



Livestock & Meat Advisory Council

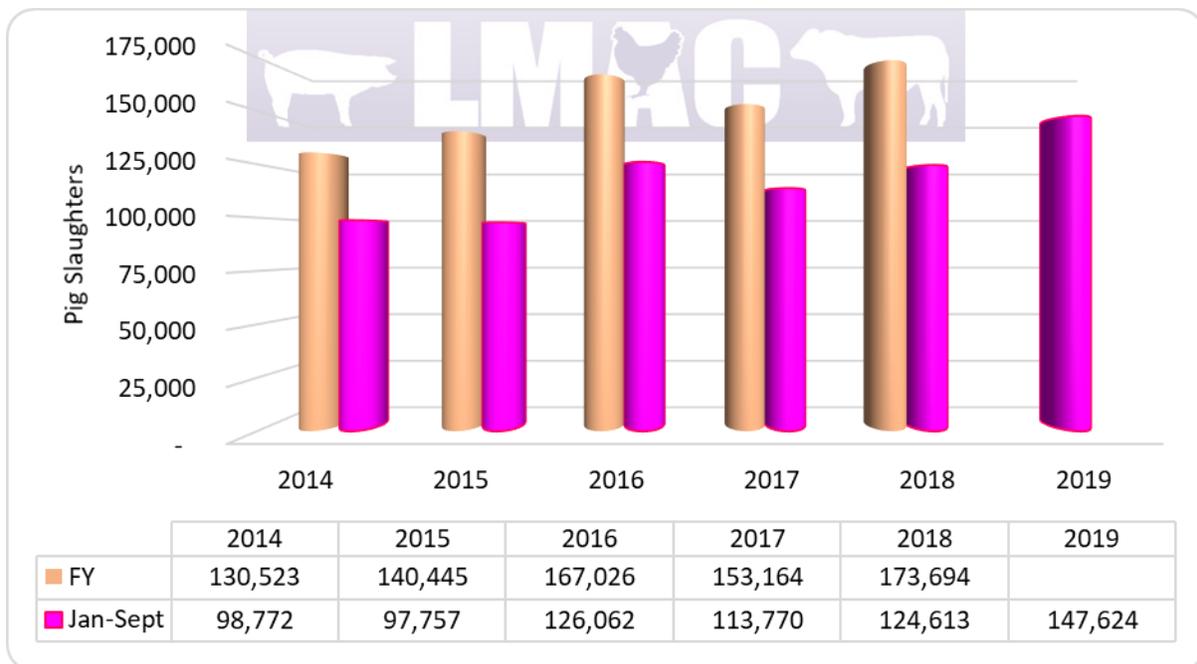
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Market Watch Third Quarter 2019

Pork Sector

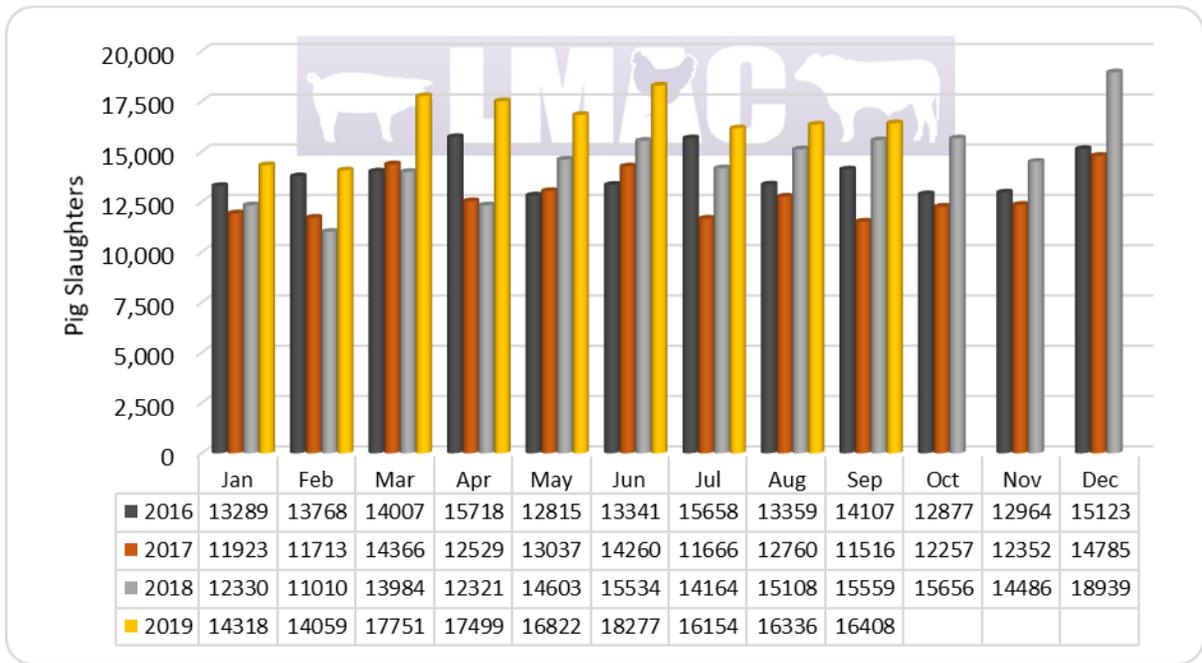
Cumulative pig slaughters for the nine months to September 2019 were 147,624 head, 18% higher than the corresponding period in 2018 and 30% greater than in 2017. The slaughters were the highest since 2013 and may suggest that producers are facing viability challenges and are either downsizing or closing their operations.

According to an economic model being developed by the Pig Industry Board, a kilogram of pork costs between ZWL 25 – 30 to produce and that the producer price noted at the same time was between ZWL 27 – 28/kg.



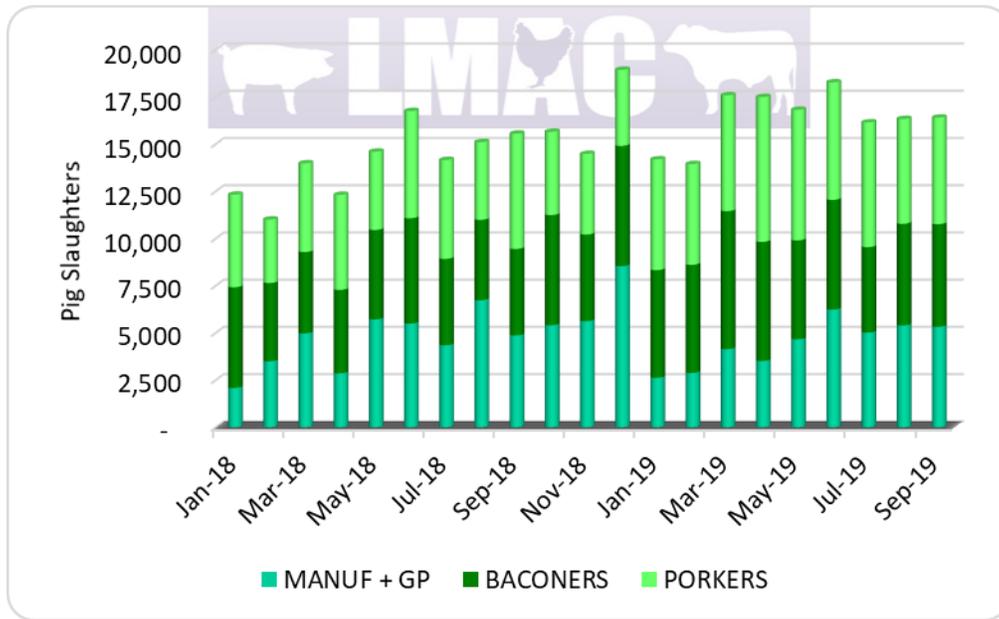
Annual Pig Slaughters, 2014 – 2019

Monthly pig slaughters to September 2019 averaged 16,402 head, 18% up on the same period last year. February and June recording the lowest and highest slaughters of 14,059 and 18,277 head, respectively.



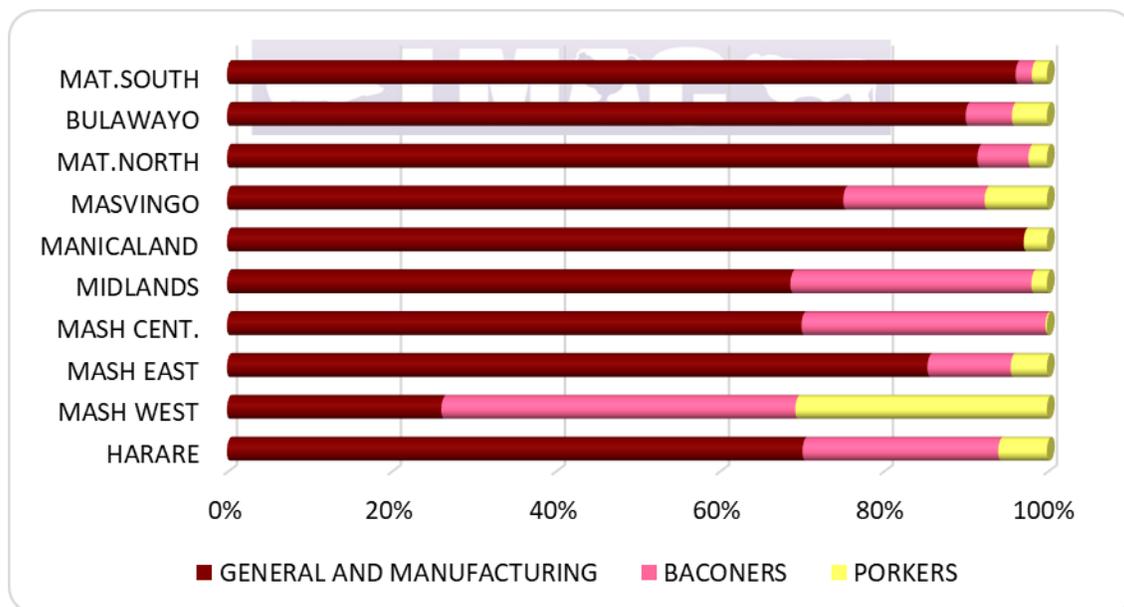
Monthly Pig Slaughters, 2016 – 2019

On a national scale, for the first nine months of 2019, the average composition of grades was 27% for both Manufacturing and General Purpose and 35% for Baconers while Porkers made up 38% of the total slaughters.



Monthly Pig Slaughters by Grade, 2018 – September 2019

The dominance of General and Manufacturing grades in all the provinces with the exception of Mashonaland West may point to the depopulation of breeding stock by smallscale pig producers who are facing viability challenges, emanating from increases in the cost of production and reduced demand for pork and pork products.

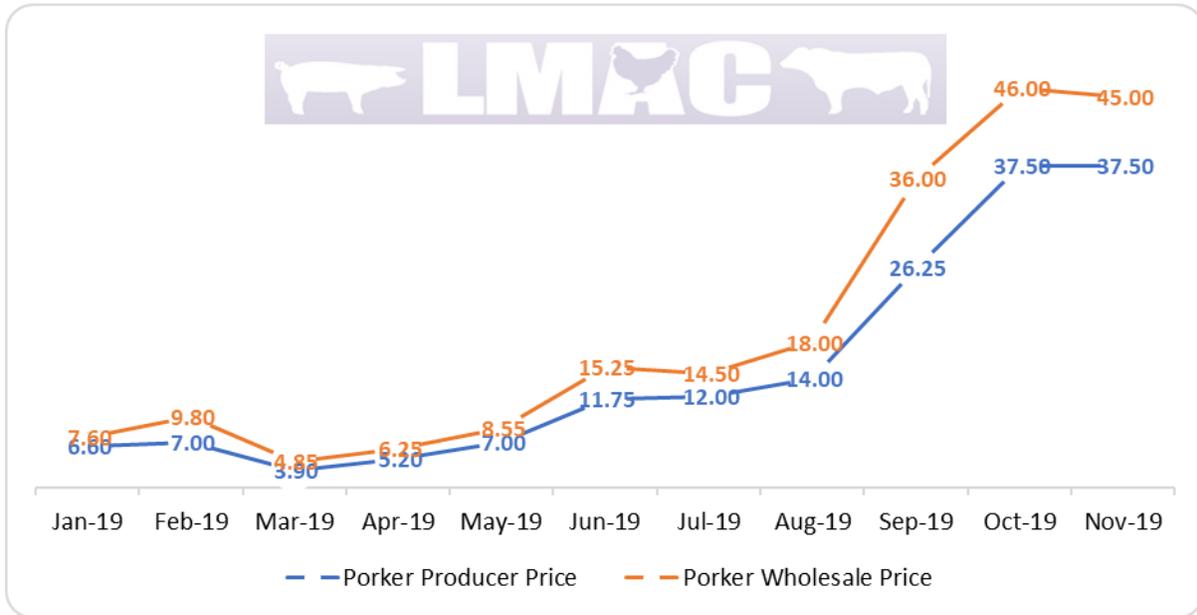


Proportionate Provincial Slaughters by Grade, 2019

Pig producer and wholesale prices in 2019 have risen by 391 and 485%, respectively. Inflation and exchange rate depreciation for the year to September was 272 and 327%, respectively.

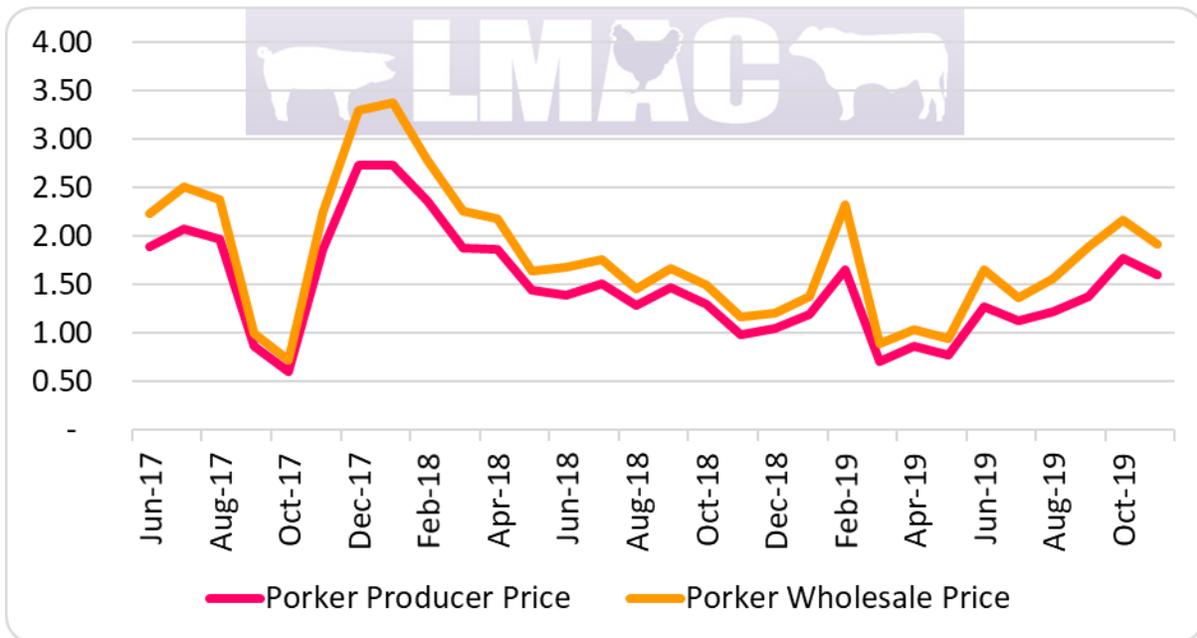
Wholesale prices, when compared to producer prices, carried margins ranging between 15 – 40%, reflecting an improvement in margins over the same period last year that ranged between 13 – 20%.

Operating conditions in the industry remain depressed and the outlook is not expected to improve significantly yet.



Pig Producer and Wholesale Prices, ZWL/kg, 2019

The graph below shows pig prices in USD and notes a general decline in prices with intermittent spikes as producers and wholesalers review prices to improve viability in the long term.



Pig Producer and Wholesale Prices, USD/kg, June 2017 – September 2019