



## Livestock & Meat Advisory Council

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### Market Watch Third Quarter 2019

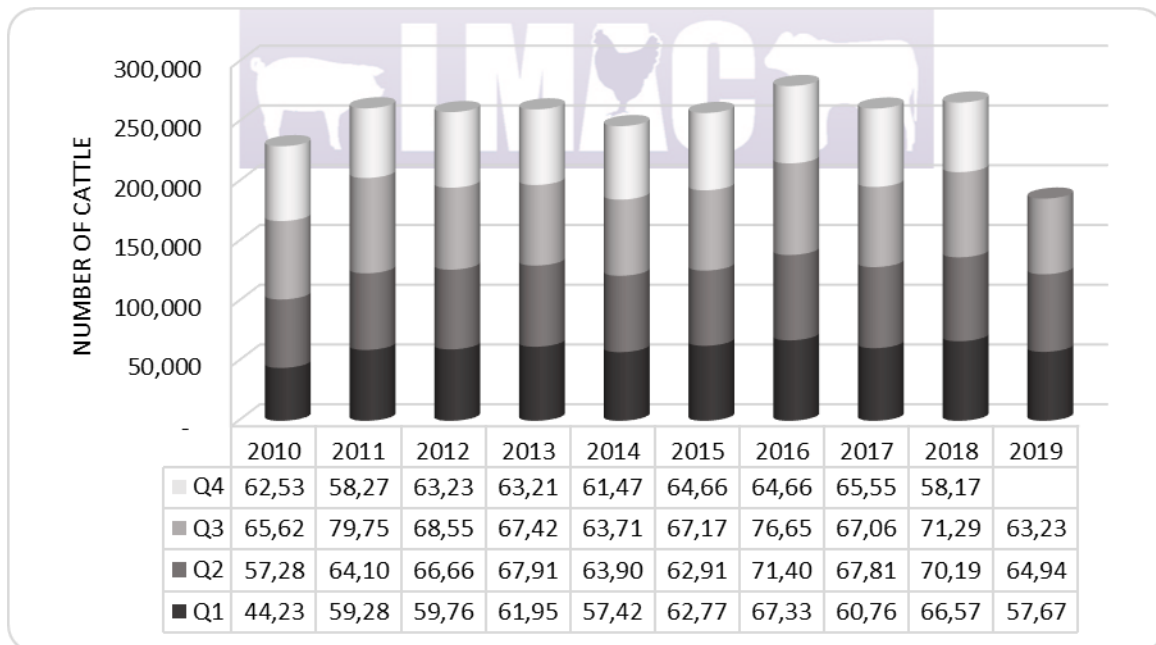
#### Beef Sector

Cumulative slaughters for the third quarter of 2019 were 63,233 head, a decrease of 11% and 3% over the same period in 2018 and the third quarter of 2019, respectively.

Total slaughters for the nine months to September amounted to 185,853 head, a decrease of 11% over the corresponding period in 2018 of 208,057 head.

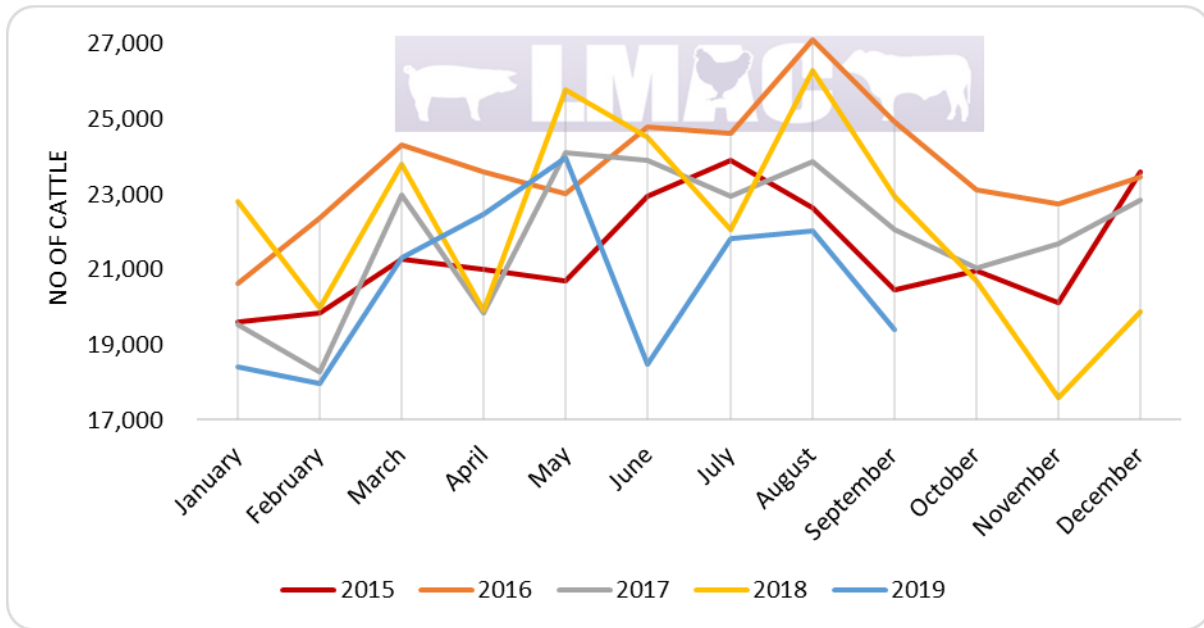
Drought conditions have not yet had the expected impact of increased head at cattle sales as a reluctance by farmers to sell their animals and quarantine orders following disease outbreaks have had a negative effect on cattle movements.

In South Africa, total slaughters for the third quarter were 655,448 head, while total slaughters to September 2019 were 1,9million head. Total cattle population in South Africa is estimated to be just under 14million head.



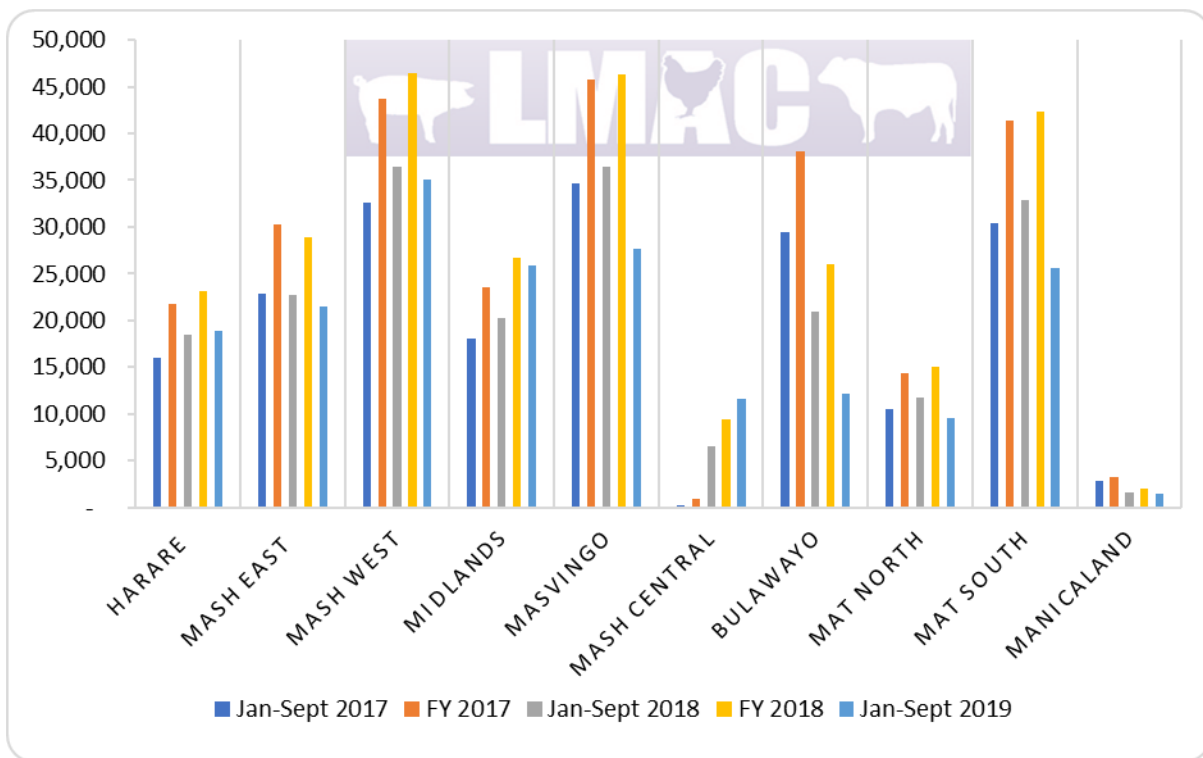
**Annual Cattle Slaughters, 2010 – September 2019**

Large variations in monthly slaughters populate the months from January to September 2019, with the highest slaughter figure recorded in May of 23,970 head while the lowest was in February of 17,962 head.



**Monthly Cattle Slaughters, 2015 – 2019**

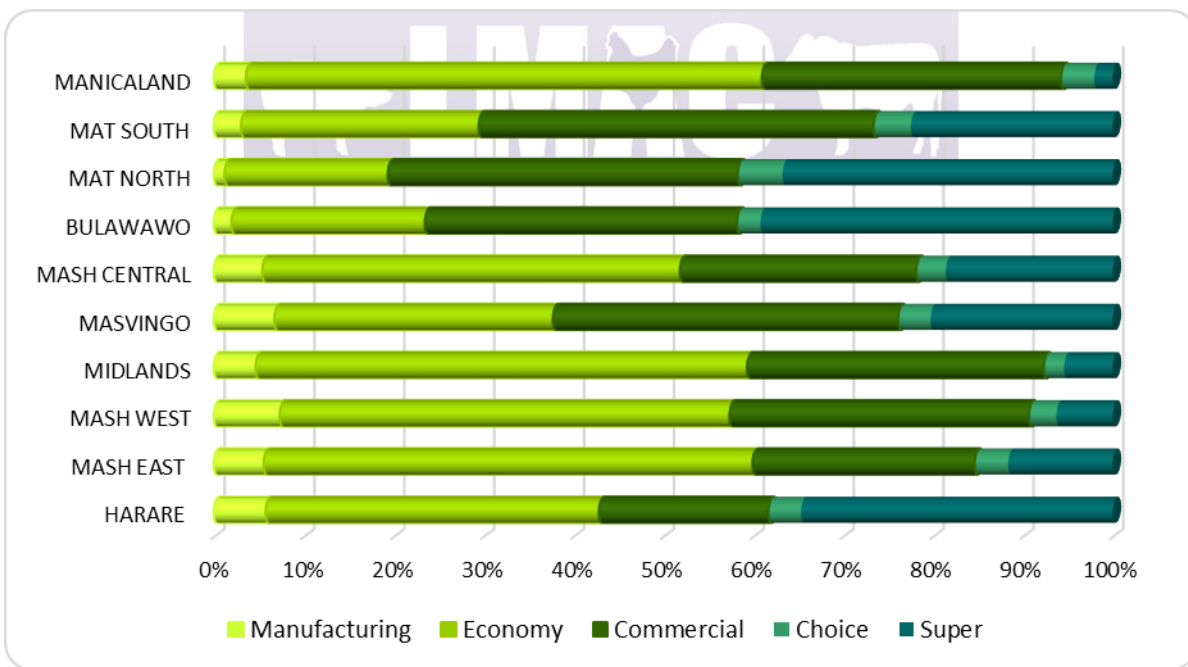
For the first nine months of the year, Mashonaland West recorded the highest number of slaughters at monitored abattoirs, accounting for 19% of the national slaughter. Masvingo, Midlands and Matabeleland South were second, third and fourth with 15, 14 and 13%, respectively. Manicaland had the lowest slaughters, accounting for just 1%, which may be reflective of the lack of monitoring at abattoirs and not the absence of cattle slaughters. Slaughters in Bulawayo have been on a significant downward trend in recent months.



**Annual Cattle Slaughters by Province, January to September 2019**

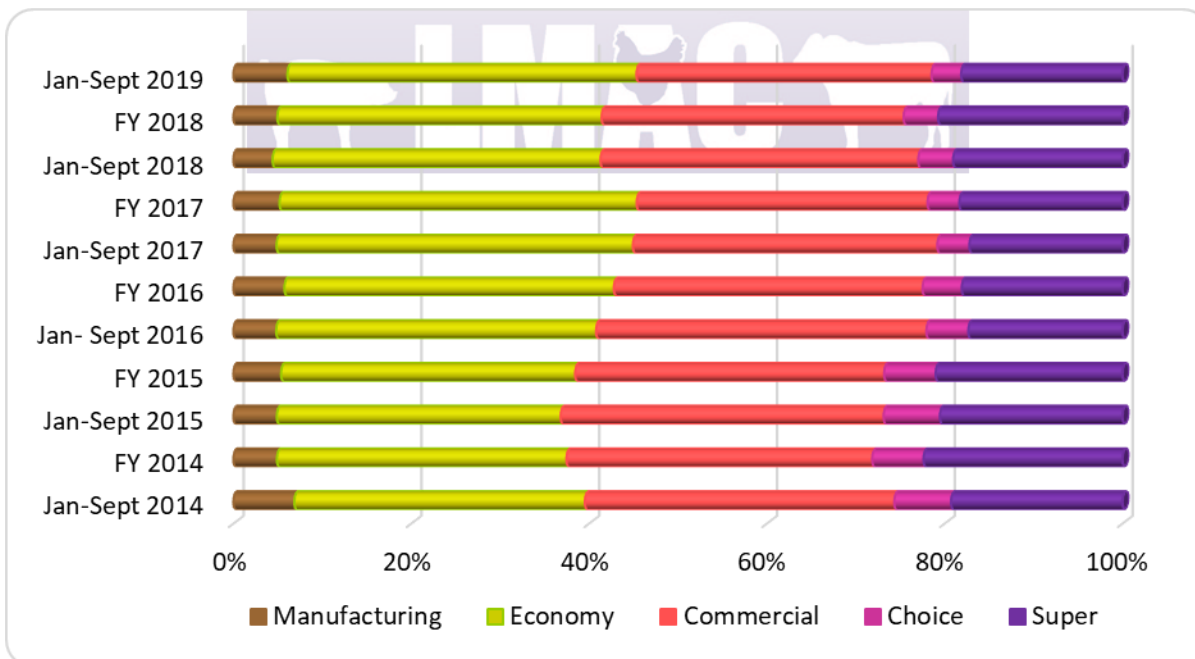
In September, the breakdown of slaughter quality shows that manufacturing and economy grades account for 50% of slaughters. Economy grade continues to dominate the carcasses slaughtered, making up 39% of all slaughters, reflecting an increase of 2% over the same period in 2018.

Typically, as the year progresses and pastures dry up, commercial farmers and feedlot operators normally resort to feedlotting, however, the economics of this practice are under huge pressure due to the cost of stockfeed. As slaughter stock is predominantly drawn from communal cattle producers, they will be most affected by the drought as producers rely on natural pastures.



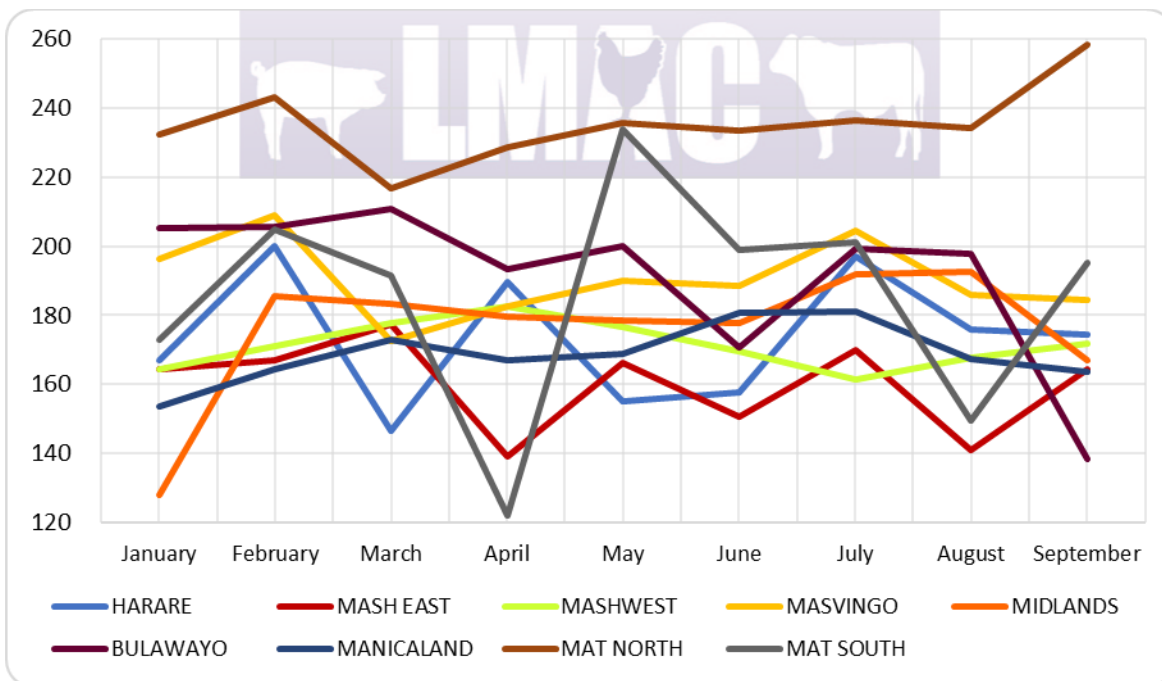
**Grade Classification by Province, January to September 2019**

The quality composition as of slaughtered cattle over the period under review shows manufacturing and economy accounting for 45% while super grade accounts for 18%.



**Quality Composition by Grade, 2014 – September 2019**

Matabeleland North boasted the highest average carcass size, averaging 232kg over the third quarter of 2019. Bulawayo and Masvingo were second and third, averaging 191 and 190kgs, respectively. Manicaland had the smallest carcass weight of 161kgs.

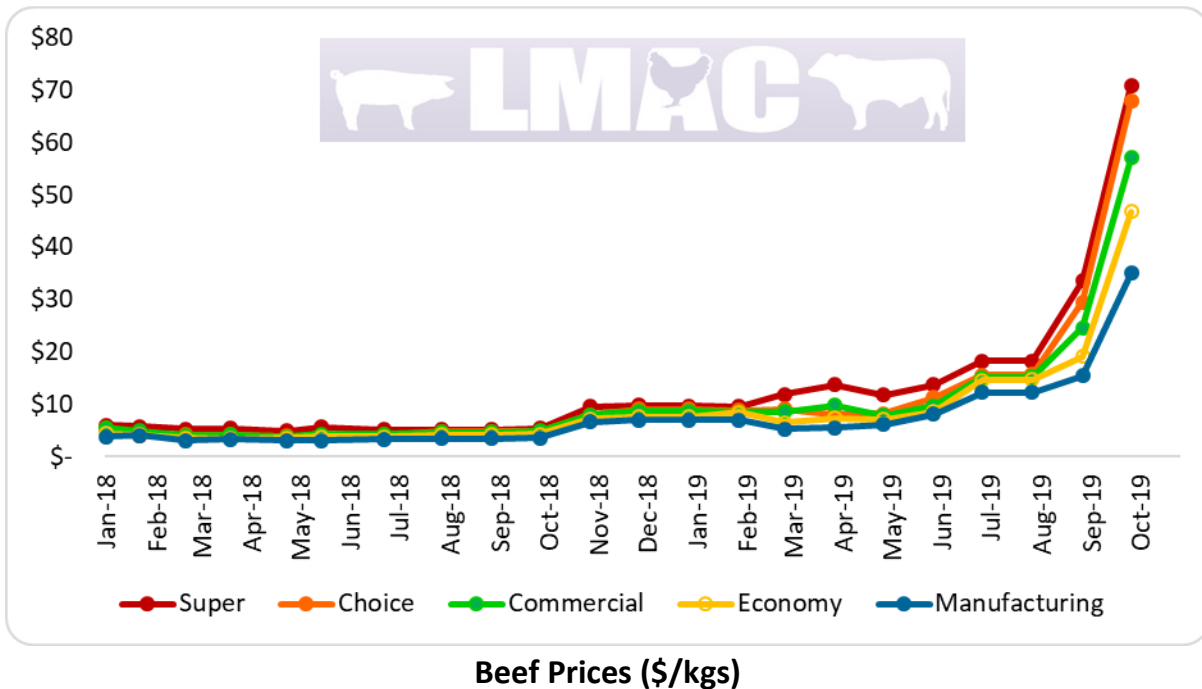


**Provincial Average Cold Dressed Weight (kgs), January to September 2019**

The wholesale price of economy grade increased by 510% in the nine months to September 2019 from \$7.63 to \$46.83/kg. The highest increase of 656% was for choice grade, increasing from \$9 to \$68/kg. Supers continue to be in short supply on the market.

Stockfeed prices continue to be driven by inflationary pressures of raw materials. It is anticipated that as supply bottlenecks of key raw materials increase, this reality will be reflected in the price. Disposable consumer income is being eroded by inflation and as a result, dietary changes that will reduce demand for animal protein are inevitable.

Buying conditions have been characterised by prices being quoted in United States dollar and paid in ZWL at the prevailing exchange rate, a situation that has increased prices in ZWL terms. The outbreaks of diseases such as Foot and Mouth and Theileriosis have resulted in regular quarantining of cattle in parts of the country, complicating the marketing of cattle in those areas.



### Zimbabwe Herd Book National Breed Sale 2019

The Zimbabwe Herd Book (ZHB) National Breed Sale 2019 took place on 31<sup>st</sup> July 2019 and was by all accounts a tremendous success. A total of 205 breeding animals were sold (3 Boer Goat Bucks, 97 bulls and 105 heifers), the highest number since 2012, mainly due to the increased numbers of heifers.

The average prices were significantly higher than last year, reflecting devaluation of the local currency. The average prices for bucks, bulls and heifers were ZWL 8,000, 32,263 and 14,938, respectively.

The top price was for a Ruvale Brahman bull bred by the Pilossof family, which sold for a whopping ZWL 172,000, followed by ZWL 75,000 for another Brahman bull, again bred by the Pilossof family. The third highest price of ZWL 60,000 was paid for a grey Brahman bull bred by Mr Sibanda, Little Beatrice Brahman Stud. Bidding for heifers was firm.

Remarkably, average prices in real terms also remained firm at USD 3,226 for bulls and USD 1,494 for heifers (using exchange rates of 1.5, 2.2 and 10:1 for 2017, 2018 and 2019, respectively) despite the prevailing macroeconomic conditions and the severe drought.

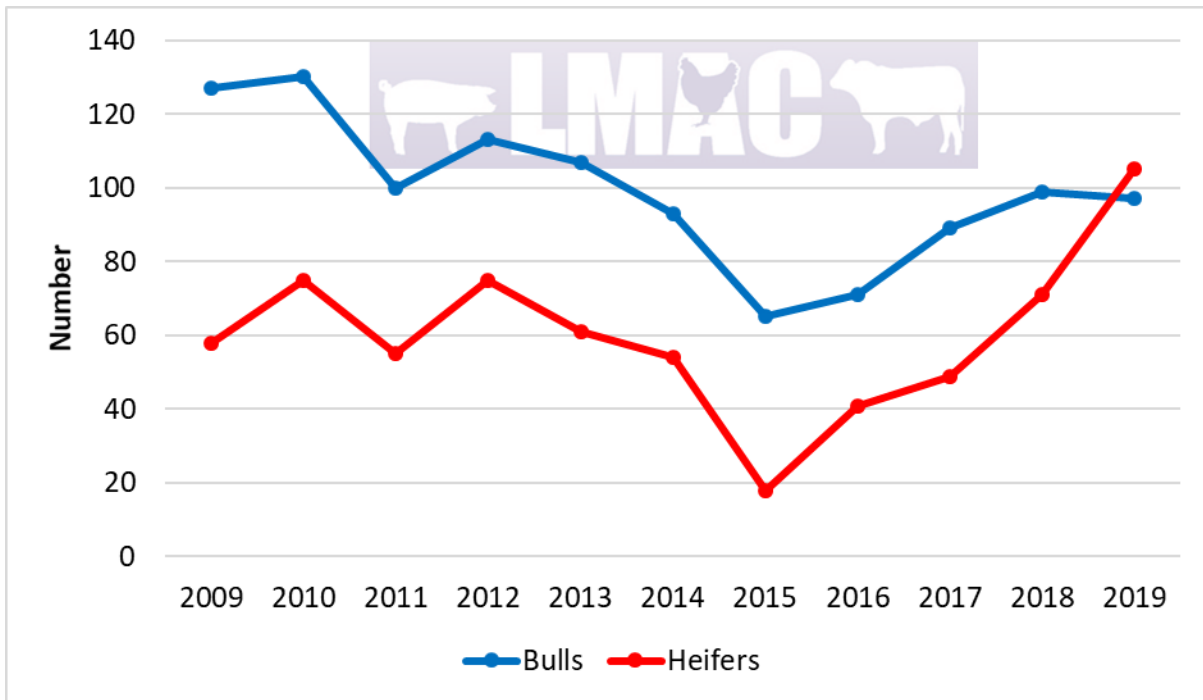
Bulls from six beef breeds were on offer and Simmental had the highest average price per bull (ZWL 35,143) followed by Brahman (ZWL 33,952) and Beefmaster (ZWL 32,333). Most of the heifers on offer were Brahman which averaged ZWL 14,018 while the four Boran heifers sold for an average of ZWL 28,000.

**Number of stud animals sold (No) and average prices (USD) obtained at the Zimbabwe Herd Book National Breed Sale 2009 to 2019**

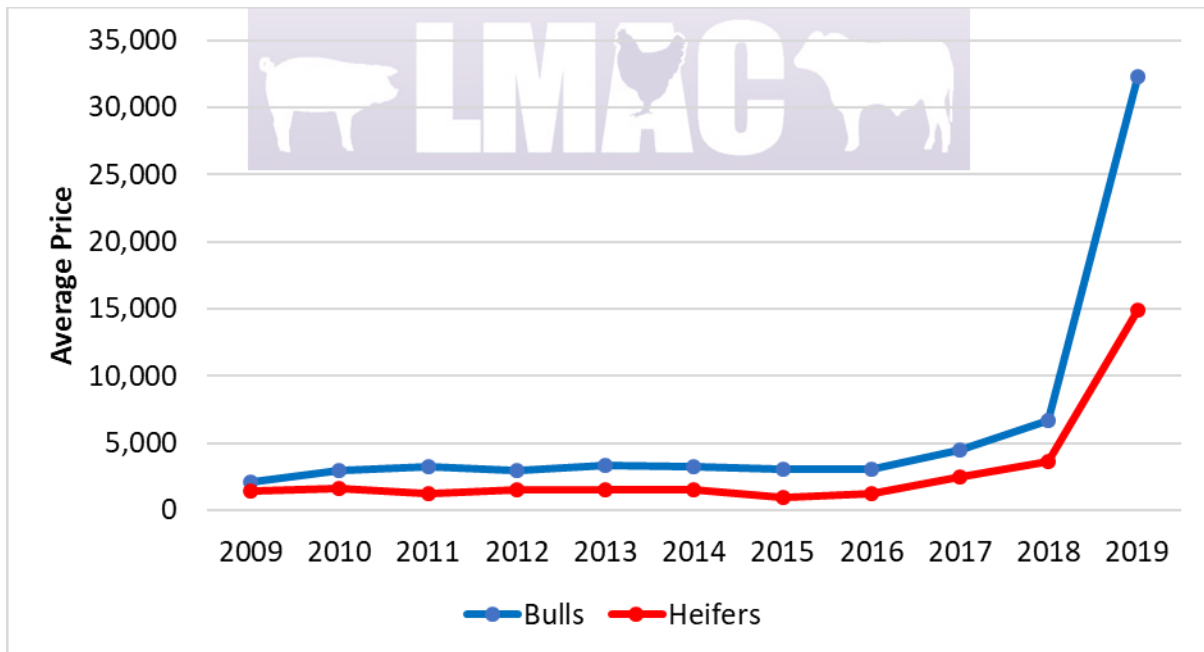
|         |    | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019   |
|---------|----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Rams    | No | 15    | 23    | 13    | 19    | 9     | 10    | 7     | 8     | 8     | 6     |        |
|         | \$ | 672   | 572   | 1,338 | 1,114 | 1,214 | 1,308 | 1,221 | 1,316 | 975   | 2,150 |        |
| Ewes    | No | 35    | 33    |       | 19    | 5     | 10    | 15    | 12    | 6     | 4     |        |
|         | \$ | 378   | 463   |       | 494   | 475   | 613   | 367   | 325   | 300   | 600   |        |
| Bucks   | No |       |       |       |       |       |       |       |       | 3     | 3     | 3      |
|         | \$ |       |       |       |       |       |       |       |       | 1,283 | 1,633 | 8,000  |
| Bulls   | No | 127   | 130   | 100   | 113   | 107   | 93    | 65    | 71    | 89    | 99    | 97     |
|         | \$ | 2,129 | 2,915 | 3,235 | 2,964 | 3,340 | 3,244 | 3,064 | 3,053 | 4,518 | 6,719 | 32,263 |
| Heifers | No | 58    | 75    | 55    | 75    | 61    | 54    | 18    | 41    | 49    | 71    | 105    |
|         | \$ | 1,430 | 1,635 | 1,263 | 1,516 | 1,496 | 1,522 | 936   | 1,235 | 2,478 | 3,593 | 14,938 |

**Number of stud animals and average prices obtained by breed at the Zimbabwe Herd Book National Breed Sale 2019**

| Breed      | <u>Bulls</u> |        | <u>Heifers</u> |        |
|------------|--------------|--------|----------------|--------|
|            | Number       | Price  | Number         | Price  |
| Beefmaster | 9            | 32,333 | 12             | 18,167 |
| Bonsmara   | 3            | 20,333 |                |        |
| Boran      | 7            | 27,071 | 4              | 28,000 |
| Brahman    | 63           | 33,952 | 83             | 14,018 |
| Simmental  | 7            | 35,143 |                |        |
| Tuli       | 8            | 25,375 | 6              | 12,500 |

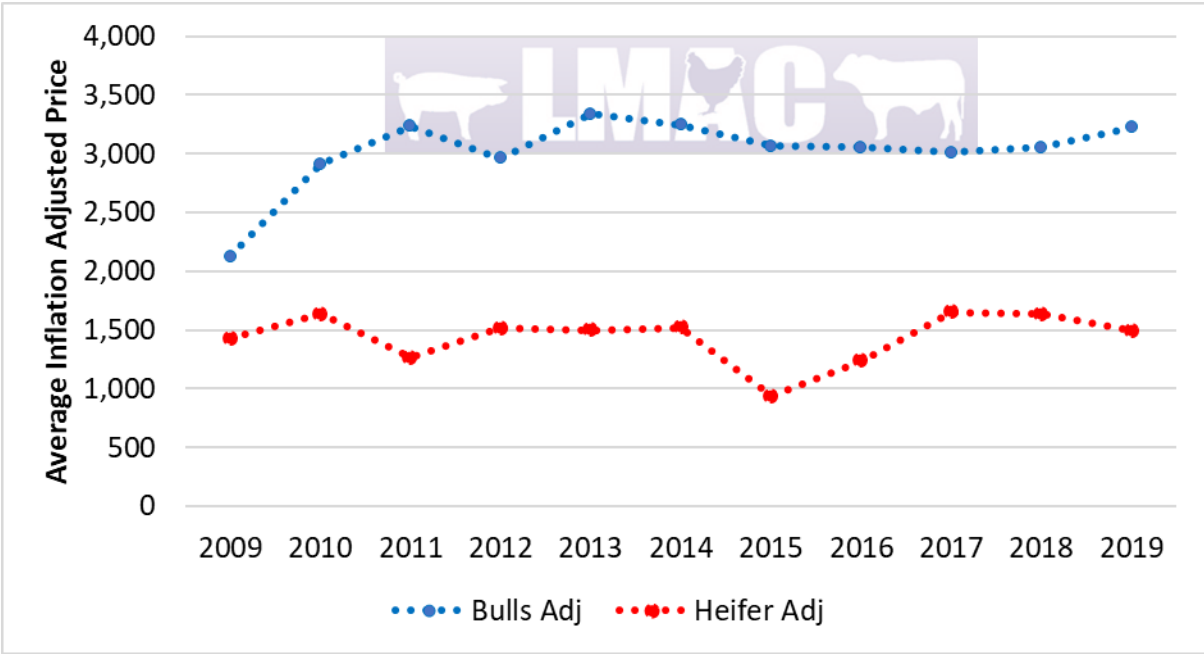


**Number of bulls and heifers sold on the Zimbabwe Herd Book National Breed Sales, 2009 to 2019**



**Average price of bulls and heifers sold on the Zimbabwe Herd Book National Sale, 2009 to 2019**





**Average inflation adjusted price of bulls and heifers sold on the Zimbabwe Herd Book National Breed Sale, 2009 to 2019**