



Livestock and Meat Advisory Council

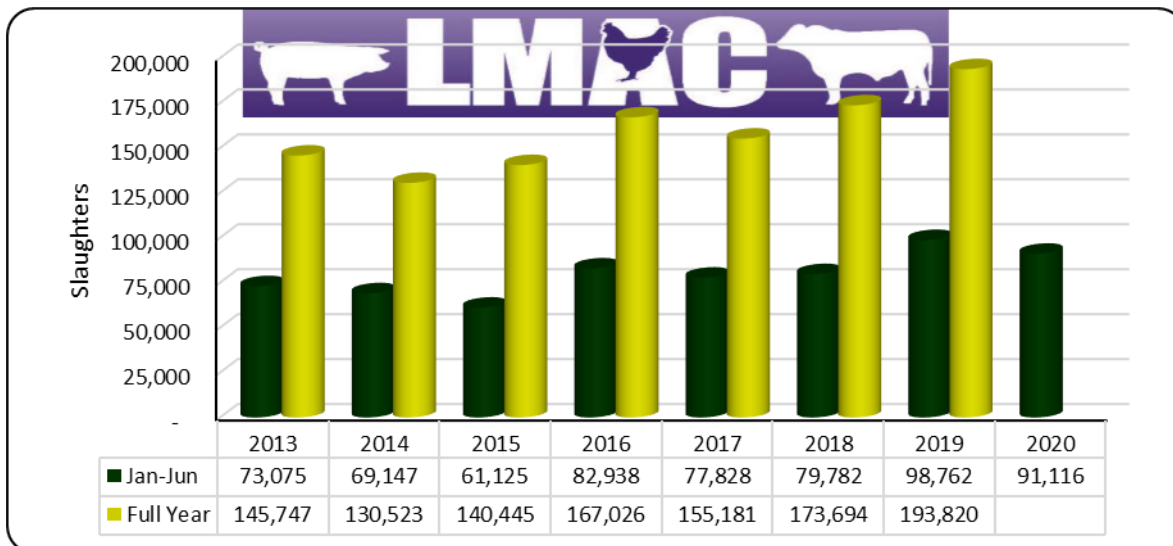
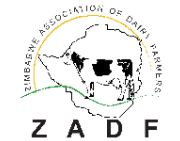
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Market Watch Report: Second Quarter June 2020

Pork Sector

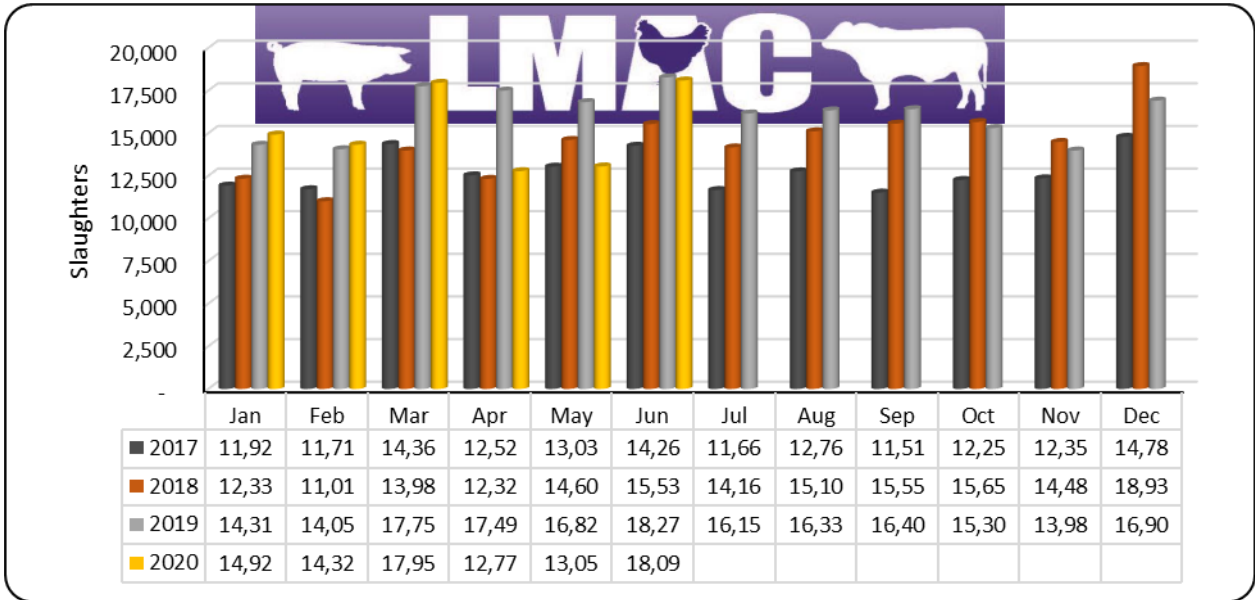
Cumulative pig slaughters for the second quarter of 2020 were 91,116 head, 8% lower than the same period in 2019 but 14% greater than 2018.

However, the period under review was dominated by matters related to COVID-19 and disruptions occurred throughout the value chain. The supply of stockfeed was disrupted by travel restrictions which then compounded the challenges faced by pig producers because of increases in the cost of stockfeed. The closure of restaurants, hotels and other catering services resulted in a significant decline in the demand for pork and pork products. Between April and June, disposable income was also under pressure from reduced economic activity.



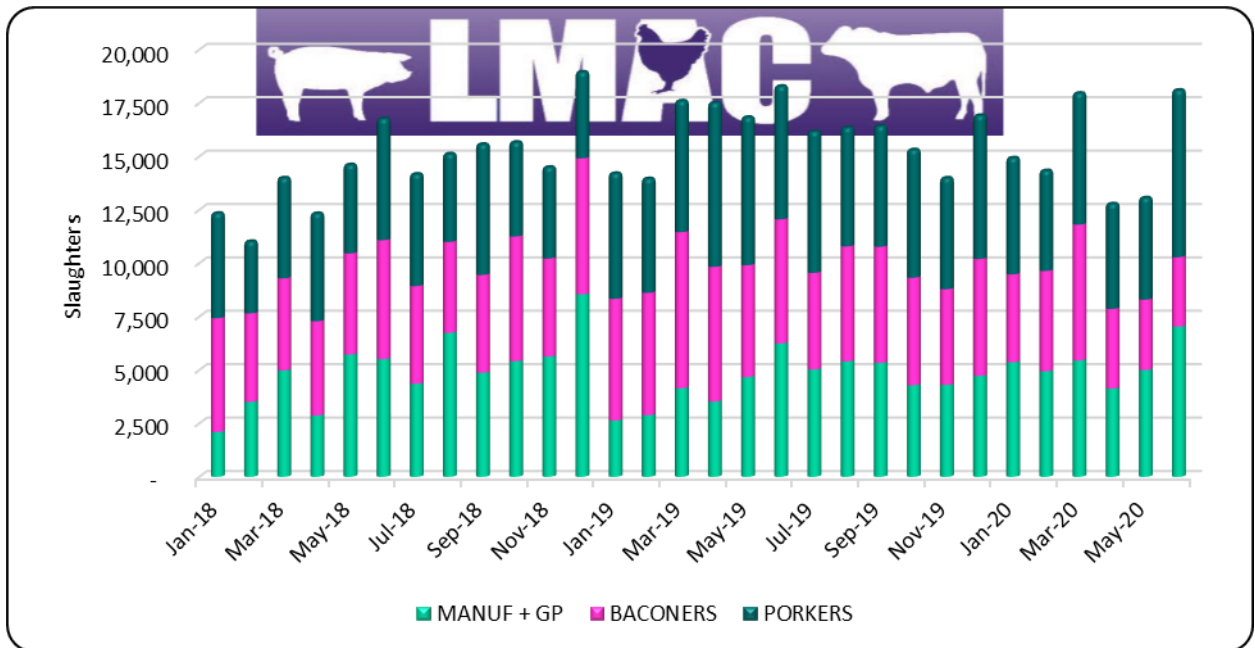
Pig Slaughters, 2013 – June 2020

The slaughters for April of 12,773 head were severely affected by the first 21-day lockdown that was announced on 30th March, a decrease of 29% on the previous month. Slaughters marginally increased by 2% in May before recovering by 42% in June.



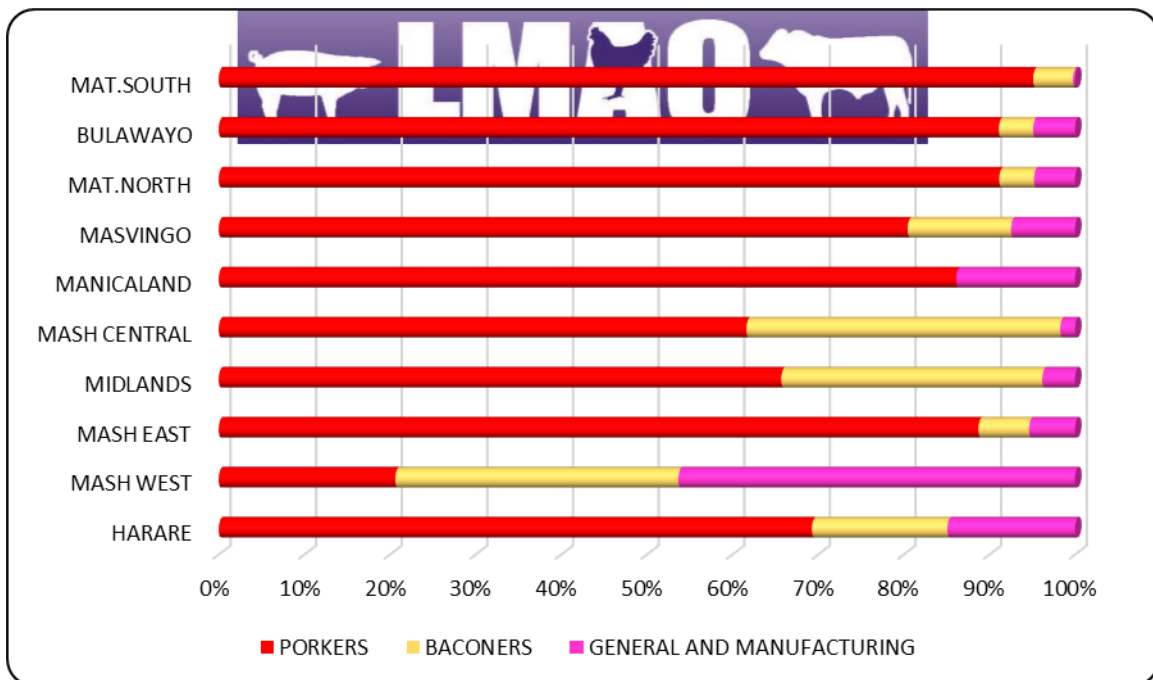
Monthly Pig Slaughters, 2015 – June 2020

The graph below illustrates the monthly breakdown by grade since January 2018. For the quarter under review, Porkers increased from 33 to 43%, Baconers decreased from 29 to 18% and Manufacturing + General Purpose grades increased from 32 to 39%.



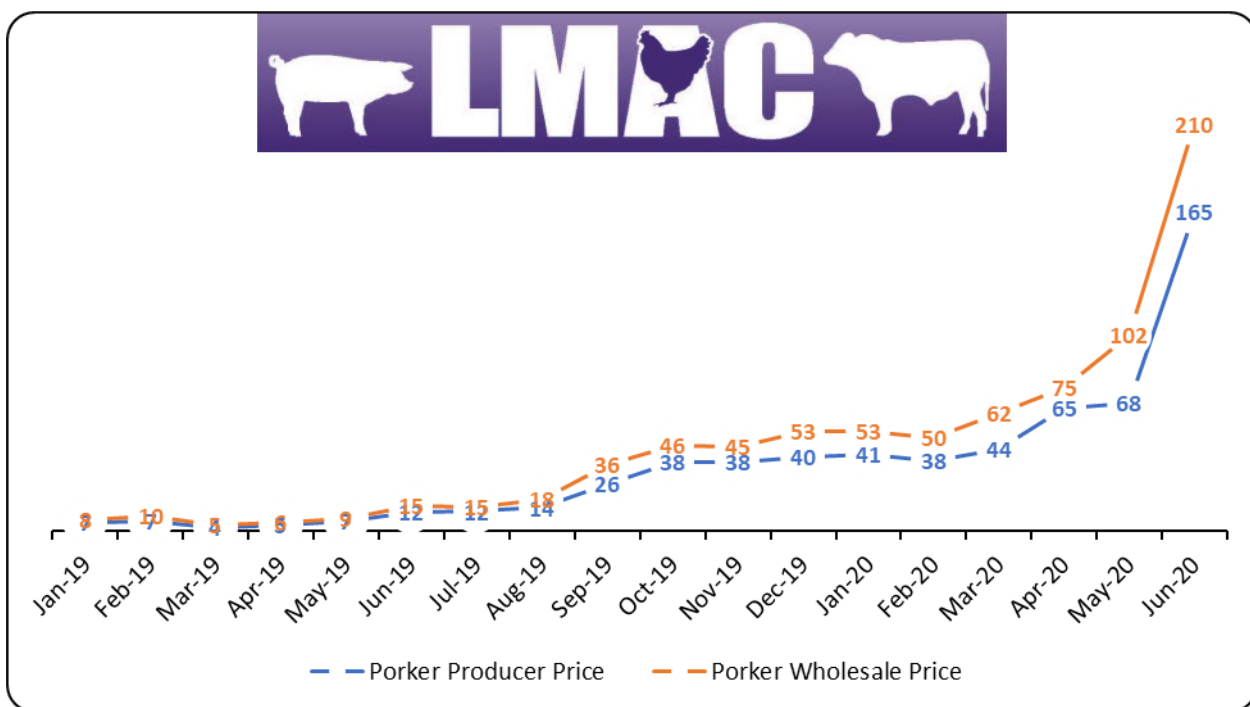
Monthly Pig Slaughters by Grade, 2018 to June 2020

All provinces, with the exception of Mashonaland West, were made up of 80% of Porkers and Baconers as noted in the graph below.



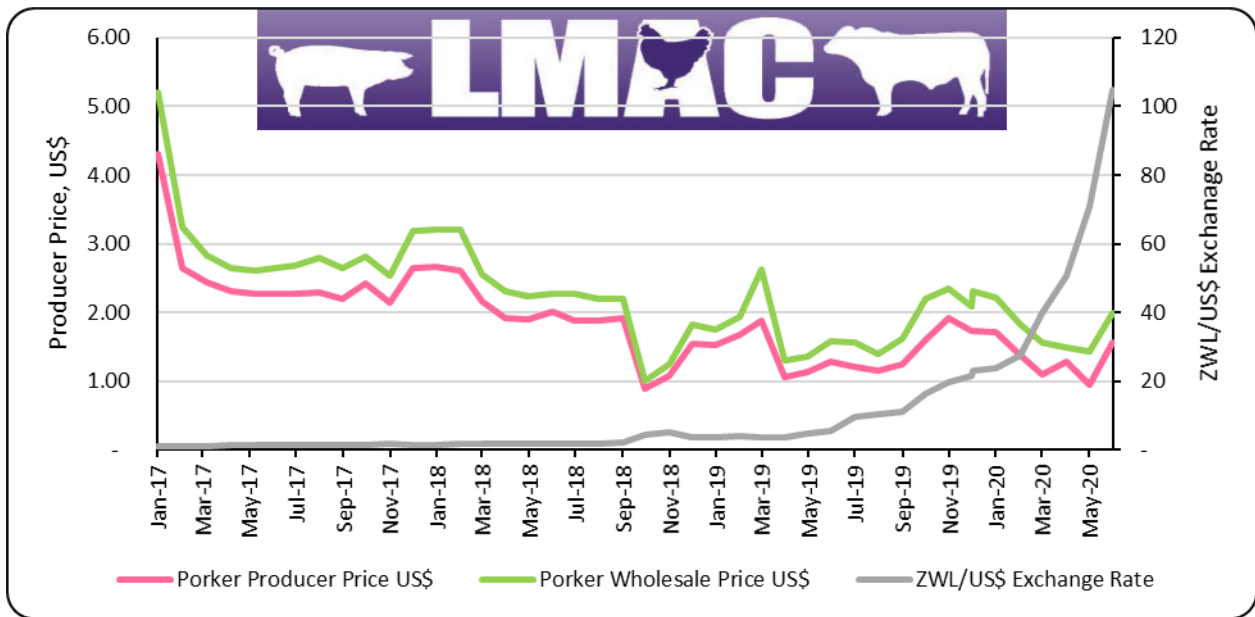
Proportionate Provincial Slaughters by Grade, January to June 2020

Pig producer and wholesale prices for the second quarter registered significant increases as the producer price increased by 275% compared to the end of first quarter while the wholesale price increased by 238%. Cost pressures, particularly the price of stockfeed, were identified as the primary drivers for the increase in the costs of production.



Porker Producer and Wholesale Prices, ZWL/kg, 2019 – June 2020

In real terms, the producer and wholesale prices increased between from April and June 2020 by 43% and 28% from US\$1.10 to US\$1.57/kg and by 28% \$1.56 to US\$2.00, respectively. The increases are off the back of a period where the pork prices had declined and the price adjustment is therefore an attempt by stakeholders in the value chain to bring in a measure of viability after some producers have exited because of feasibility concerns.



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