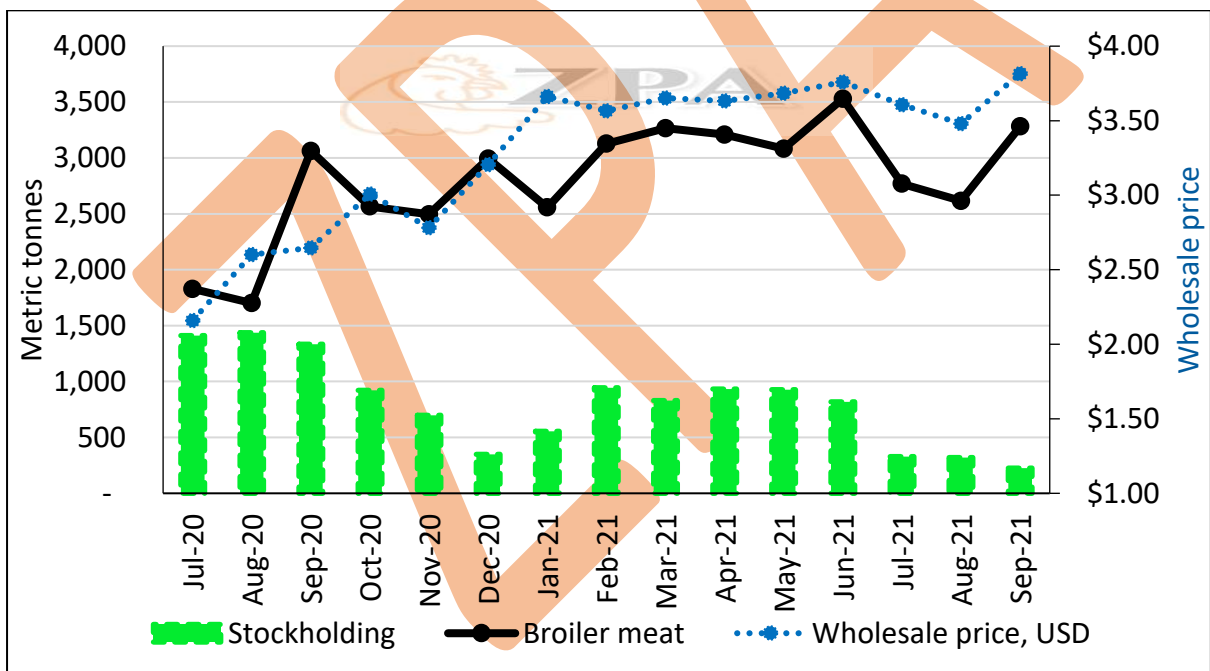


Figure 11. Large-scale broiler meat production, stock holding and wholesale prices, July 2020 to September 2021

Broiler Meat Prices: While average third quarter producer and wholesale prices increased by 14% (-8% in USD terms) over the Q2 (Table 6, Figures 12 and 13), prices for individually quick-frozen pieces (IQF – the bulk of meat marketed) was only 2% higher in ZWL terms and 15% lower in USD terms signalling a stagnant market.

Table 6. Broiler producer and wholesale prices, January 2020 to September 2021

	2020				2021		
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Producer price, ZWL/kg	40	69	113	168	181	219	256
	<u>Wholesale prices, ZWL/kg</u>						
Whole bird	75	148	260	327	395	428	534
Leg quarters	82	166	300	325	399	437	503
Breast	97	193	348	418	482	484	576
1kg IQF*	72	149	272	303	313	372	383
2kg IQF*	68	138	244	283	309	366	374
Producer price, USD/kg	1.35	1.10	1.07	1.54	1.67	1.81	1.88
	<u>Wholesale prices, USD/kg</u>						
Whole bird	2.49	2.27	2.47	3.00	3.65	3.68	3.57
Leg quarters	2.73	2.51	2.85	2.98	3.66	3.77	3.41
Breast	3.22	2.92	3.31	3.84	4.42	4.27	3.93
1kg IQF*	2.40	2.26	2.59	2.78	2.91	3.08	2.56
2kg IQF*	2.25	2.10	2.32	2.60	2.85	3.03	2.50

* Individually Quick Frozen

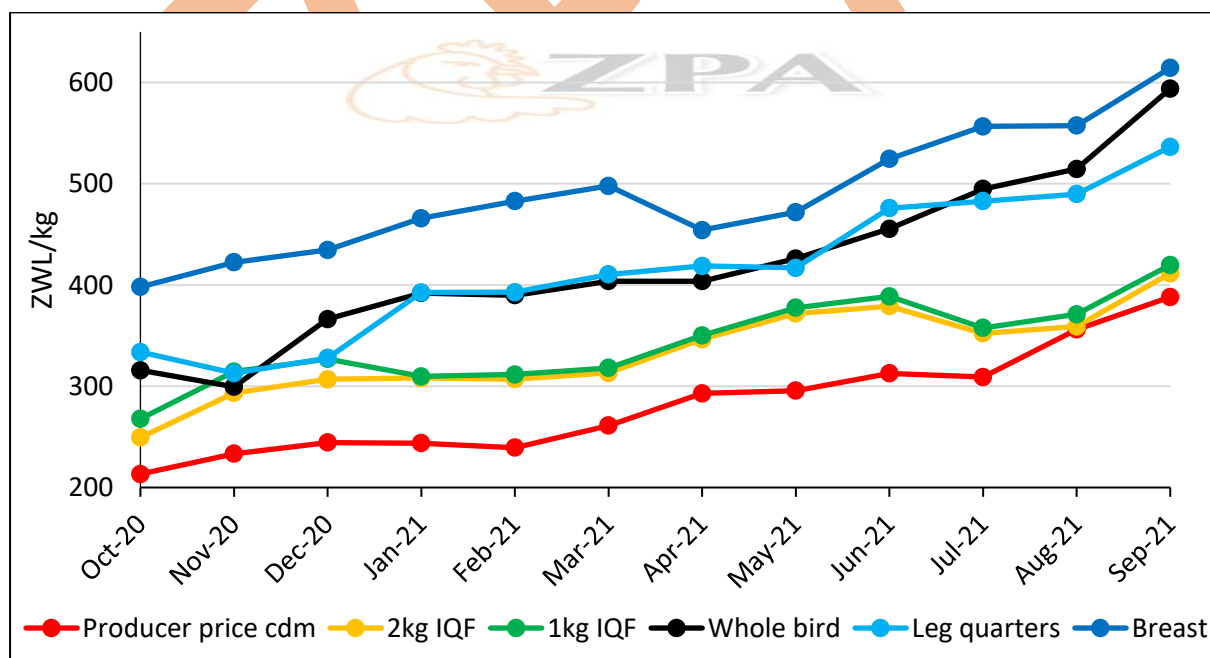


Figure 12. Broiler producer and meat wholesale prices (ZWL), October 2020 to September 2021

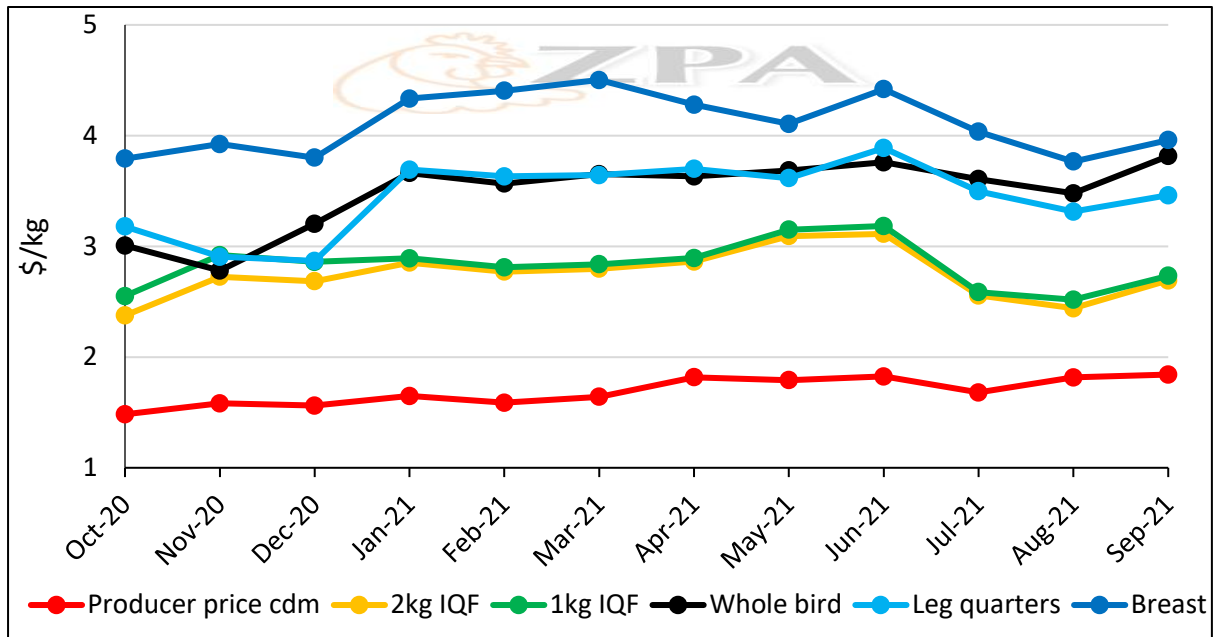


Figure 13. Broiler producer and meat wholesale prices (USD), October 2020 to September 2021

Layer Breeders: Total growing and in-production layer breeder stocks continued to improve and averaged 84,290 birds per month in Q3 of 2021, being 11% higher than Q2 (Table 7, Figure 14).

Table 7. Monthly average number of layer breeder stocks, January 2020 to September 2021

	2020				2021		
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Growing	18,758	13,925	18,365	19,018	27,229	24,826	29,824
In-Production	39,900	43,830	35,998	44,830	49,599	50,874	54,446

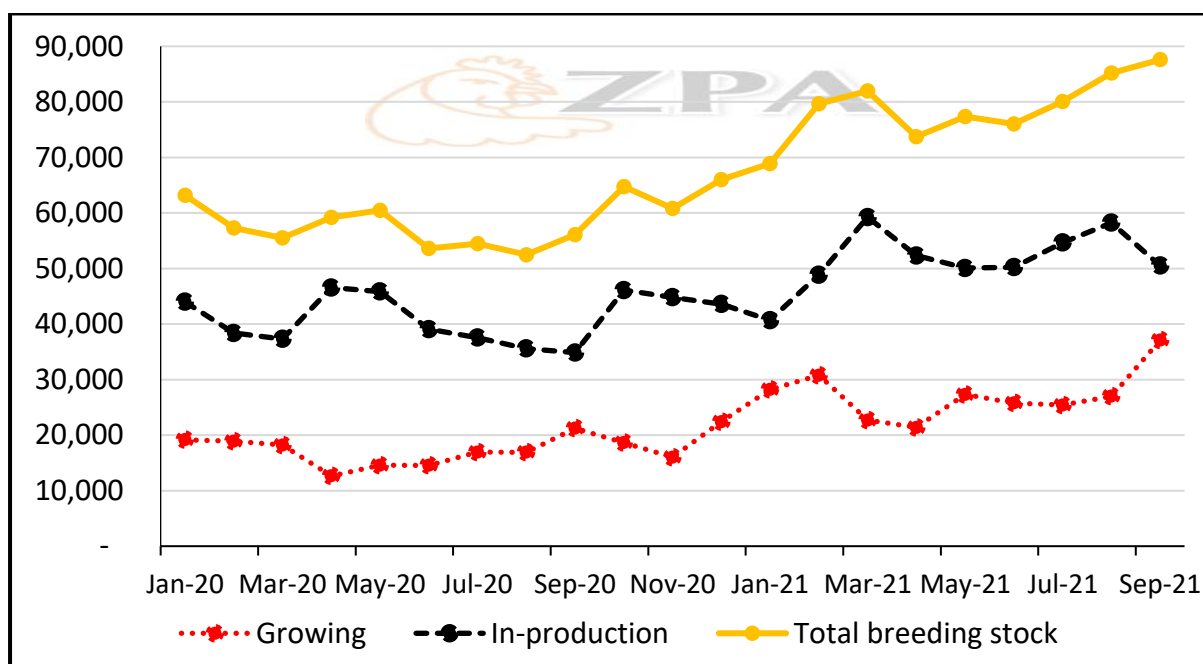


Figure 14. Layer breeder stocks, January 2020 to September 2021

Layer Hatching Eggs: Production of layer hatching eggs in Q3 reached a record high of 1.17 million eggs per month, being an increase of 71% compared with Q2 (Table 8, Figures 15 & 16), outperforming levels of production last seen in 2013 and 2014.

Table 8. Monthly average number of locally produced, imported and total layer hatching eggs, January 2020 to September 2021

	2020				2021		
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Produced (ea)	887,156	858,107	817,471	838,250	872,078	997,509	1,166,708
Imported (ea)	-	-	-	-	137,467	144,280	70,400
Total (ea)	887,156	858,107	817,471	838,250	1,009,545	1,141,789	1,237,108

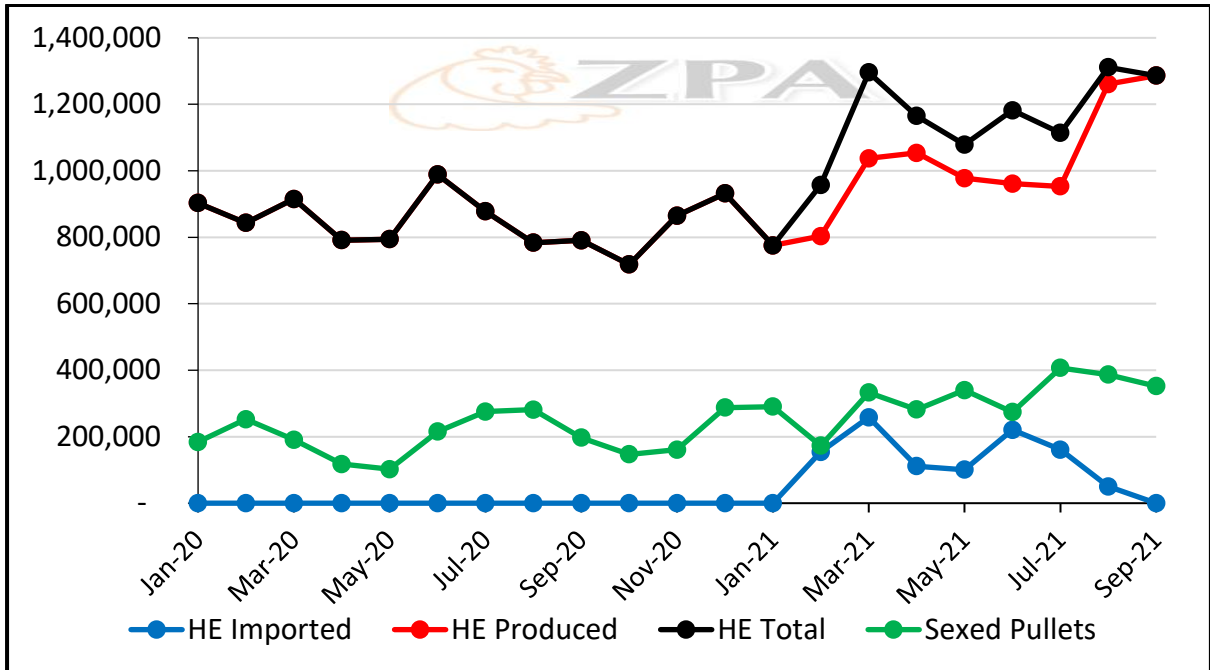


Figure 15. Layer hatching eggs (HE) and sexed pullets, January 2020 to September 2021

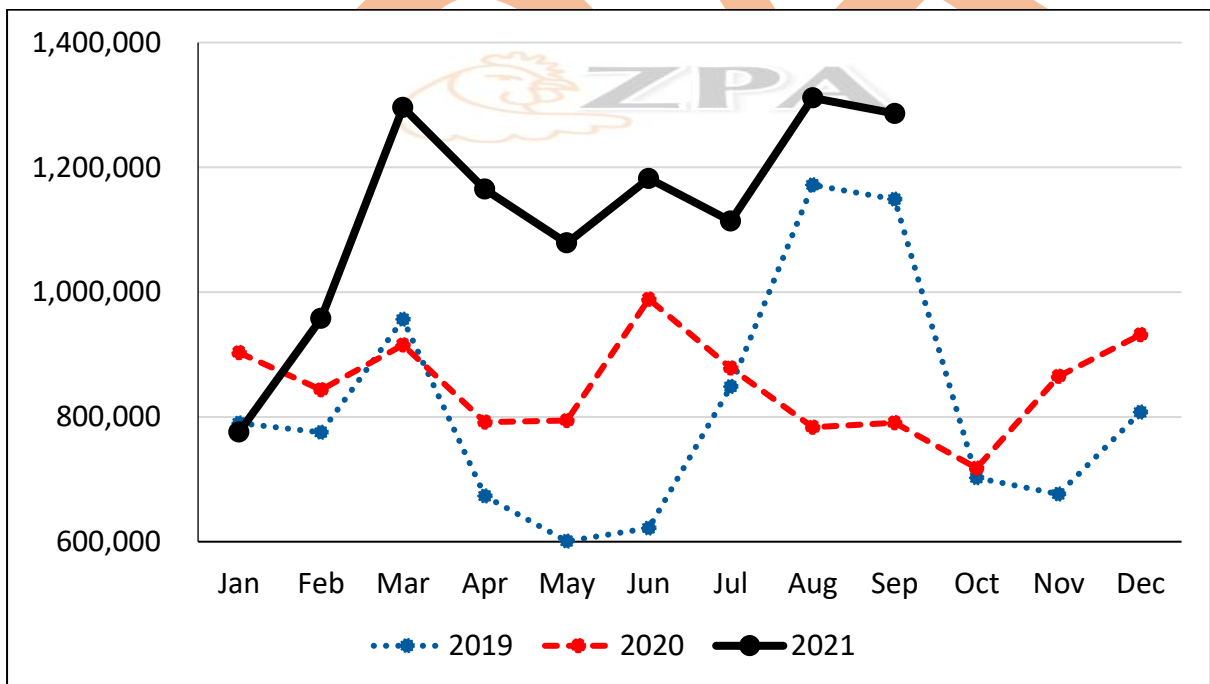


Figure 16. Layer hatching eggs, January 2019 to September 2021

Layer Sexed Pullets: Sexed pullet production (layer DoCs) averaged 381,844 per month in Q3, being an increase of 28% over Q2 (Table 9, Figure 17) and surpassing previous highs of 300,000 pullets per month seen in 2015.

Table 9. Monthly average layer sexed pullet production, January 2020 to September 2021

	2020			2021			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
	209,075	145,093	251,256	198,418	265,406	298,794	381,844

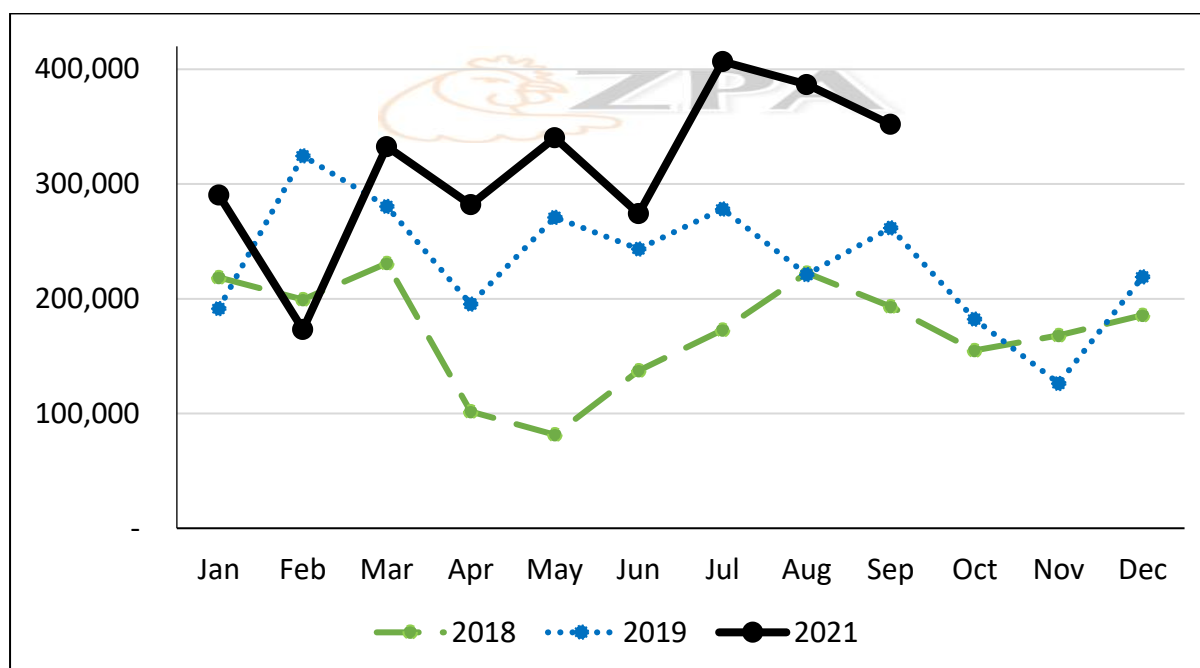


Figure 17. Layer sexed pullets, 2019 to September 2022

The average price of layer sexed pullets rose by 20% (2% in USD terms) to ZWL 15,737 (USD 110) per 100 chicks in Q3 (Table 10, Figure 18).

Table 10. Monthly average layer sexed pullet prices (per 100 pullets), January 2020 to September 2021

	2020				2021		
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
ZWL	1,730	3,717	6,997	9,831	11,908	13,072	15,737
USD	57	57	67	90	105	108	110

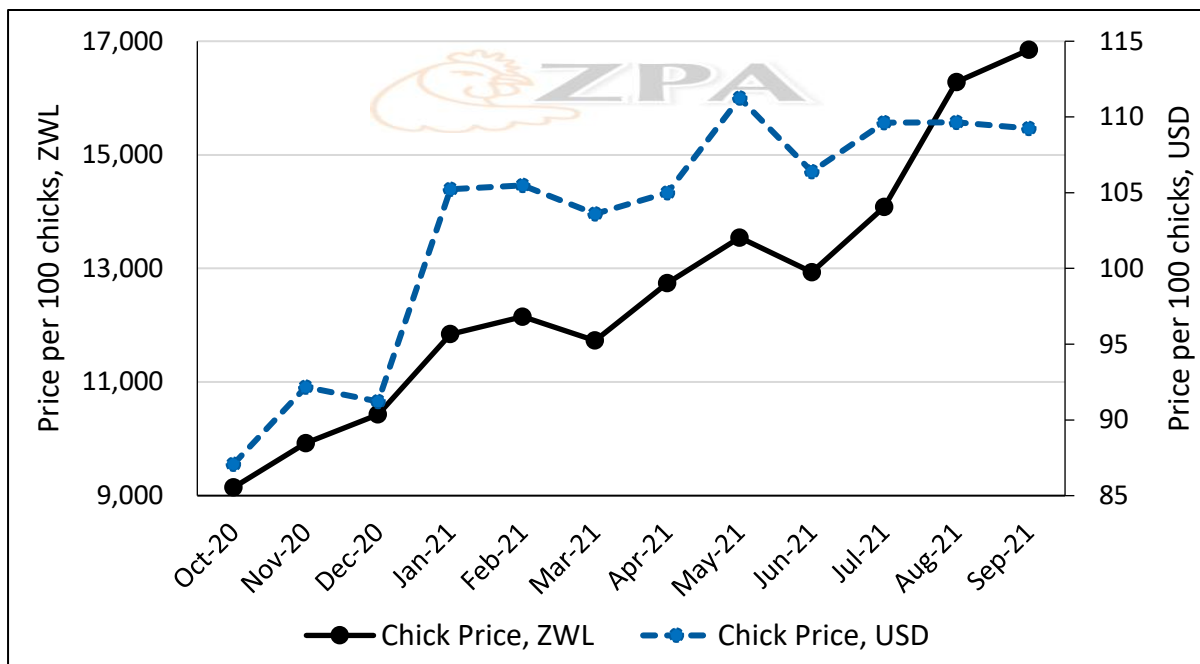


Figure 18. Layer sexed pullet prices, October 2020 to September 2021

Table Egg Production: As with broiler meat production, table egg production is based on production of sexed pullets. Returns from a few large-scale egg producers provides information on table egg production and accounts for approximately half of the total number of sexed pullets marketed. The balance of sexed pullets is used to estimate 'residual' table egg production, a large portion of which is assumed to be by small and medium producers.

In Q3 total egg production is estimated to have increased by 9% across all sectors to an average of 4.9 million dozen per month (Table 11, Figure 19) and is a return to the previous highs achieved in the first nine months of 2020.

Table 11. Average monthly table egg production (million dozen), January 2020 to September 2021

	2020				2021		
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Large-scale	2.0	1.9	2.2	1.9	2.1	1.9	2.1
Estimated Residual including Small-scale	3.1	3.1	2.9	2.7	2.7	2.7	2.9
Total	5.1	5.0	5.1	4.6	4.7	4.6	4.9

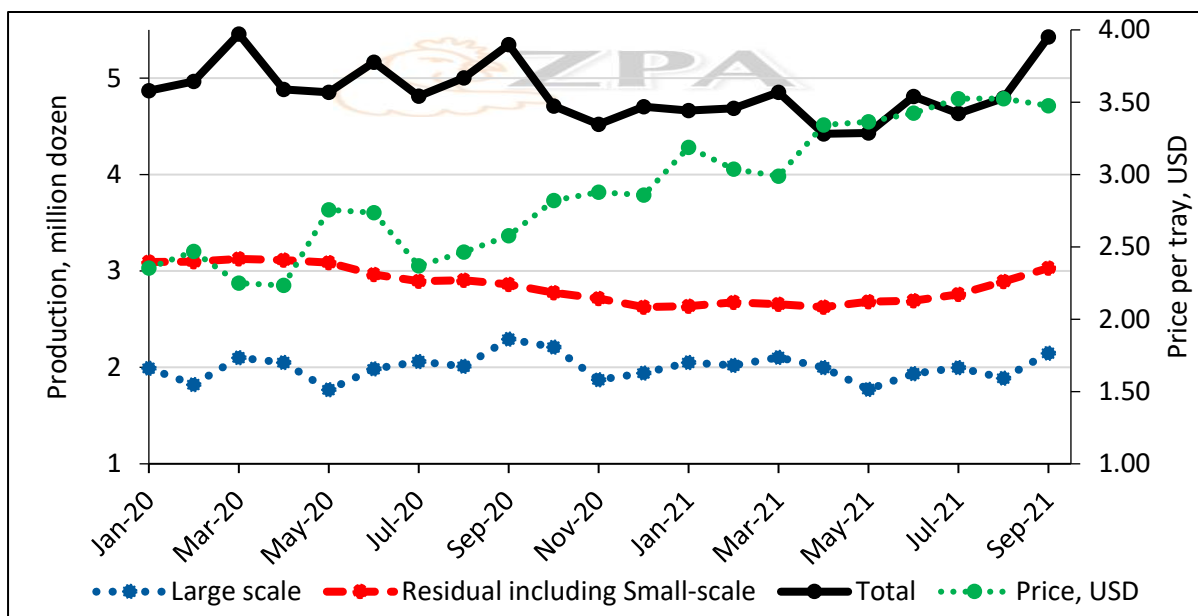


Figure 19. Table egg production, January 2020 to September 2021

The wholesale price of a tray of 30 table eggs increased by 23% in Q3 to ZWL 522 (4% in USD terms to USD 3.51; Table 12, Figure 19).

Table 12. Average monthly table egg wholesale prices per tray of 30 eggs, January 2020 to September 2021

	2020				2021		
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
ZWL	71	170	260	311	338	438	522
USD	2.36	2.57	2.47	2.85	3.07	3.38	3.51

Inputs and Raw Materials

Poultry feeds continue to closely track broiler day-old chick production (Figure 20) dominating the stockfeed industry and in the third quarter accounted for 71% of all feeds produced by weight and 77% by monetary value. Production of poultry feeds averaged 44,080mt per month, worth ZWL 3.1 billion (USD 23.1m), being increases of 12% in quantity and 30% (15% in USD terms) in value respectively over the second quarter of 2021.

Prices of maize and solvent extracted soya meal averaged ZWL 30,994 (USD 245) and ZWL 64,760 (USD 551) per mt, being changes of -18% (-22% in USD terms) and -2% (+1% in USD terms) on average second quarter prices (Figures 21 and 22). Average weighted wholesale prices of broiler and layer feeds increased by 15% (1% USD value terms) and 13% (2% USD value terms), respectively, to ZWL 74,654 per mt (USD 542 per mt) and ZWL 61,599 per mt (USD 461 per mt).

The Secretariat of the ZPA has raised concerns regarding the scarcity and costs of wheat bran. Maize supply has been erratic in some parts of the country necessitating buyers to collect from depots that are far from their operations.

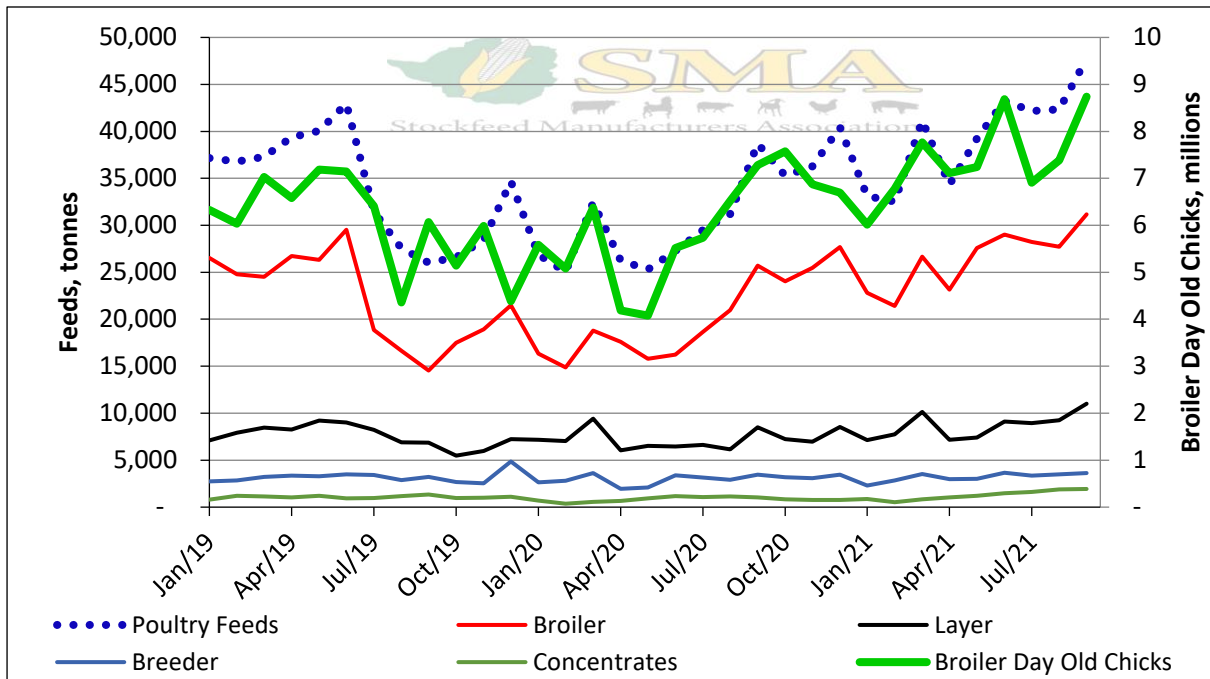


Figure 20. Production of poultry feeds and broiler day old chicks, January 2019 to September 2021

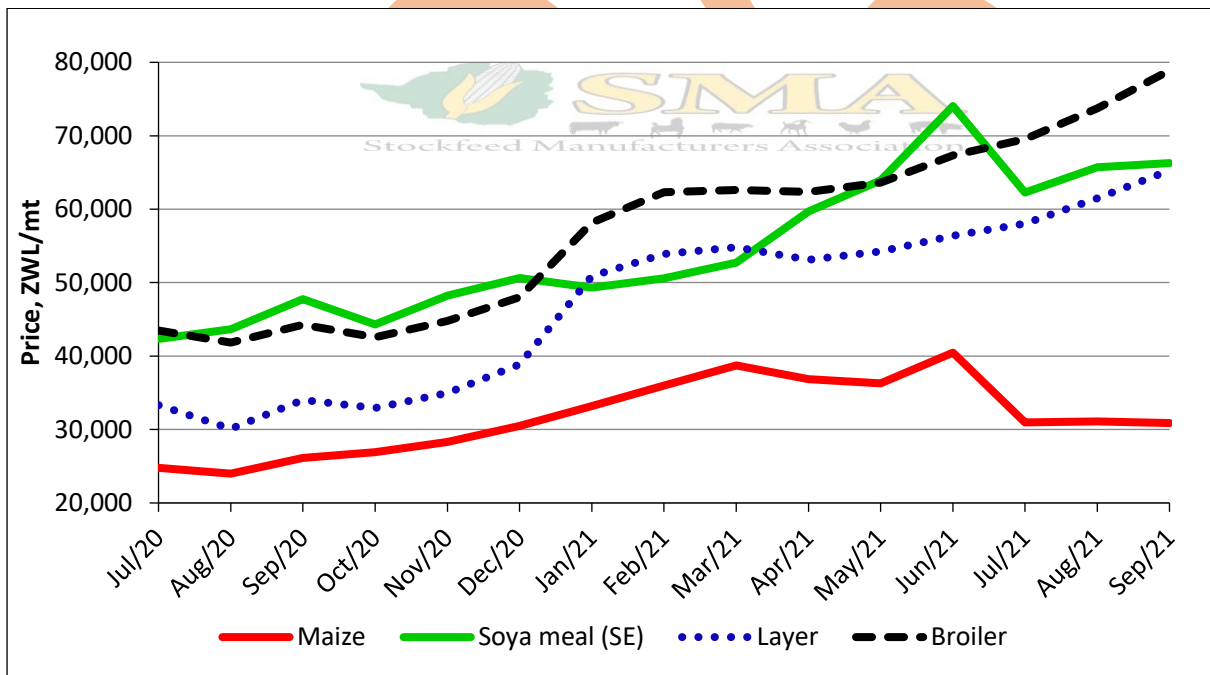


Figure 21. Prices (ZWL) of maize, solvent extracted soya meal and layer and broiler feeds, July 2020 to September 2021

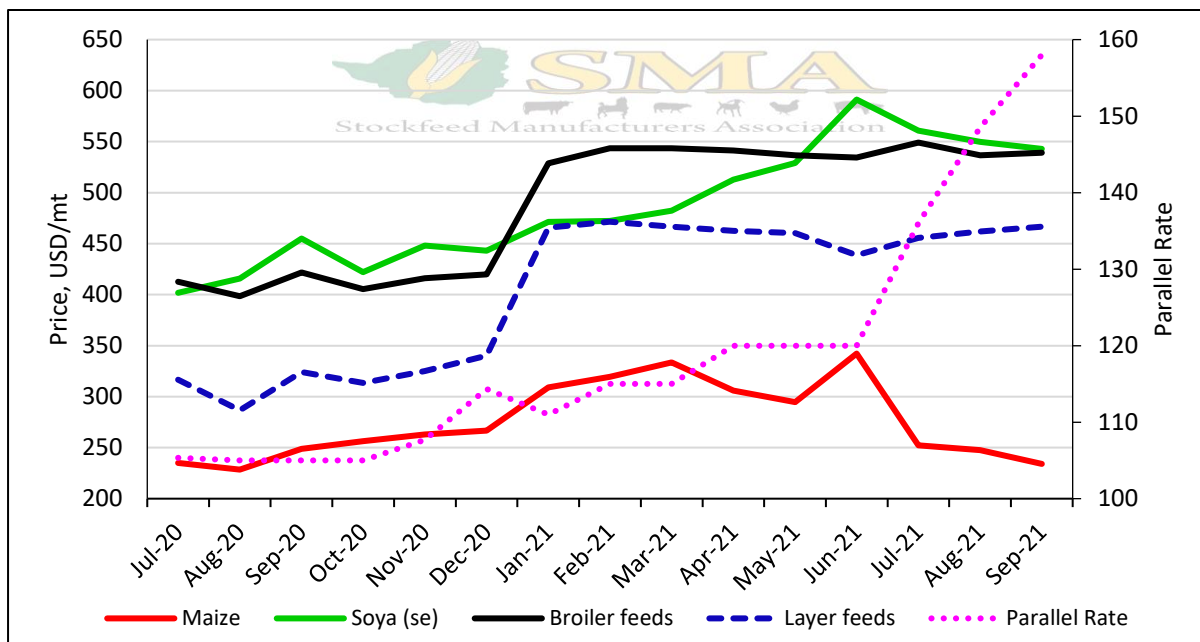


Figure 22. Prices (in USD relative to the parallel rate) of maize, solvent extracted soya meal and layer and broiler feeds, July 2020 to September 2021

Market Watch

Concern has been raised regarding the negative impacts of the recent surge in inflation on poultry producers. The rapid devaluation of the local currency relative to the US Dollar has led to high costs of raw materials, day-old chicks and feed.

Prices for chickens have been relatively stable on the market but the market price for eggs have dropped and this has resulted in the small-scale producer struggling to break even.

The domestic situation of hatching eggs continues to be a major concern to government and industry as the country, given the growing demand, is not self-sufficient in local production of hatching eggs. The Secretariat of the Zimbabwe Poultry Association has been in several rounds of discussions with the Ministries of Agriculture and Finance to renew the duty-free importation of hatching eggs which expired at the end of September. Statutory Instrument 262 of 2021 was published on 16th November waiving the duty on 15 million broiler and 3 million layer hatching eggs for the period 1st October 2021 to 31st March 2022 and this is expected to reduce the cost and stabilise supply of day-old chicks.

At the NECF-ZAS Annual Agriculture Conference the Permanent Secretary, Dr John Basera, announced that Government will maintain Statutory Instruments 145 of 2019 and 96 and 97 of 2021 governing marketing of maize, soyabeans and cotton for the 2021-22 farming season. This will prevent poultry farmers from buying maize and soyabeans directly from farmers unless they go into a contracting arrangement.

Imports

The Secretariat has also been in close communication with the Ministry of Agriculture regarding large volumes of meat imports (approximately 200mt per

month) which is directly competing with locally produced poultry products in retail markets.

Veterinary Report

There is an elevated risk of Avian Influenza coming in from South Africa particularly as cross border movements are increasing and concerns of illegal imports of day-old chicks and poultry products.

Association representatives participated in discussions held across the country with Department of Veterinary Services staff and industry stakeholders under the auspices of the Livestock Business Forum. Topics discussed included a strategy plan in the event of an outbreak of Avian Influenza.

There had been deaths recorded due to New Castle Disease in some parts of the country, aggravated by the absence of vaccination campaigns against NCD for over a year. It is anticipated that this programme will resume soon, especially in the rural areas.

Kind regards,



Solomon Zawe
Chairman