ZPA

Zimbabwe Poultry Association

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Newsletter May 2018

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Production News

Broiler Breeding: Following the outbreak of Avian Influenza (AI) in May 2017, the national total stock of broiler breeders declined from 660,000 birds in April to 490,000 birds in June and declined further to 470,000 in December 2017 (Table 1; Figure 1). Since then, an aggressive restocking of breeder birds by the poultry industry has occurred and pre-laying broiler breeder birds increased from 130,000 birds in September 2017 to 306,000 birds in March 2018. As a result, there is an upward increase in the total number of broiler breeder birds which rose to 574,000 birds in March 2018. However, this is still 13% lower than the stocks before the outbreak of AI.

Between January and March 2018, laying breeder stocks declined from 298,000 birds to 268,000 birds as spent breeder layers were not matched or surpassed by growing breeders coming into lay (Figure 1). Therefore, projections are that local production of hatching eggs will remain depressed until the last quarter of 2018, necessitating the continued high dependence on imported hatching eggs to satisfy demand for day-old chicks from local poultry farmers.

Local production of hatching eggs declined 7.4 million in December 2017 to 5.5 million in March 2018 while hatching egg imports increased from 1.35 million in November 2017 to 5.0 million in March 2018 (Figure 2). As a result, production of day-old chicks (DoCs) has remained firm and averaged 7.1 million in the first quarter of 2018, representing an increase of 32% on the same period in 2017 (Table 1; Figure 3). Prices of DoCs remained firm in the first quarter of 2018 (Table 1; Figure 4).

Broiler Meat Production: Broiler meat production, which had declined to a monthly average of 7,546mt in the third quarter of 2017, has recovered very strongly since then (Tables 1&2; Figures 5&6). The recovery has continued into the first quarter of 2018. The monthly average production of 11,213mt of broiler meat during the first quarter of 2018 was 37% more than the average production in the first quarter of 2017.

Large-scale broiler meat production peaked at a new high of 4,379mt in March 2018. While producer and wholesale prices held firm in the first quarter of 2018 at $2.00/kg LW and $3.65/kg CDM, stockholding started to increase and reached 1,428mt in March and price of 2kg IQF dropped from a peak of $3.60/kg in December to $3.40 in March (Table 1; Figure 7).

Layer Breeding: Total layer breeding stock dropped from 48,000 in July to 22,000 in August 2017 because of destocking measures to contain AI (Table 3; Figure 8). Total breeding stock had recovered to 42,000 in January 2018 on the back of investments in growing stock but had declined to 34,000 March 2018. Production of hatching eggs in the first quarter was similar to that of the last quarter of 2018 (Table 3; Figure 9). Production of sexed pullets in the first quarter of 2018 was 4% up on the last quarter of 2017 but 24% lower than that of the first quarter of 2017 (Table 3; Figure 9). Price of sexed pullets remained firm at $1.33 per chick.

Table Egg Production: The total large-scale laying stock (growing and in-lay) partially recovered from the AI-induced destocking low of 629,000 in August 2017 to 848,000 in March 2018 but was still 80% of pre-AI stock levels (Table 3; Figure 10). In-lay stocks partially recovered from a low of 478,000 in August to reach 515,000 in March and investments in growing stocks increased significantly from 128,000 birds in December to 333,000 in March 2018.

Large-scale table egg production increased from a low of 0.9 million dozen for the period August 2017 to February 2018 to 1.1 million dozen in March. Small-scale egg production is estimated to also have increased to 1.8 million dozen per month for the period December to March. Large-scale, estimated small-scale and total egg production in the first quarter was similar to that of the last quarter of 2018 but was 47%, 3% and 25% lower than the first quarter of 2017, respectively (Table 4; Figure 11). Wholesale prices of table eggs increased from a low of $2.86 per tray of 30 eggs in November 2016 and stabilised at $4.50 per tray in the first quarter of 2018.

Inputs and Raw Materials

Poultry feeds continue to dominate the stockfeed industry and in the first quarter of 2018, production averaged 24,747mt/month (worth $15.5m), being increases of 10%

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in quantity and 19% in value over the same period in 2017 (Figure 12). Poultry feeds accounted for 66% of all feeds produced by weight and 77% by monetary value. Over the period January to March 2018, production of broiler feeds increased by 34% while layer feeds decreased 31% respectively, compared to the same period in 2017.

The prices of most imported raws procured in the first quarter of 2018 were significantly higher (up to 39%) than prices of the fourth quarter, while some raws were lower (notably: maize -11%, wheat bran -12, high-protein cotton meal -14% and sunflower cake -12%). This had a greater impact on monogastric feeds. Average weighted broiler and layer feed prices in the first quarter of 2018 were $653 and $530/mt, respectively, being 4% and 11% higher than prices in the fourth quarter of 2017 (Figure 13).

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Market Watch

Increased broiler meat supply in the first quarter of 2018 has led to significant stock build-up and it is expected that wholesale prices will remain depressed. However, persistent AI outbreaks in South Africa and an expected post-harvest increase in demand for DoCs in Zambia will limit supply of imported hatching eggs to Zimbabwe. This will increase reliance on non-SADC imports of hatching eggs until the end of the year when local production is expected to recover to pre-AI levels. Thus, DoC prices are likely to remain high.

Recovery of the egg market however, will take much longer as investments in layer breeding birds - though positive - have not been at levels accomplished in the broiler sector. It is expected therefore, that prices will remain high in the second to third quarter. The industry is against the importation of table eggs to increase supply given the existing threat of AI in the region.

Imports

Poultry trade statistics indicate a disturbing trend, where, despite the ban on imports of poultry products from South Africa imposed after the outbreak of AI there, statistics show that some 1,000mt of poultry products were imported into Zimbabwe from SA during 2017. The prohibition on imports of poultry products from South Africa would indicate that this product entered the country illegally, without the required permits being issued. As well as the AI risk this poses to animal health, smuggled meat products can also be a risk to human health.

Both the emergence of Avian Influenza in the Southern Africa region, and listeriosis deaths in SA over the last 15 months, highlight the health and economic risks from the uncontrolled importation of livestock products. Zimbabwe has also banned the importation of processed meat products from South Africa. This followed reports from SA authorities of listeriosis contamination in polony, traced to a meat processing plant in SA.

Veterinary Report

The poultry industry is on high alert, following reports of an outbreak of Avian Influenza (AI) in North West Province, South Africa. The Department of Veterinary Services and ZPA are calling on all poultry farmers to be vigilant and to practice stringent biosecurity in the wake of the re-emergence of this highly contagious poultry disease in South Africa.

Poultry production in Zimbabwe is still recovering from the effects of a single outbreak of AI a year ago which occurred on the largest poultry breeder operation in the country. This disrupted production across the industry and resulted in a shortage of eggs. Zimbabwe was declared AI-free by the World Organisation for Animal Health on 31st January this year, but the ban on the importation of all poultry products and live birds from South Africa remains in force as a control measure to protect the local poultry industry.

It is illegal to import chicken products into Zimbabwe from South Africa; whether in large refrigerated consignments or coming through the border with packs of frozen chicken in the family grocery shopping. This also applies to bringing in live birds from South Africa, because of the risk of AI, which can spread rapidly and decimate whole flocks.

Reacting swiftly to reports of AI in North Western Province from the South African veterinary authority, Zimbabwe's Department of Veterinary Services has stepped up AI surveillance in Beitbridge. DVS is also carrying out a campaign to alert farmers in the region about the risks of AI and the importance of biosecurity, to protect farmer livelihoods and the poultry industry.

Kind regards,

Solomon Zawe
Chairman

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Table 1. Broiler Monthly Average Production Returns, 2017 to March 2018

	2017				2018	%
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	change
Female Parent Stock						
Chick Sales and Retentions	54,923	42,805	3,112	3,600	8,098	125%
Growing	286,041	250,533	181,787	146,265	232,338	59%
In Production	349,335	337,720	284,941	317,316	281,594	-11%
Hatching Eggs						
Produced (ea)	6,460,580	6,424,019	5,164,012	6,536,527	5,474,263	-16%
Imported (ea)	743,965	1,199,888	2,133,404	1,684,406	3,644,305	116%
Total (ea)	7,204,546	7,623,907	7,297,416	8,220,933	9,118,568	11%
Day Old Chicks						
Chick Sales and Retentions	5,366,646	6,199,191	5,007,786	6,384,809	7,098,638	11%
Price per 100 chicks	65.86	66.91	79.40	93.48	97.33	4%
Broilers						
Number slaughtered	1,727,906	1,840,966	1,887,576	2,107,771	2,345,540	11%
Average live weight	1.69	1.78	1.80	1.79	1.76	-2%
Producer price, $/kg	1.84	1.88	1.90	2.01	2.00	-1%
Total dressed weight, tonnes	2,614	3,000	2,831	3,326	3,935	18%
Wholesale - whole bird	3.18	3.21	3.34	3.67	3.65	-1%
Leg quarters	3.64	3.91	3.84	4.15	4.19	1%
Breast	4.57	4.72	4.83	5.27	5.16	-2%
1kg IQF	3.13	3.17	3.27	3.63	3.65	1%
2kg IQF	3.03	3.11	3.18	3.51	3.48	-1%
Stock Holding (tonnes)	616	322	370	229	909	298%

Table 2. Average Monthly Broiler Meat Production (mt), 2017 to March 2018

	2017				2018	%
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	change
Large-scale	2,614	3,000	2,831	3,326	3,935	18%
Small-scale	5,584	6,729	4,715	6,549	7,278	11%
Total	8,197	9,729	7,546	9,876	11,213	14%

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Table 3. Layer Monthly Average Production Returns, 2017 to March 2018

	2017				2018	%
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	change
Female Parent Stock						
Chick Sales and Retentions	1,195	2,989	-	4,999	-	-100%
Growing	18,860	21,513	13,594	12,071	21,099	75%
In Production	23,625	25,376	16,536	18,341	17,275	-6%
Hatching Eggs						
Produced (ea)	446,102	512,327	357,747	354,407	342,074	-3%
Imported (ea)	65,763	9,833	13,320	-	-	
Total (ea)	511,865	522,160	371,067	354,407	342,074	-3%
Day Old Chicks						
Chick Sales and Retentions	158,388	147,553	122,358	116,349	120,725	4%
Price per 100 chicks	122.22	126.67	124.78	131.67	133.44	1%
Point of Lay						
Sales	6,234	1,522	4,446	2,095	12,928	517%
Price per bird	9.48	8.74	10.67	11.67	11.28	-3%
Layers						
Growing	227,316	276,905	160,130	182,927	269,097	47%
In-lay	875,394	909,320	612,253	471,243	487,633	3%
Sale price of spent hens	3.67	3.33	3.70	4.01	3.67	-9%
Table Eggs						
Produced (doz)	1,763,721	1,729,790	1,262,479	921,637	928,448	1%
Wholesale price per tray	3.50	3.61	3.84	4.31	4.50	4%
Stockholding (doz)	141,942	153,307	63,584	55,199	48,703	-12%

Table 4. Average Monthly Table Egg Production (million dozen), 2017 to March 2018

	2017				2018	%
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	change
Large-scale	1.8	1.7	1.3	0.9	0.9	1%
Small-scale	1.9	1.6	1.6	1.8	1.8	2%
Total	3.6	3.4	2.9	2.7	2.7	2%

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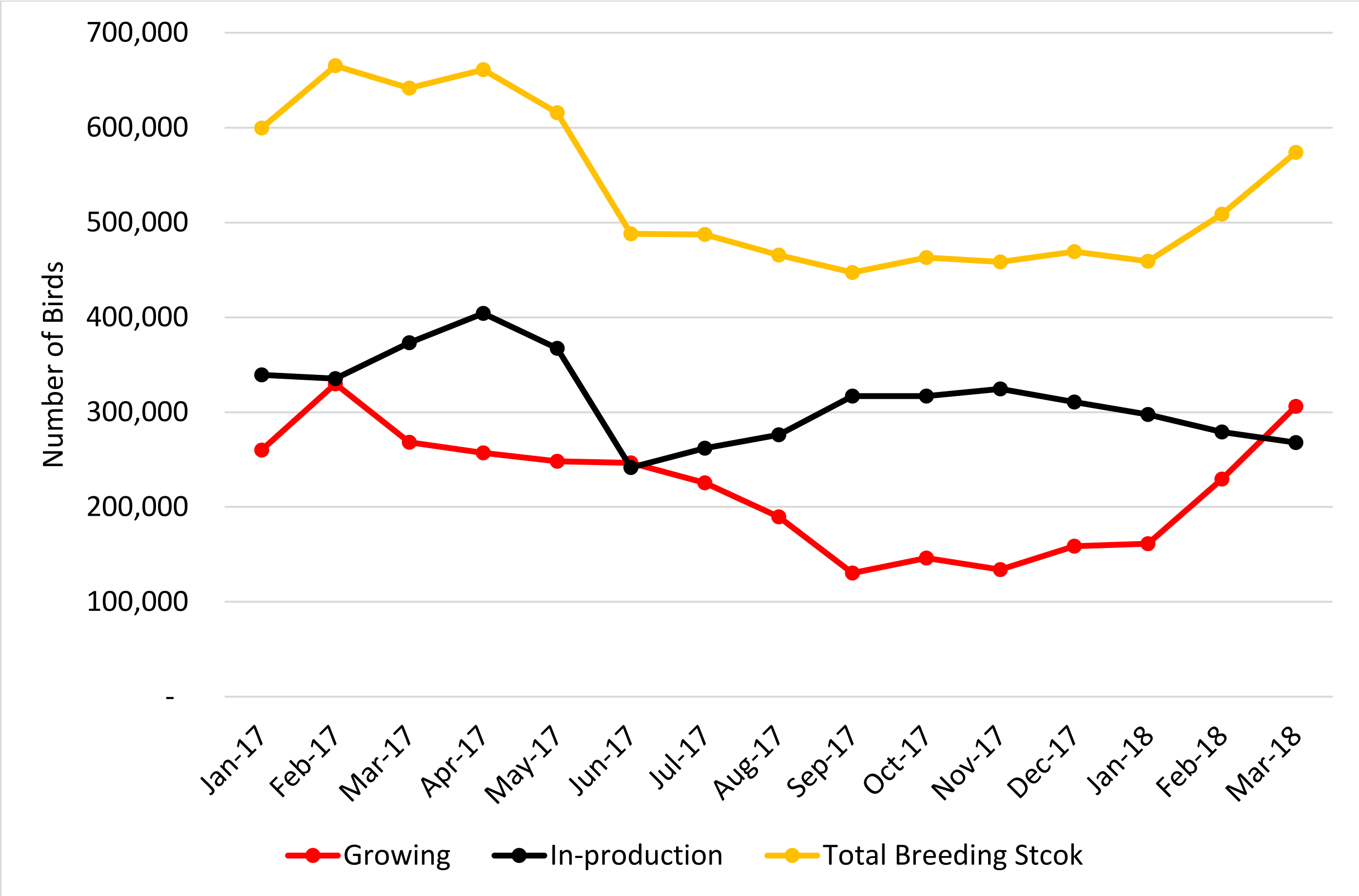

Figure 1. Broiler breeder chicks, growing and in-production stocks, 2017 to March 2018

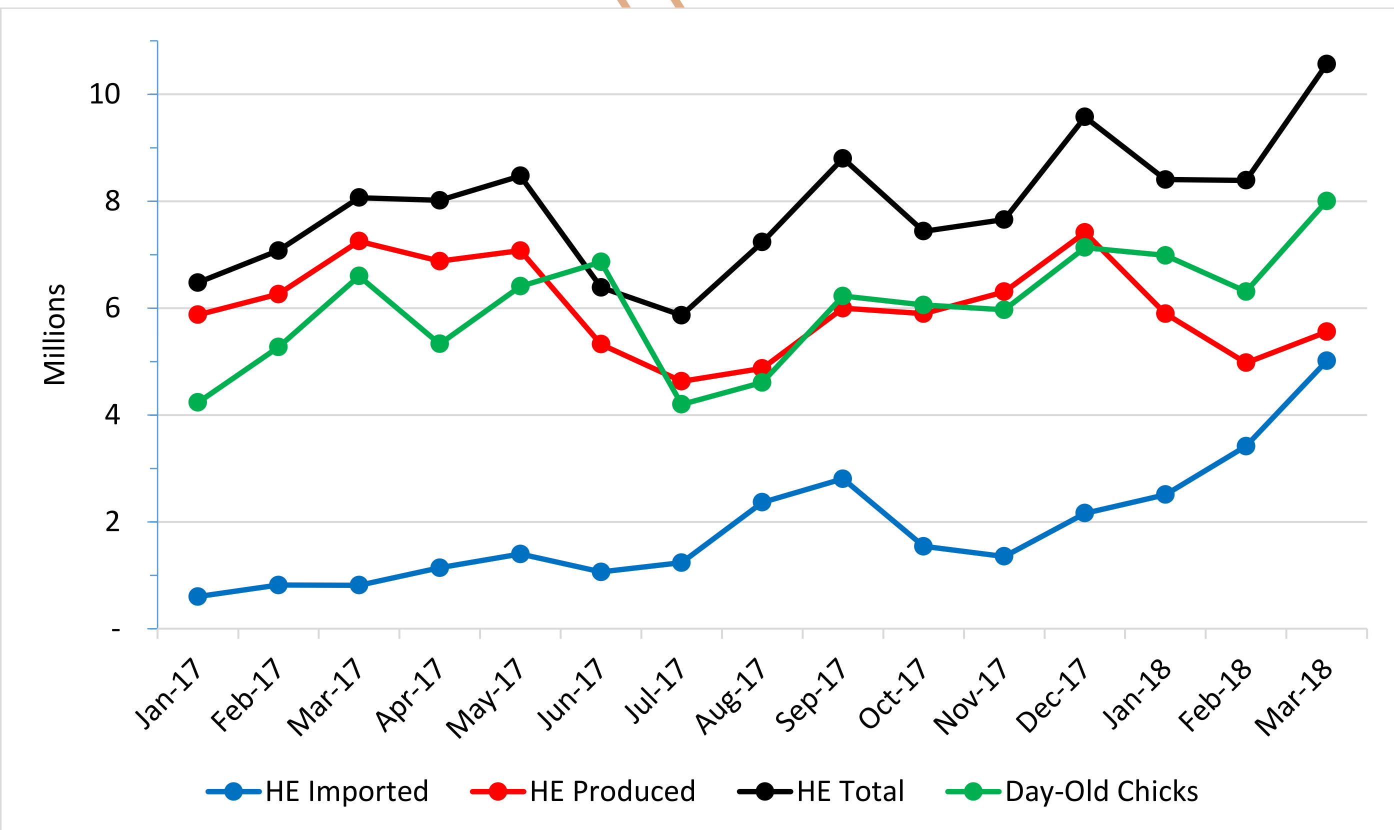

Figure 2. Broiler hatching eggs and day-old chicks, 2017 to March 2018

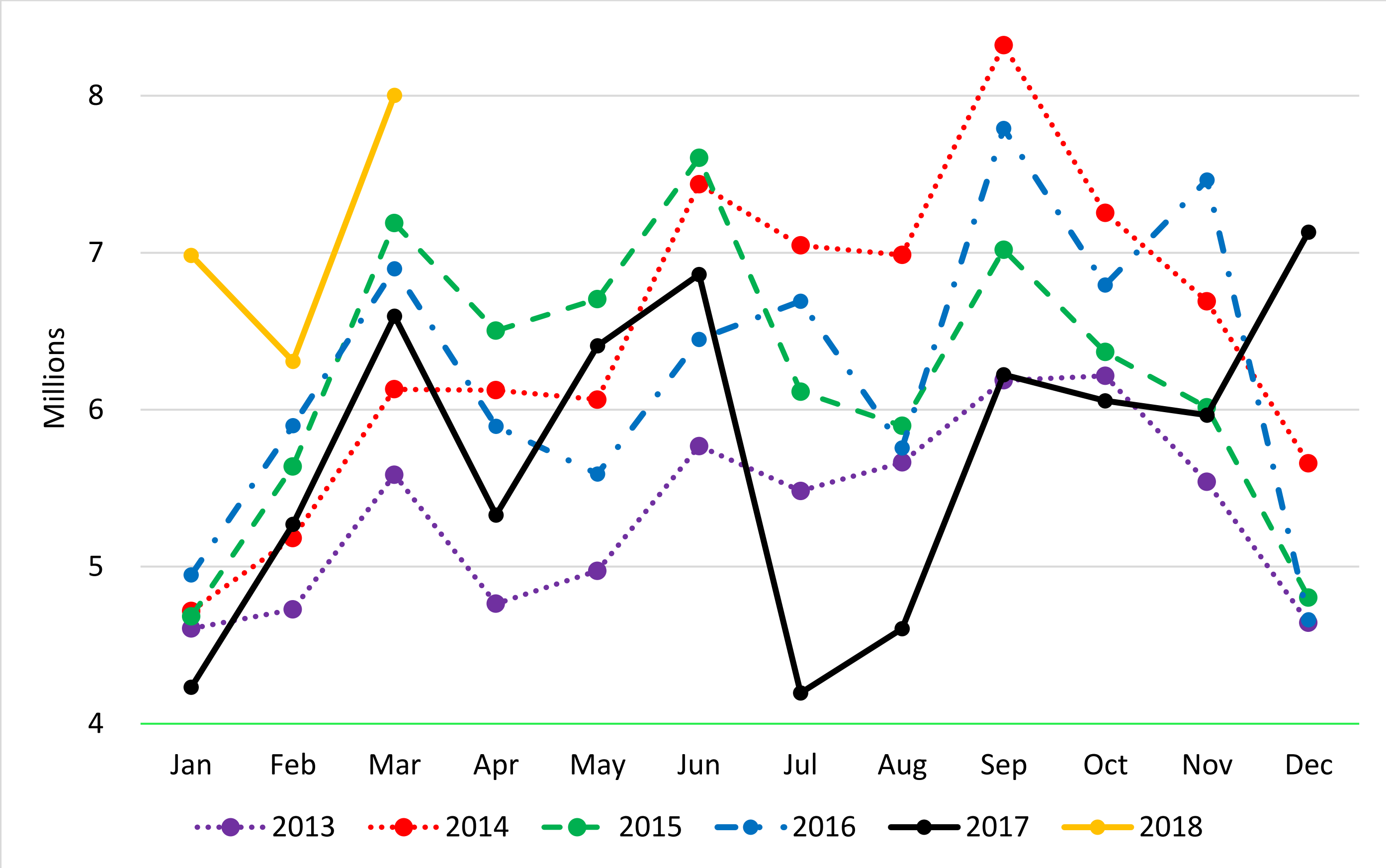

Figure 3. Broiler day-old chicks, 2013 to March 2018

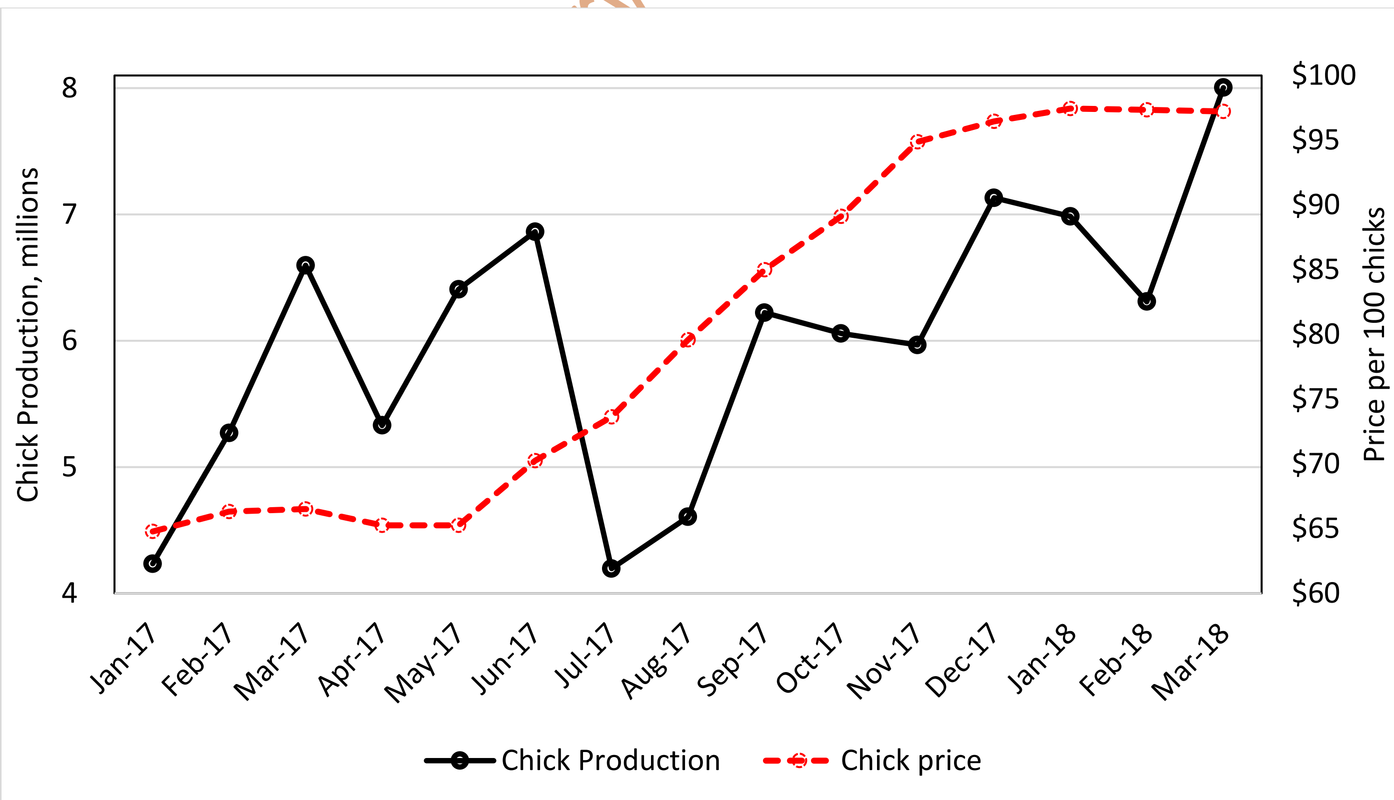

Figure 4. Broiler day-old chick production and prices, 2017 to March 2018

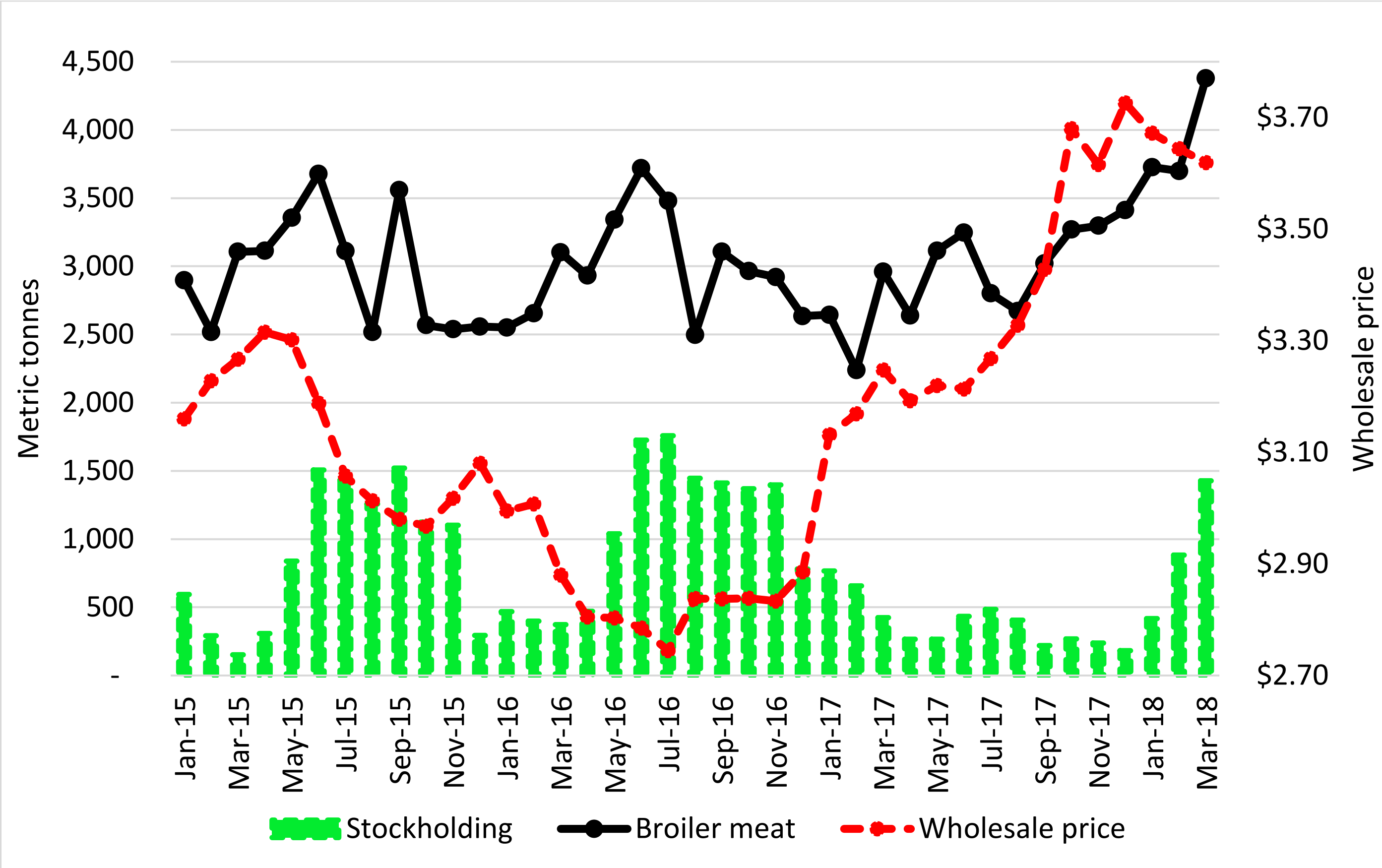

Figure 5. Large-scale broiler production, stockholding and whole bird wholesale price, 2015 to March 2018

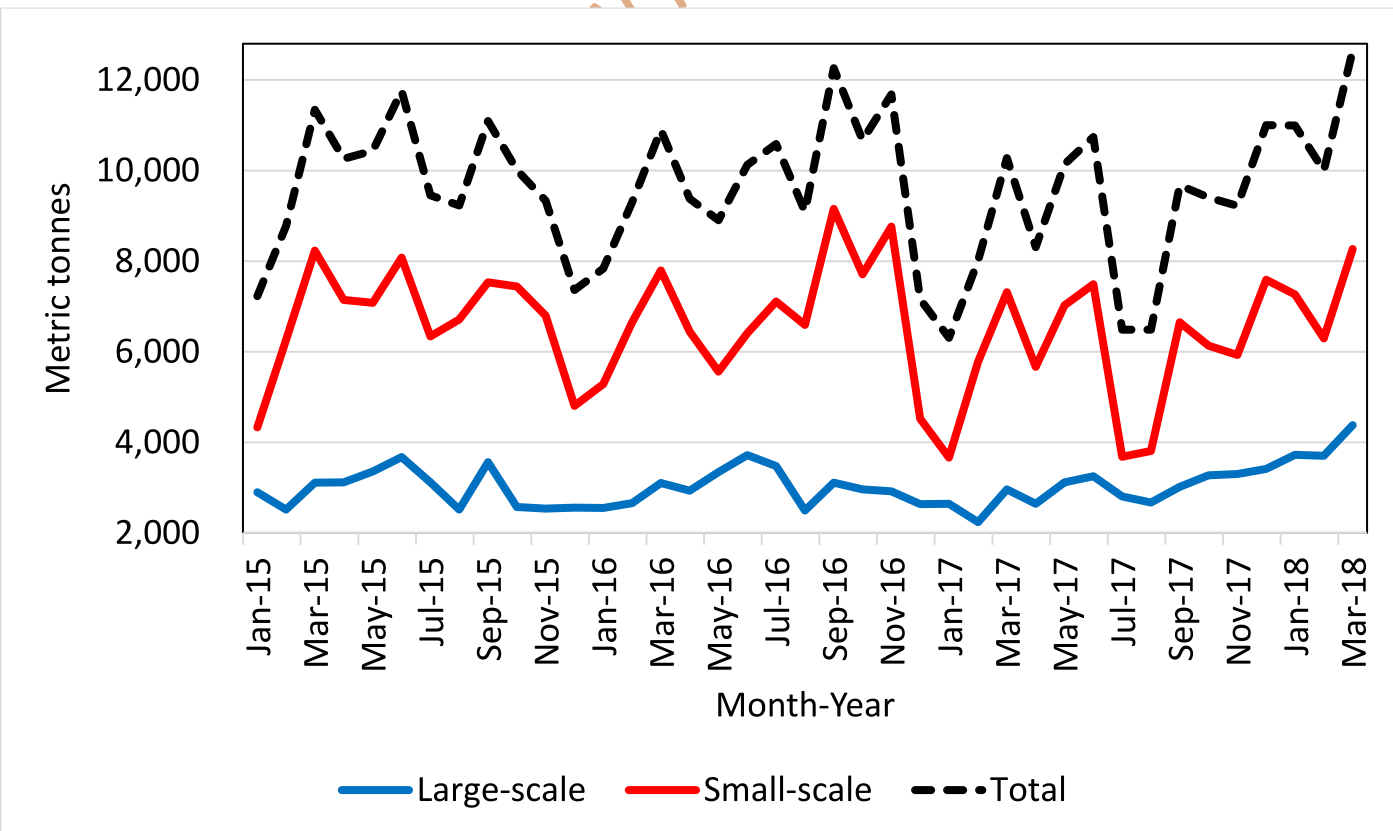

Figure 6. Broiler meat production, 2015 to March 2018

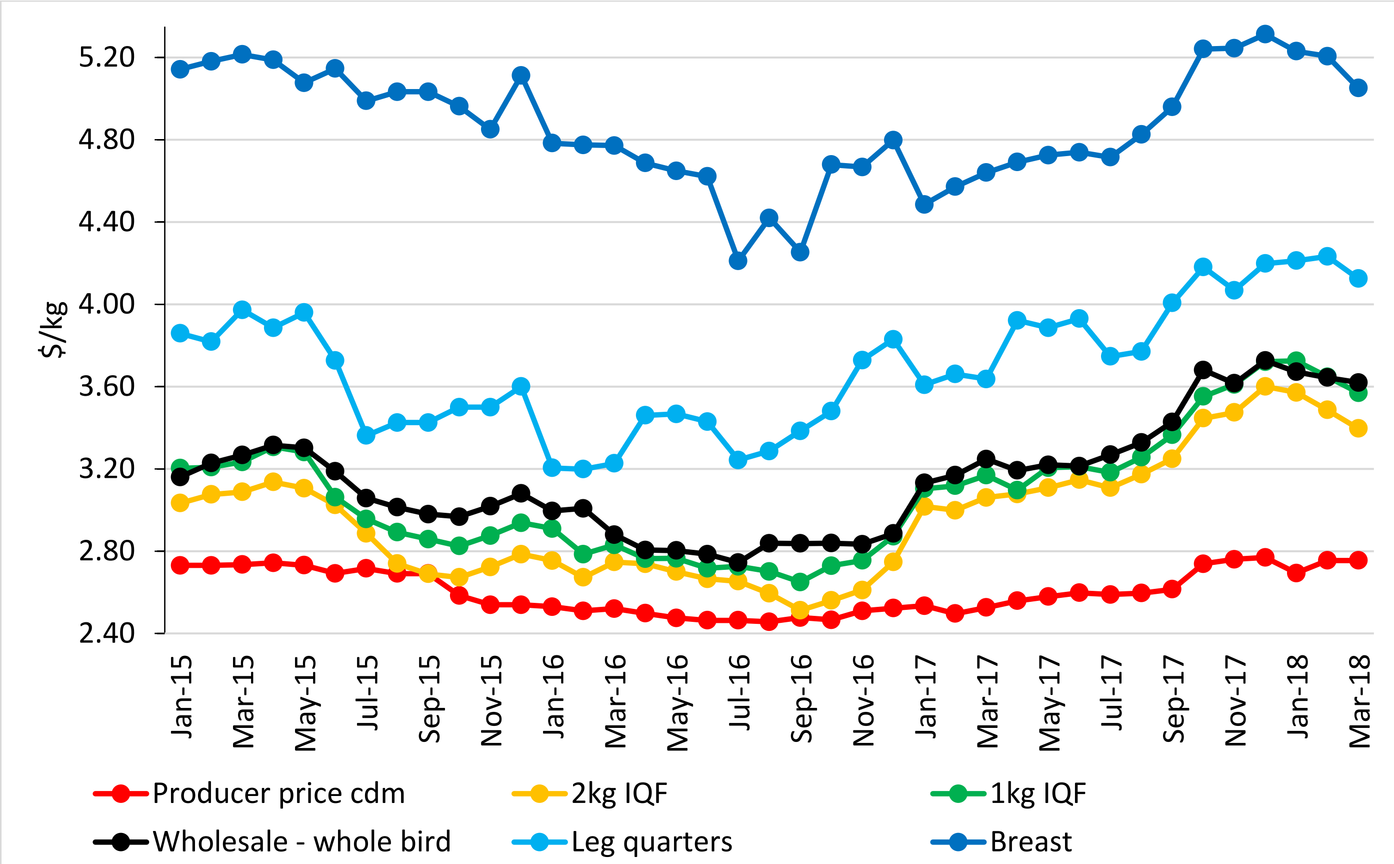

Figure 7. Broiler meat wholesale price trends, 2015 to 2017

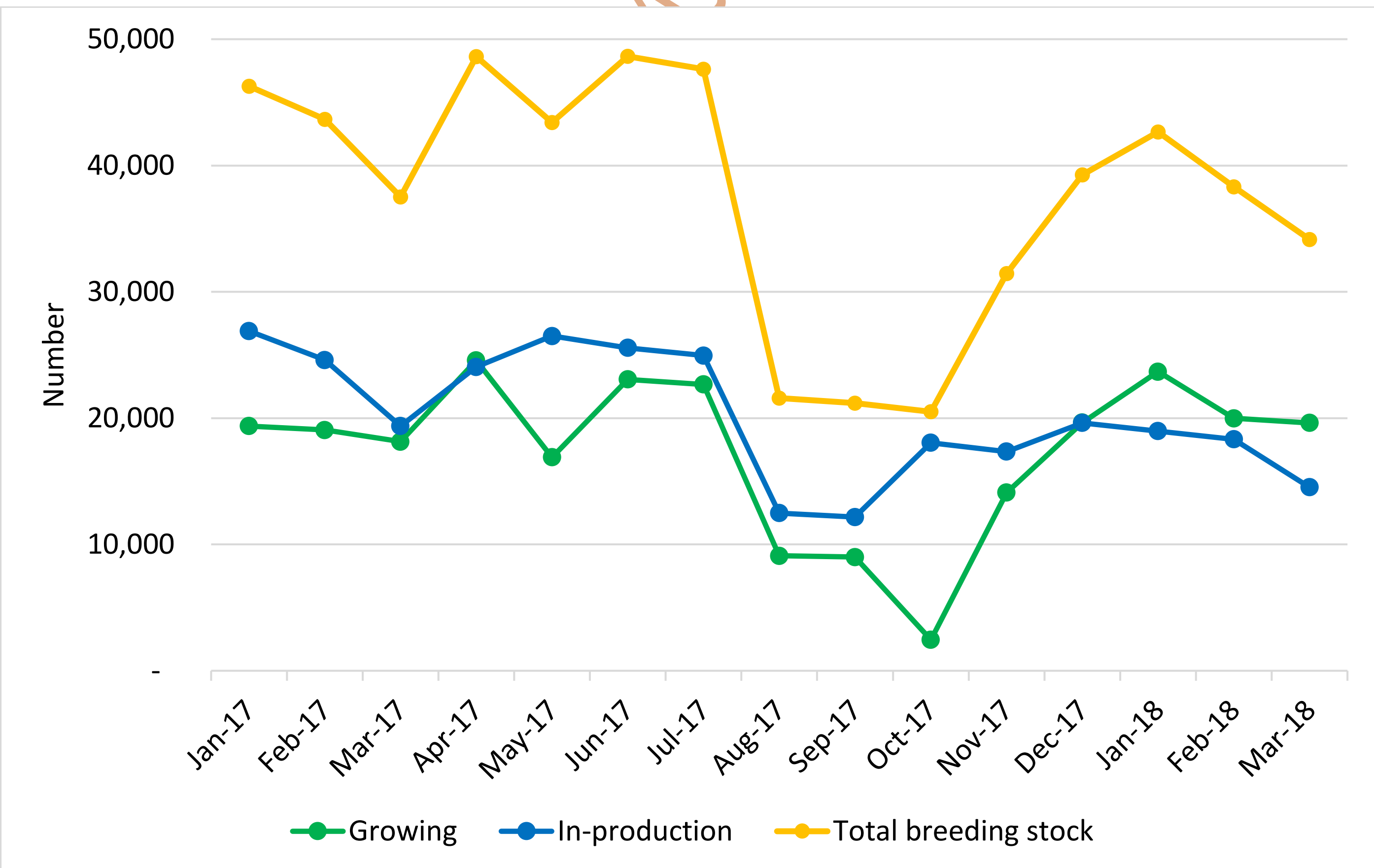

Figure 8. Layer breeder chicks, growing and in-production stocks, 2017 to March 2018

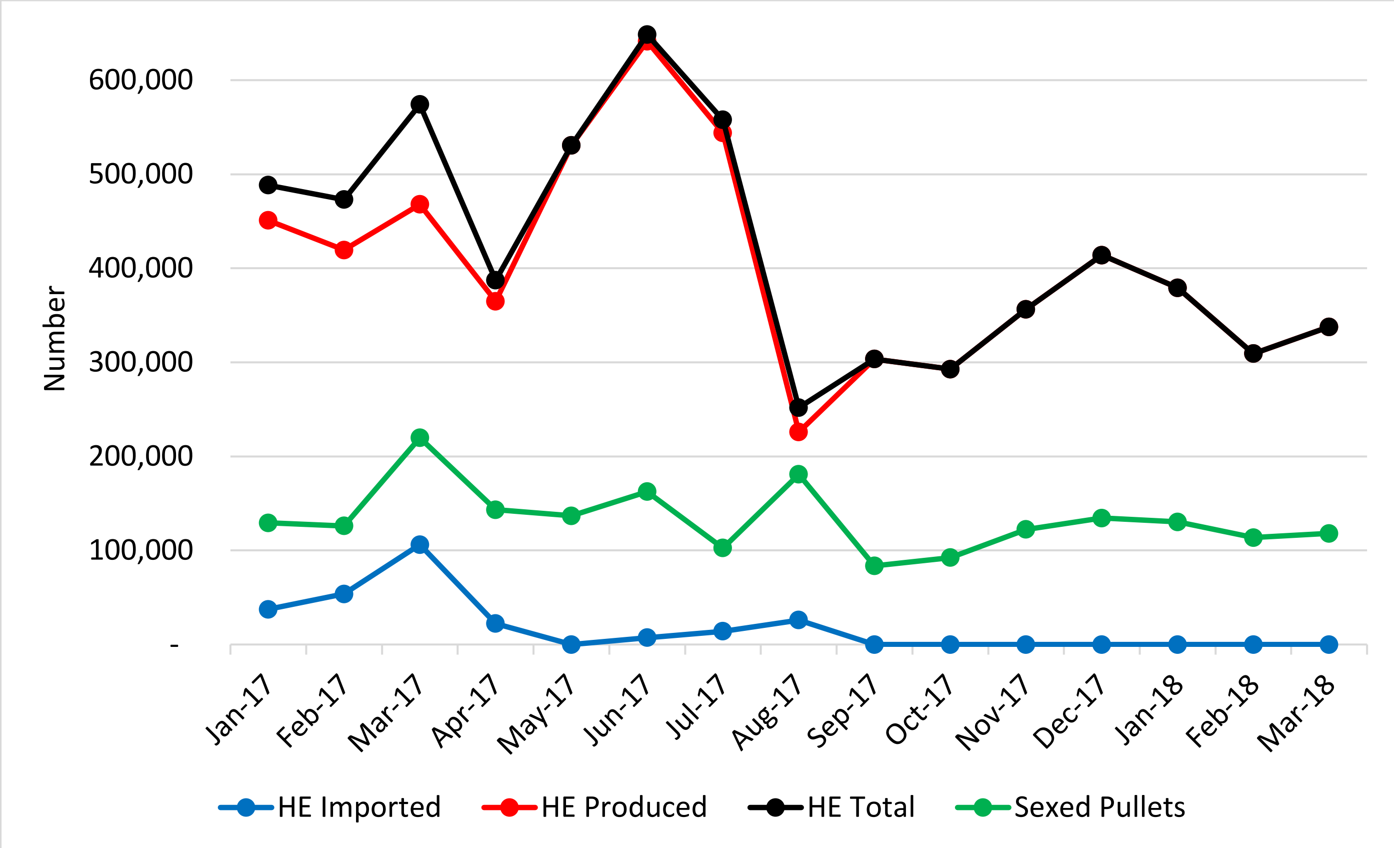

Figure 9. Layer hatching eggs and sexed pullets, 2017 to March 2018

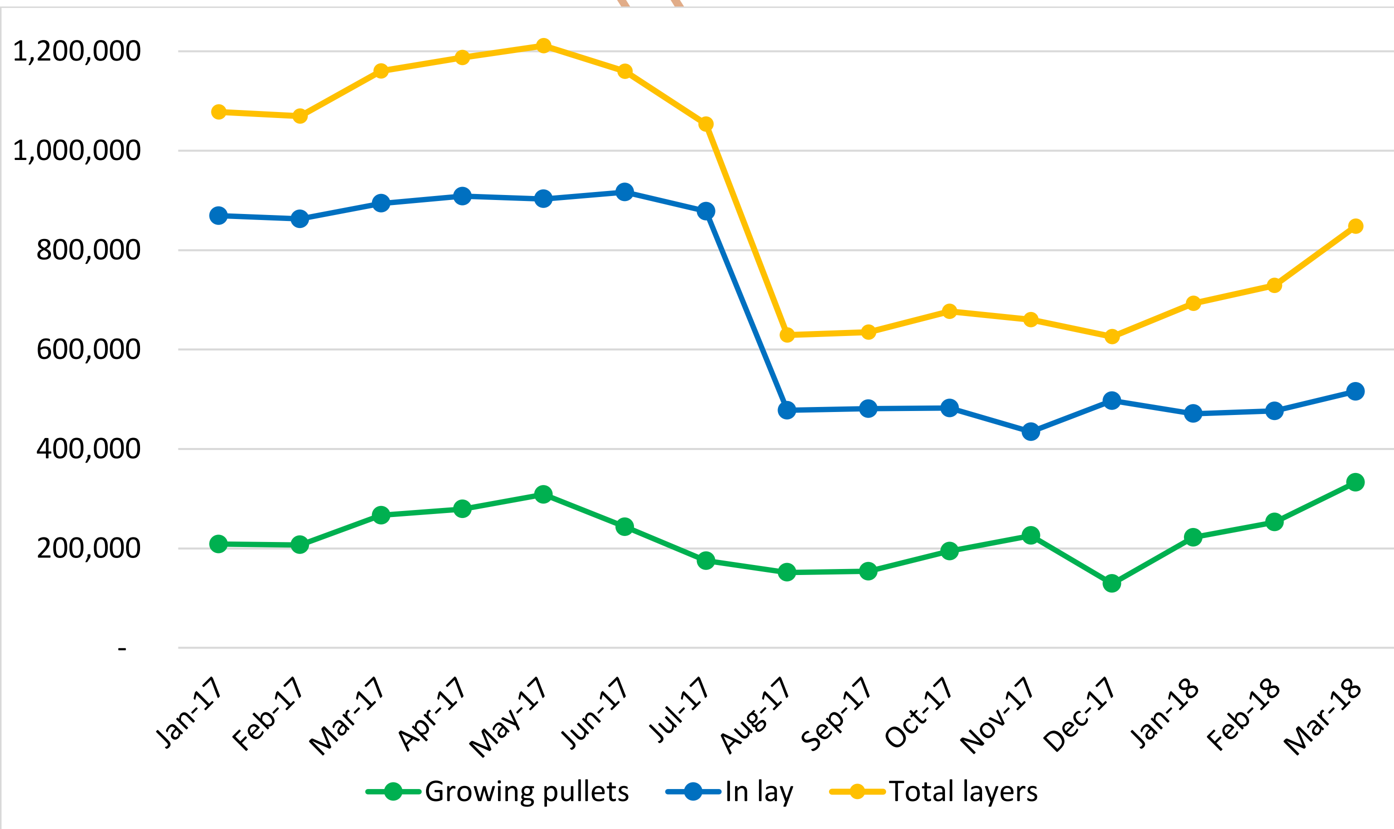

Figure 10. Large-scale layer production stock, 2017 to March 2018

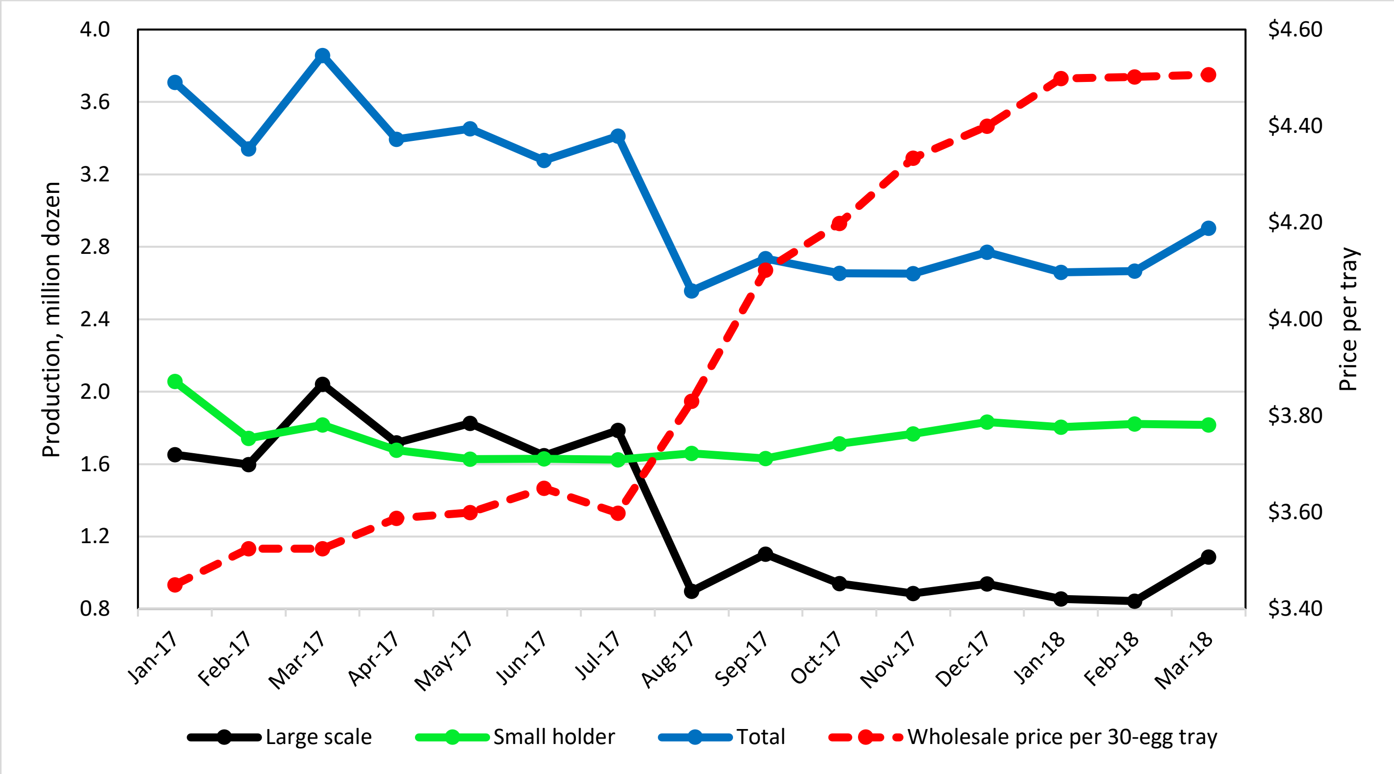

Figure 11. Table egg production and wholesale prices, 2017 to March 2018

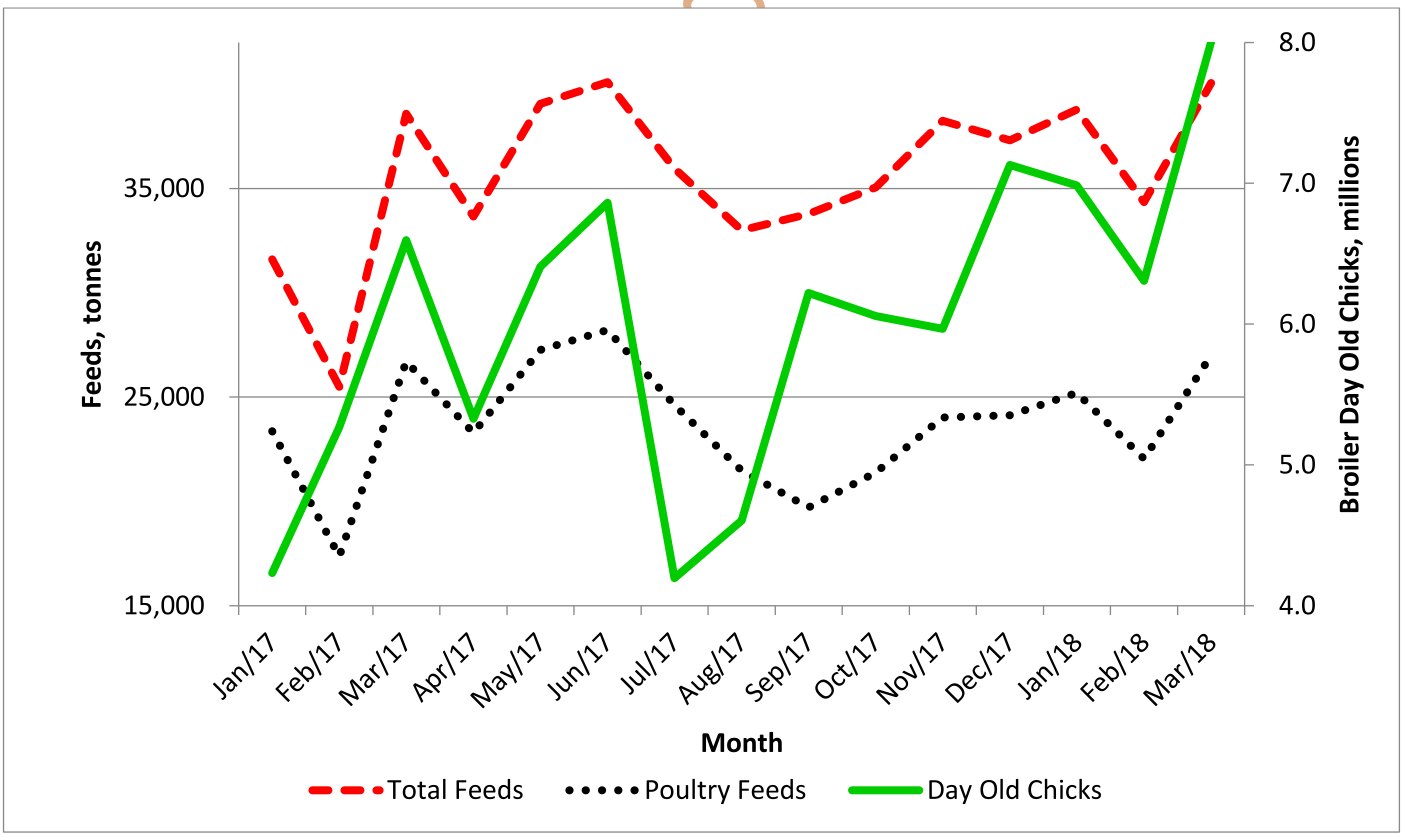

Figure 12. Production of poultry feeds, total feeds and broiler day old chicks, 2017 to March 2018

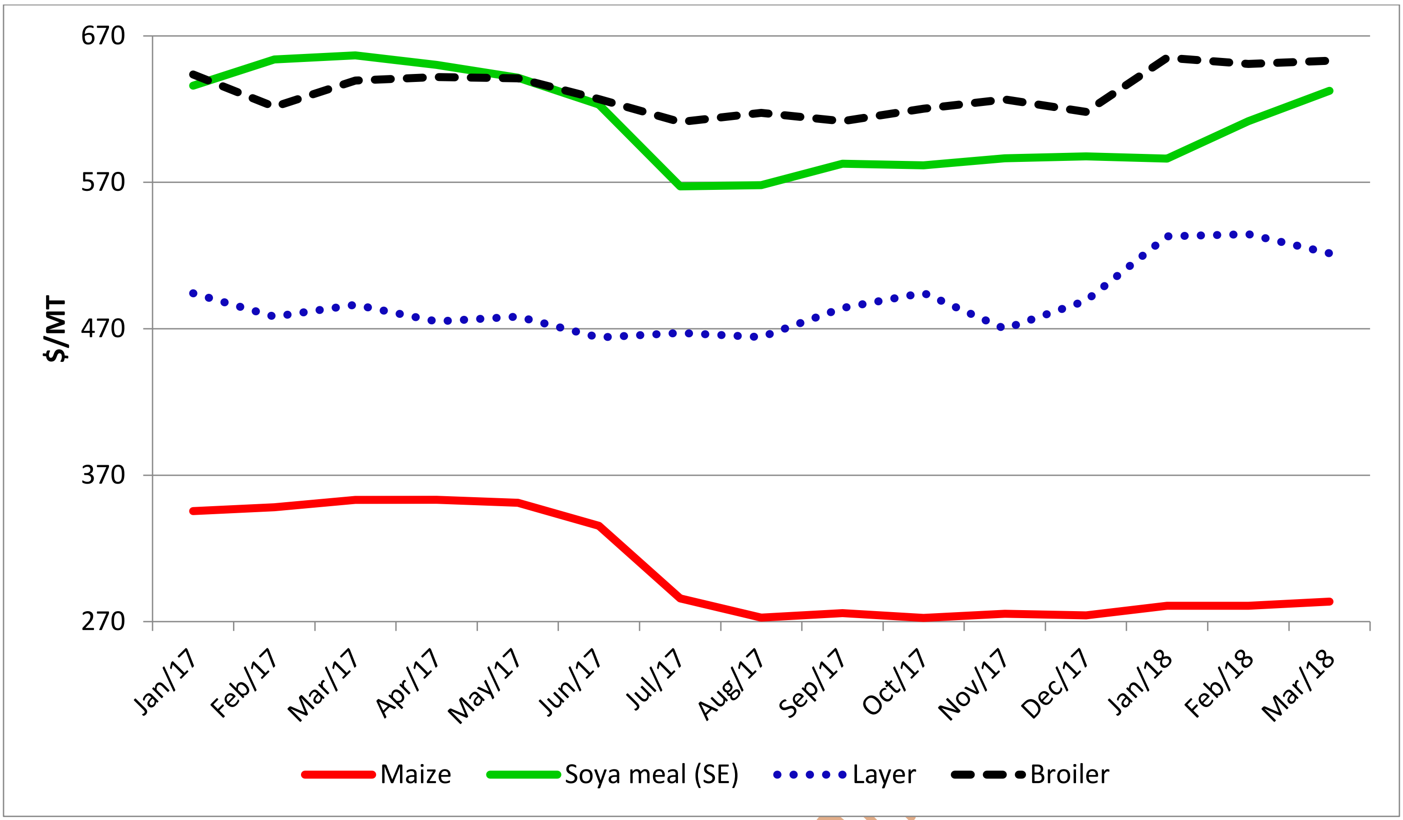

Figure 13. Prices of maize, solvent extracted soya meal and layer and broiler feeds, 2017 to March 2018

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