Zimbabwe Poultry Association

Old Show Office, Exhibition Park, Samora Machel Ave, Harare

P O Box BE 209, Belvedere, Harare

Ph 756 600 / 772 915 / 777 391 E-mail admin@lit.co.zw

Newsletter December 2018

Contents

Production News

Broiler Breeding: Breeding stocks have recovered to levels before the outbreak of Avian Influenza and in the fourth quarter of 2018 (October to December: Q4) broiler breeder stocks (growing and in-lay) averaged 636,193 birds per month, being 37% up on Q4 of 2017 (Table 1, Figure 1).

Hatching egg production from local broiler breeders averaged 7.9 million per month in Q4 of 2018, being 36% higher than Q3 (July to September) and 20% higher than Q4 of 2017 (Table 1, Figure 2). As a result, reliance on imported hatching eggs to meet demand for broiler day-old chicks reduced to 2.2 million per month, being 55% down on Q3, but still 33% greater than Q4 of 2017 (Table1, Figure 2). Therefore, total hatching eggs put through local hatcheries averaged 10.1 million per month in Q4, 6% down on Q3 but 23% higher than Q4 of 2017. The resultant day-old broiler chick production averaged 8.0 million per month in Q4, 3% higher than Q3 and 25% higher than Q4 of 2017 (Table 1, Figures 2 & 3). In 2018, a record total of 90.8 million chicks were produced which was a 32% increase on the same period in 2017 (Table 2, Figure 4). Price of chicks in the fourth quarter increased by 55% to $165 per 100 chicks compared to Q3 (Table 1, Figure 5).

Broiler Meat Production: Total broiler meat production increased by 4% in Q4 of 2018 and averaged 12,791mt per month, an increase of 30% on the same period last year, where large-scale and small-scale meat production increased by 23% and 33%, respectively (Table 1 & Figure 6). Total meat production for 2018 was 143,775mt, an increase of 36% compared with 2017 (Table 1 & Figure 7).

Wholesale prices increased by 22 to 37% for the various broiler products in the fourth quarter compared with Q3 of 2018 (Table 1, Figure 8).

Layer Breeding: The layer breeding industry witnessed tremendous growth in the last half of 2018 on the back of continued breeder investments. Total layer breeder stocks (growing and in-lay) averaged 76,596 birds per month in Q4 of 2018, an increase of 41% over Q3 and 152% over the same period in 2017 and matched previous stock levels of early 2014 (Table 3, Figure 9). Layer hatching egg production increased by 45% in the fourth quarter, which was 155% higher than the same period last year (Table 3 & Figure 10). Sexed pullet production (i.e. layer day-old chicks) averaged 169,620 per month in Q4 which was a 14% decrease compared with Q3 but 46% higher than Q4 in 2017 (Table 3 & Figure 10). In Q4 of 2018, the average price of sexed pullets increased by 29% to $220 per (Table 3).

Table Egg Production: Large-scale in-lay layer production stocks continued to improve and in Q4 of 2018 were 27% higher than Q3 and 87% than stocks in Q4 of 2017 (Table 3, Figure 11).

Similarly, large-scale table egg production increased by 27% in Q4 to 1.6 million dozen per month, being increases of 27% over Q3 and 73% over Q4 in 2017 (Table 3, Figure 12). However, estimated small-scale production decreased by 1% to 1.8 million dozen per month. Total egg production in the fourth quarter was 3.4 million dozen per month being increases of 10% compared with Q3 of 2018 and 28% over Q4 of 2017. The wholesale price of table eggs increased 65% and averaged $6.06 per tray of 30 eggs (Table 3, Figure 12). Estimate total egg production for the year was 36.4 million dozen, a decrease of 4% compared with 2017 (Table 4).

Inputs and Raw Materials

On the back of the buoyant broiler industry, poultry feeds continued to dominate the stockfeed industry and in the fourth quarter of 2018, production averaged 36,707mt/month (worth $35.5m), being increases of 58% in quantity and 155% in value over the same period in 2017 (Figure 13).

The prices of most raws procured in the fourth quarter of 2018 increased significantly compared to prices in the third quarter. While price changes of maize were negligible, prices of all other raw materials increased dramatically, including local milling by-products (by 45% for wheat bran and 33% for maize bran) and were particularly notable for solvent extracted soya meal (+61%); sunflower cake/meal (+91%); urea (+103%); salt (+118%); fine limestone flour (+60%); coarse limestone flour (+149%); methionine (+90%); lysine (+65%); and vitamins and premixes (+161%).

On average, prices of feeds in the fourth quarter increased by 49% compared to third quarter prices. However, prices of concentrates increased by 110% reflecting the high costs of imported components. Average weighted broiler and layer feed prices in the third fourth of 2018 were $1,008 and $750/mt, respectively, being 50% and 46% higher than prices in the third quarter (Figure 14).

As a result of shortages of key raw materials such as maize and wheat brans and foreign currency induced shortages in imported soya meal, minerals and vitamins, many producers have been forced to switch from on-farm feed mixing to reliance on compound feeds from stockfeed manufacturers, creating an increase in demand.

Market Watch

The fourth quarter of 2018 continued the upward trend in broiler production witnessed in the first three quarters fuelled by increased demand over the Christmas period.

Going forward however, the situation is likely to be quite different. Increased inflation noticeable in Q4 will negatively impact upon consumer spending power. Consumers in Q1 of 2019 are likely to face increased cash demands for school fees and transport costs as fuel supply shortages push up costs of commuting. Shortages of foreign currency as well as the poor start to the rainy season will likely maintain pressure on feed raw material costs forcing farmers to maintain high producer prices. This is expected to translate into reduced demand for poultry products. Thus, after the traditional festive season rise in demand, the first half of 2019 is likely to witness a slowdown.

Imports

Statistics show limited importation of poultry products although reports of suspected illicit chicken offal have been filed by industry participants. However, going forward there is likely to an upsurge in legal and illegal imports of cheap poultry products as the industry starts to see impacts of increased costs of production and reduced purchasing power of consumers alluded to in the preceding section.

Kind regards,

Solomon Zawe
Chairman

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

	2017				2018				%
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	change
Female Parent Stock									
Chick Sales and Retentions	54,923	42,805	3,112	3,600	51,007	18,946	33,590	38,511	15%
Growing	286,041	250,533	181,787	146,265	235,371	298,895	263,511	284,629	8%
In Production	349,335	337,720	284,941	317,316	281,594	268,530	347,463	351,564	1%
Hatching Eggs, each									
Produced	6,460,580	6,424,019	5,164,012	6,536,527	5,474,263	4,643,372	5,767,567	7,855,552	36%
Imported	743,965	1,199,888	2,133,404	1,684,406	3,623,785	4,773,830	4,998,829	2,245,098	-55%
Total	7,204,546	7,623,907	7,297,416	8,220,933	9,098,048	9,417,203	10,766,395	10,100,650	-6%
Day Old Chicks									
Chick Sales and Retentions	5,366,646	6,199,191	5,007,786	6,384,809	7,098,638	7,419,687	7,758,307	7,975,831	3%
Price per 100 chicks, $	65.86	66.91	79.40	93.48	97.33	96.37	106.50	165.27	55%
Large-Scale Broilers									
Number slaughtered	1,727,906	1,840,966	1,887,576	2,107,771	2,345,540	2,142,989	2,248,578	2,348,471	4%
Average live weight	1.69	1.78	1.80	1.79	1.79	1.84	1.87	1.87	0%
Producer price, $/kg	1.84	1.88	1.90	2.01	2.03	2.03	2.02	3.12	55%
Total dressed weight, tonnes									
Large-Scale	2,614	3,000	2,831	3,326	3,935	3,481	3,721	4,097	10%
Estimated Small-Scale	5,584	6,729	4,715	6,549	7,278	8,163	8,521	8,694	2%
Total	8,197	9,729	7,546	9,876	11,213	11,644	12,242	12,791	4%
Wholesale prices, $/kg									
Whole bird	3.18	3.21	3.34	3.67	3.61	3.42	3.46	7.05	104%
Leg quarters	3.64	3.91	3.84	4.15	4.30	4.11	4.33	7.56	75%
Breast	4.57	4.72	4.83	5.27	4.95	4.75	4.99	8.93	79%
1kg IQF	3.13	3.17	3.27	3.63	3.96	3.55	3.77	6.80	80%
2kg IQF	3.03	3.11	3.18	3.51	3.58	3.20	3.30	5.60	70%
Stock Holding (tonnes)	616	322	370	229	869	1,128	370	727	97%

Table 2. Broiler Annual Production Returns, 2013 to 2018

	2013	2014	2015	2016	2017	2018	% change
Female Parent Stock, monthly averages, thousands							
Chick Sales and Retentions	85	71	63	62	26	36	36%
Growing	335	321	282	294	216	271	25%
In Production	417	427	332	341	322	312	-3%
Total Hatching Eggs, millions							
Produced (ea)	79	82	77	82	74	71	-3%
Imported (ea)	8	20	26	16	17	47	171%
Total (ea)	87	102	103	98	91	118	30%
Day Old Chicks							
Total Chick Sales and Retentions, millions	64	78	76	75	69	91	32%
Average price per 100 chicks	79	70	69	62	76	116	52%
Large-scale broilers							
Total number slaughtered, millions	20.6	20.9	22.2	21.8	22.7	27.3	20%
Live weight	1.54	1.87	1.90	1.78	1.76	1.84	4%
Producer price, $/kg	2.12	2.04	1.95	1.82	1.91	2.30	21%
Dressed weight, '000 tonnes							
Large-scale	31.5	32.3	35.5	35.9	35.3	45.7	29%
Small-scale	66.8	88.2	80.8	82.0	70.7	98.0	39%
Total	98.3	120.5	116.3	117.9	106.0	144	35%
Wholesale prices, $/kg							
Whole bird	3.38	3.26	3.13	2.85	3.35	4.39	31%
Leg quarters	3.90	3.74	3.67	3.41	3.88	5.07	31%
Breast	5.40	5.05	5.08	4.61	4.85	5.91	22%
1kg IQF	3.34	3.12	3.05	2.77	3.30	4.52	37%
2kg IQF	3.27	3.06	2.91	2.66	3.20	3.92	22%
Stock holding, tonnes	744	688	868	1,053	384	774	101%

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

	2017				2018				%
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	change
Female Parent Stock									
Chick Sales and Retentions	1,195	2,989	-	4,999	-	2,825	2,848	3,164	
Growing	18,860	21,513	13,594	12,071	21,099	20,950	24,602	31,809	29%
In Production	23,625	25,376	16,536	18,341	17,275	24,338	29,843	44,786	50%
Hatching Eggs									
Produced (ea)	446,102	512,327	357,747	354,407	342,074	436,845	621,491	902,054	45%
Imported (ea)	65,763	9,833	13,320	-	-	-	-	-	
Total (ea)	511,865	522,160	371,067	354,407	342,074	436,845	621,491	902,054	45%
Day Old Chicks									
Chick Sales and Retentions	158,388	147,553	122,358	116,349	120,725	106,850	196,219	169,620	-14%
Price per 100 chicks	122.22	126.67	124.78	131.67	133.44	142.78	170.83	219.61	29%
Large-Scale Point of Lay									
Sales	6,234	1,522	4,446	2,095	12,928	7,404	22,553	13,642	-40%
Price per bird	9.48	10.64	10.67	11.67	11.28	11.67	11.97	16.04	34%
Large-Scale Layers									
Growing	227,316	276,905	160,130	182,927	268,064	369,903	347,944	214,786	-38%
In-lay	875,394	909,320	612,253	471,243	487,633	534,882	765,924	879,310	15%
	1,102,710	1,186,225	772,382	654,170	755,697	904,784	1,113,867	1,094,096	-2%
Sale price of spent hens	3.67	3.33	3.70	4.01	3.67	3.59	3.67	6.06	65%
Table Eggs, doz									
Large-scale	1,763,721	1,729,790	1,262,479	921,637	928,448	1,051,452	1,258,418	1,594,697	27%
Small-scale	1,871,901	1,644,613	1,638,808	1,770,247	1,755,263	1,830,802	1,863,308	1,847,121	-1%
Total	3,635,622	3,374,402	2,901,287	2,691,884	2,683,711	2,882,255	3,121,726	3,441,818	10%
Wholesale price per tray	3.50	3.61	3.84	4.31	4.50	4.45	4.30	6.34	47%
Stockholding (doz)	141,942	153,307	63,584	55,199	48,703	52,331	94,607	132,455	40%

Table 4. Layer Annual Production Returns, 2013 to 2018

	2013	2014	2015	2016	2017	2018	% change
Female Parent Stock, monthly averages							
Chick Sales and Retentions	6,538	2,750	4,586	2,284	2,296	2,209	-4%
Growing	25,475	21,843	19,456	19,247	16,510	24,615	49%
In Production	50,656	41,173	27,969	25,123	20,970	29,061	39%
Total Hatching Eggs, thousands							
Produced (ea)	10,660	9,762	6,266	6,909	5,012	6,907	38%
Imported (ea)	160	648	2,649	364	267	-	-100%
Total (ea)	10,820	10,410	8,914	7,273	5,278	6,907	31%
Day Old Chicks							
Total Chick Sales and Retentions, thousands	2,406	2,333	3,213	2,019	1,707	1,907	12%
Average price per 100 chicks	120	129	133	116	126	167	32%
Point of Lay							
Total sales, thousands	194	141	351	131	43	170	295%
Average price per bird	9.78	10.48	10.09	8.27	10.62	12.74	20%
Layers, monthly averages, thousands							
Growing	408	331	338	285	212	300	42%
In-lay	1,091	1,010	819	886	717	667	-7%
Average sale price of spent hens	4.17	4.05	3.85	3.33	3.68	4.24	15%
Table Eggs, million dozen							
Large-scale	24.6	21.8	18.8	22.3	17.0	14.5	-15%
Small-scale	23.6	22.7	29.2	33.0	20.8	21.9	5%
Total	48.2	44.5	48.0	55.3	37.8	36.4	-4%
Wholesale price per tray of eggs	3.89	4.21	3.78	3.18	3.82	4.90	28%
Average monthly stockholding	0.2	0.2	0.2	0.2	0.1	0.1	-21%

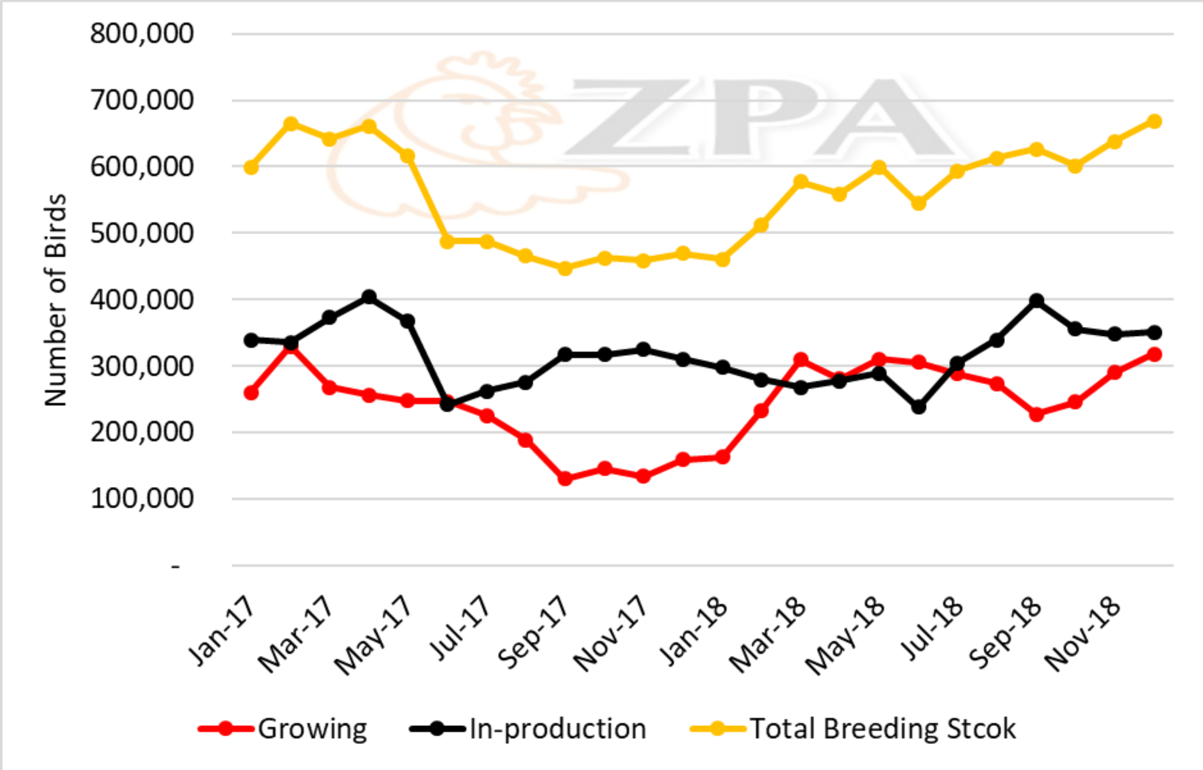

Figure 1. Broiler breeder stocks, 2017 to 2018

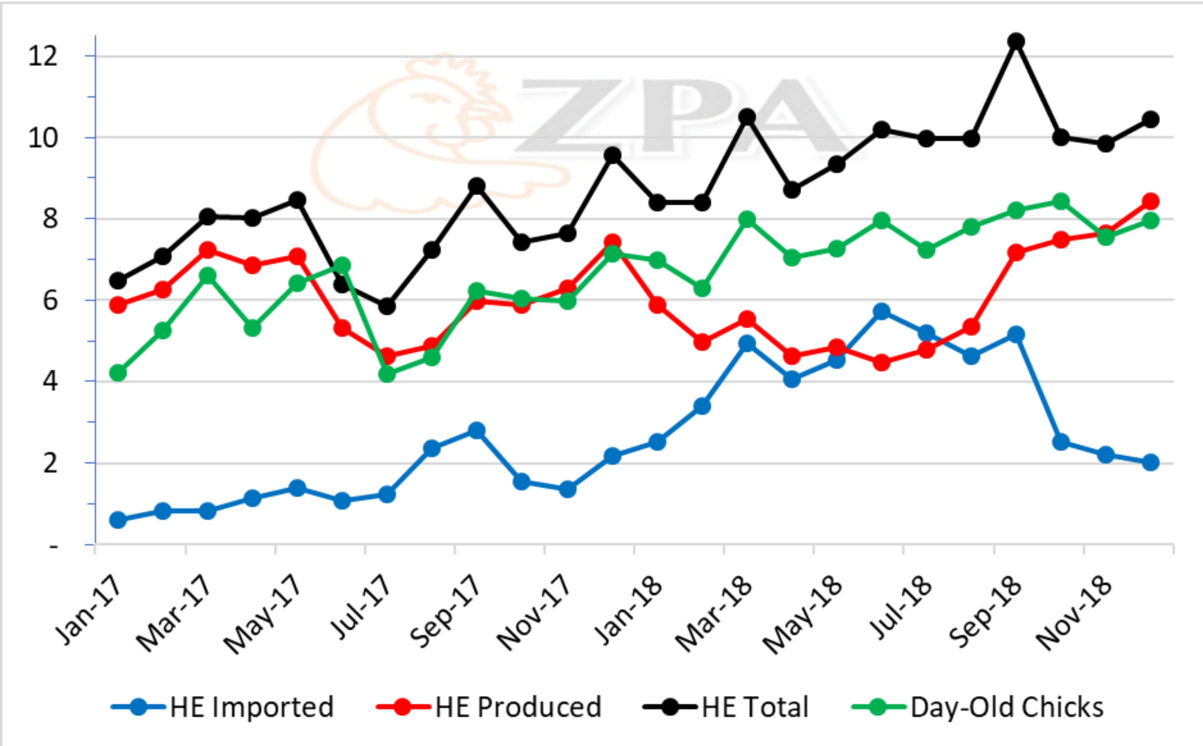

Figure 2. Broiler hatching eggs and day-old chicks, 2017 to 2018

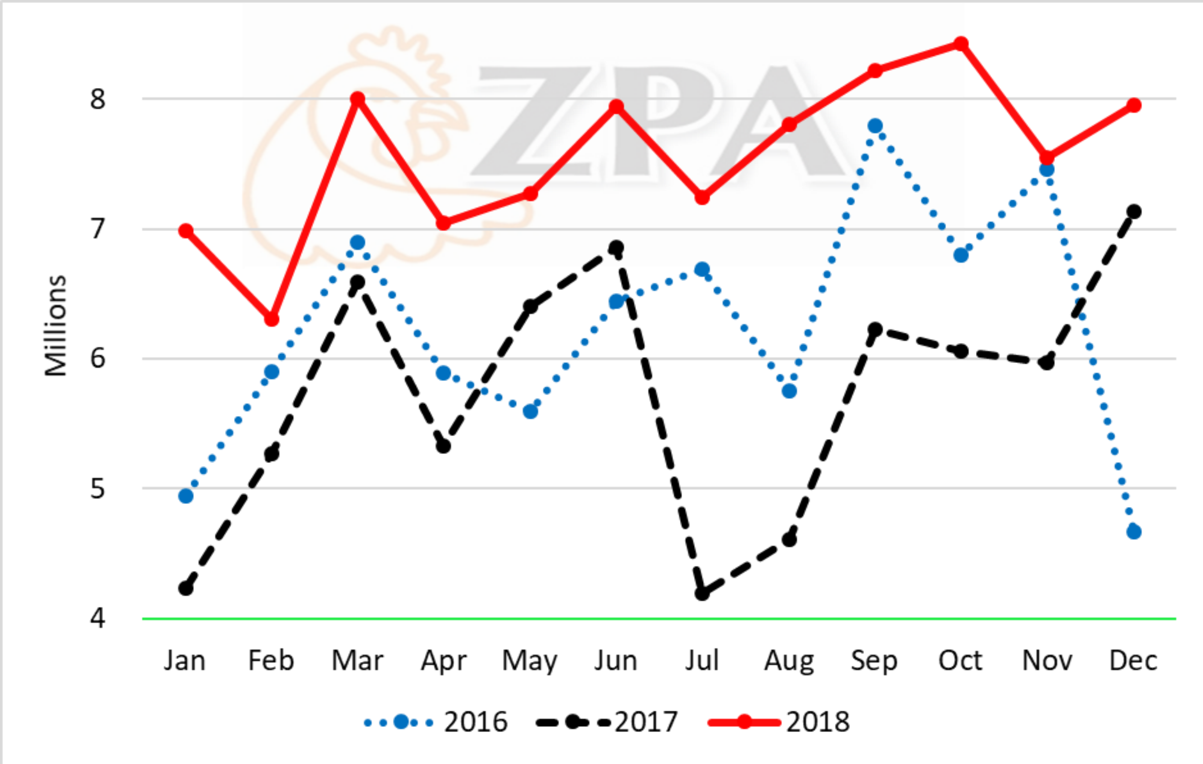

Figure 3. Broiler day-old chicks, 2013 to 2018

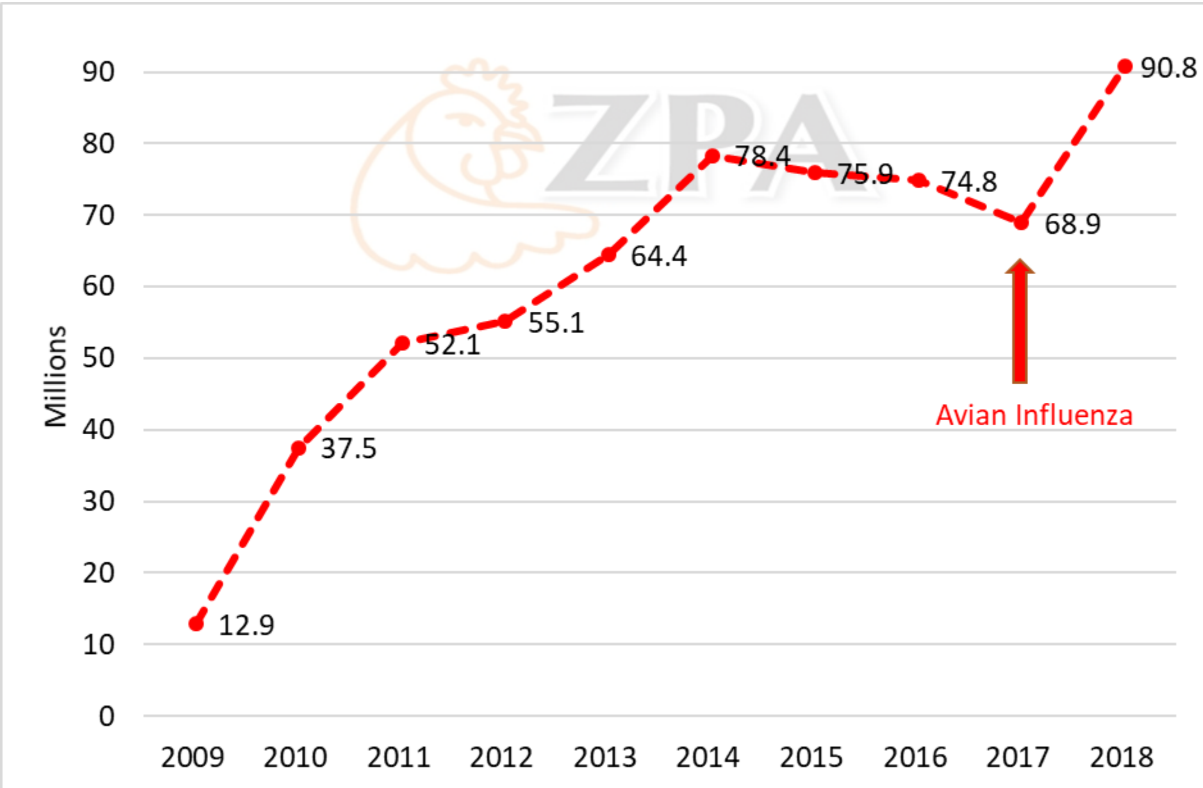

Figure 4. Broiler day-old chicks produced, 2009 to 2018

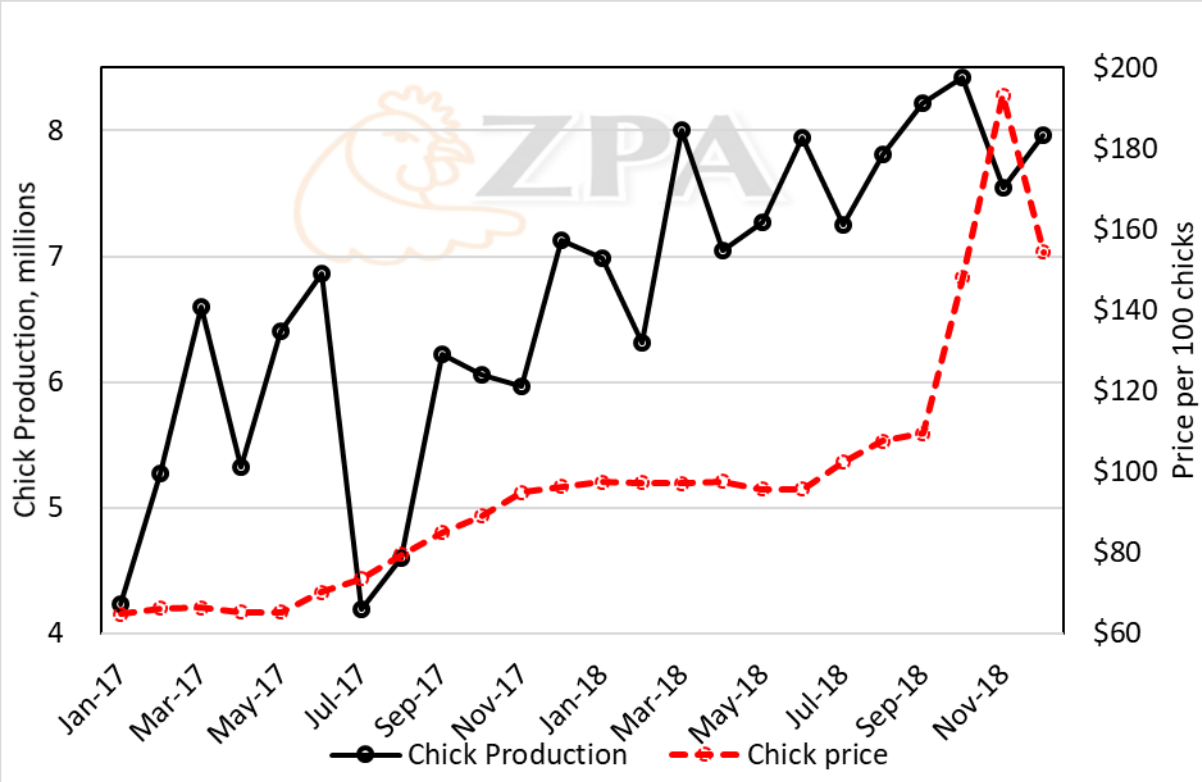

Figure 5. Broiler day-old chick production and prices, 2017 to 2018

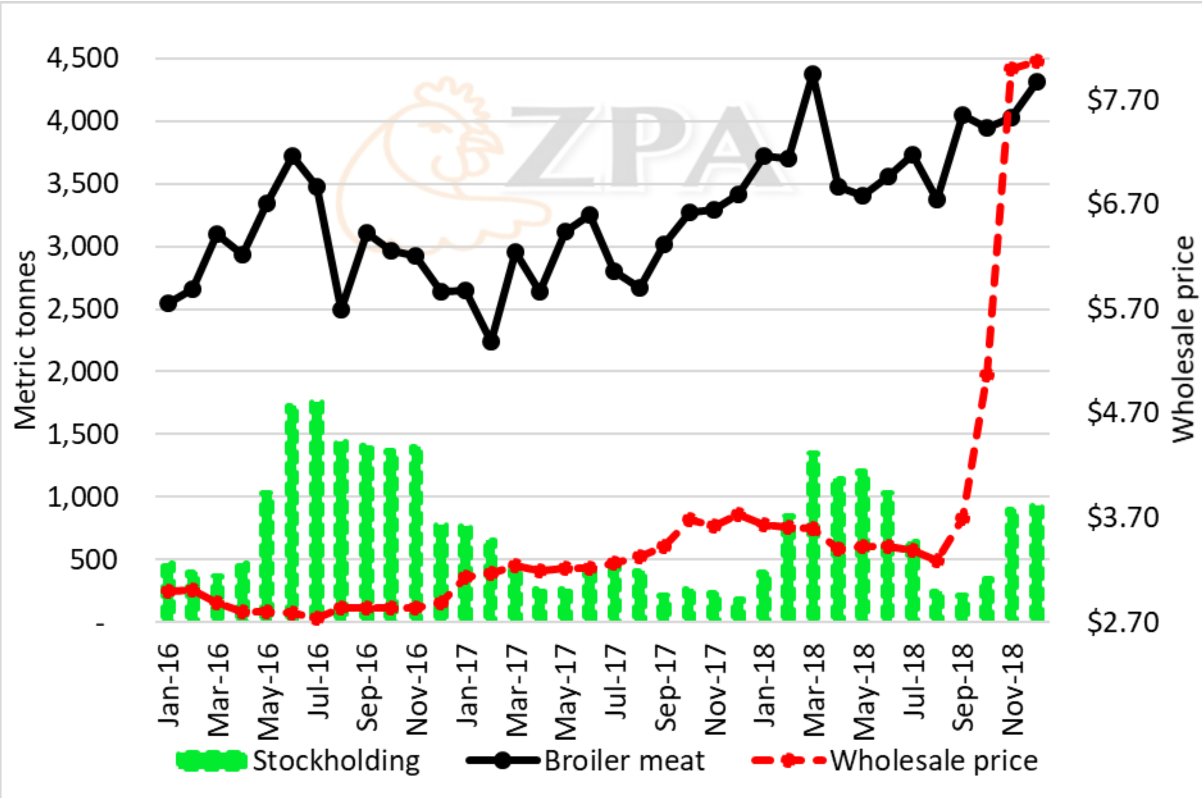

Figure 6. Large-scale broiler production, stockholding and whole bird wholesale price, 2016 to 2018

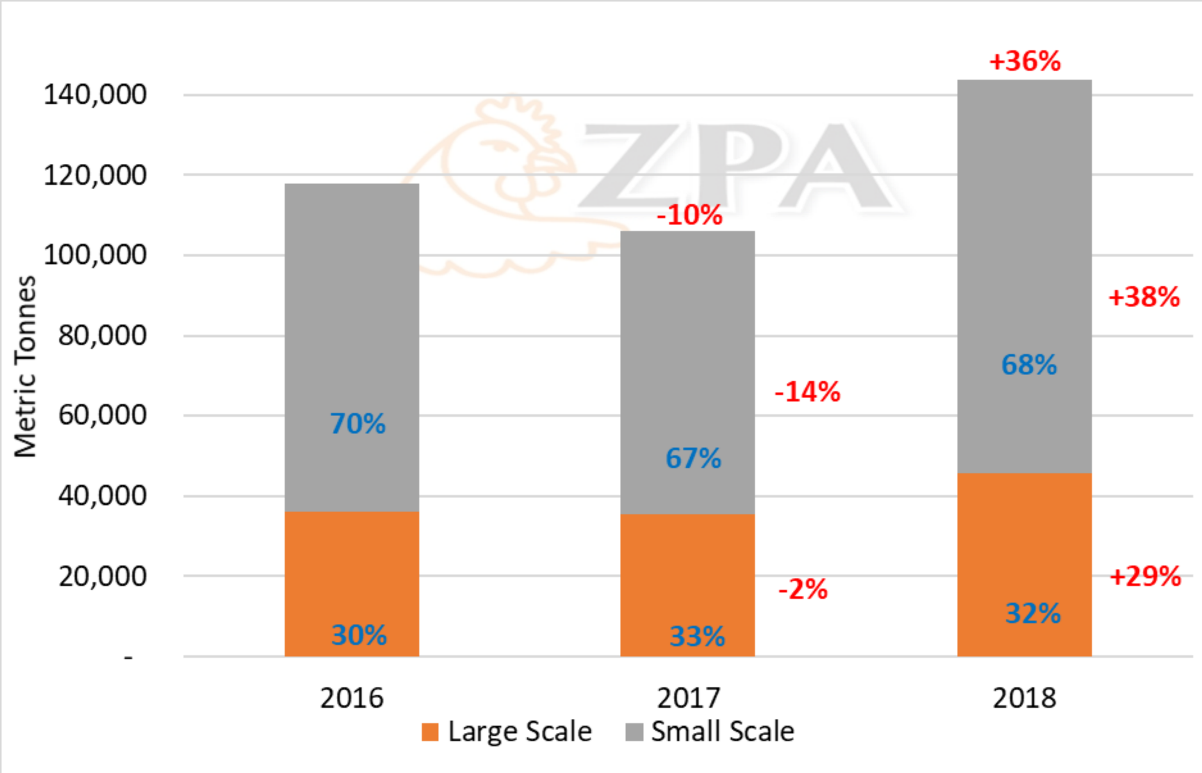

Figure 7. Total broiler meat production, 2016 to 2018

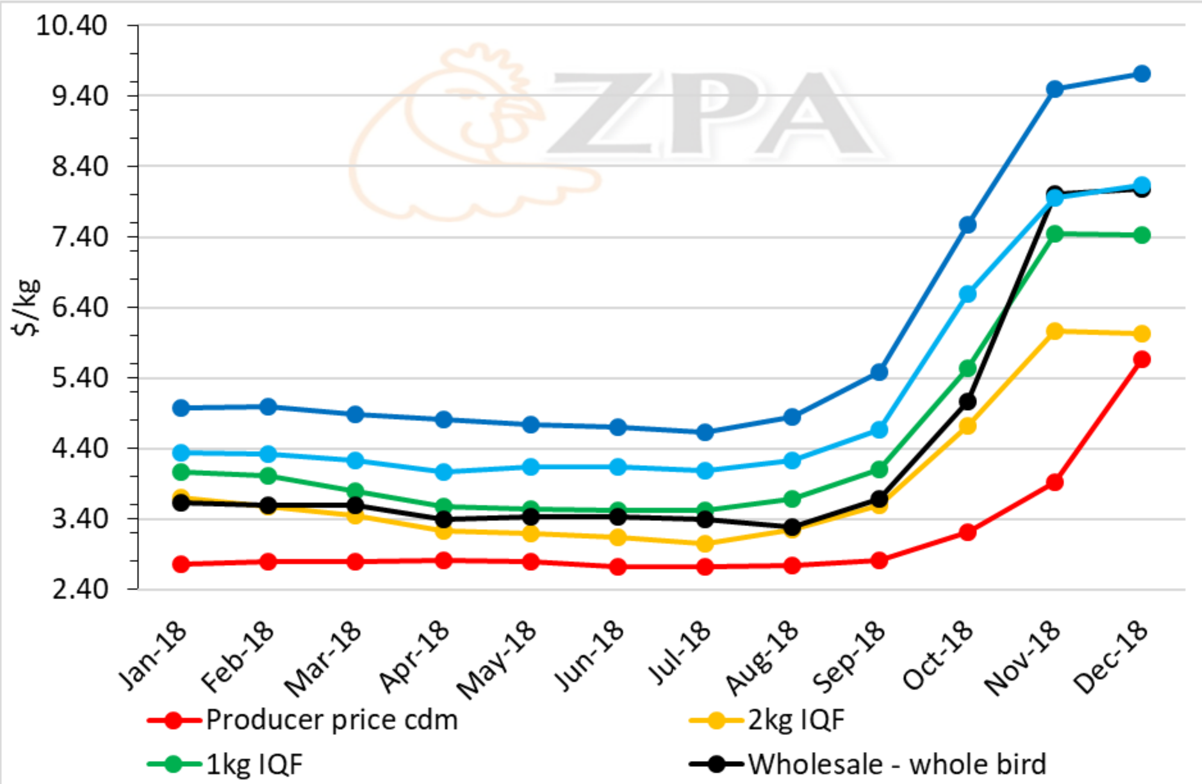

Figure 8. Broiler meat wholesale price trends, 2018

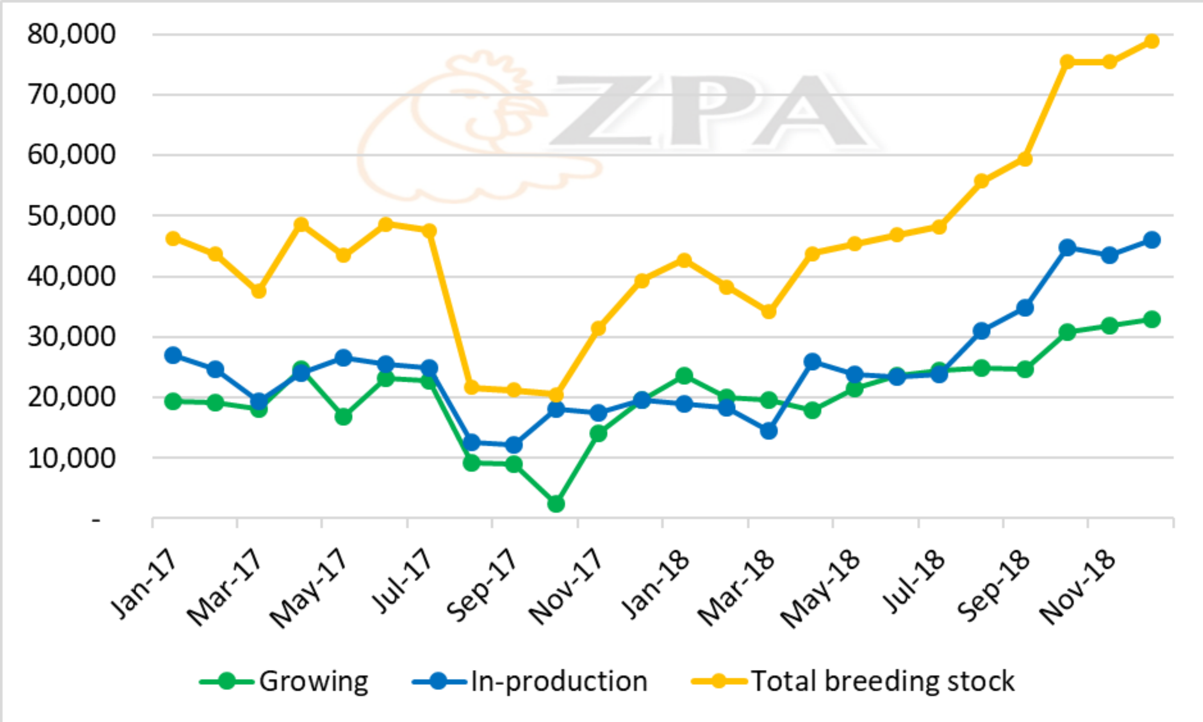

Figure 9. Layer breeder stocks, 2017 to 2018

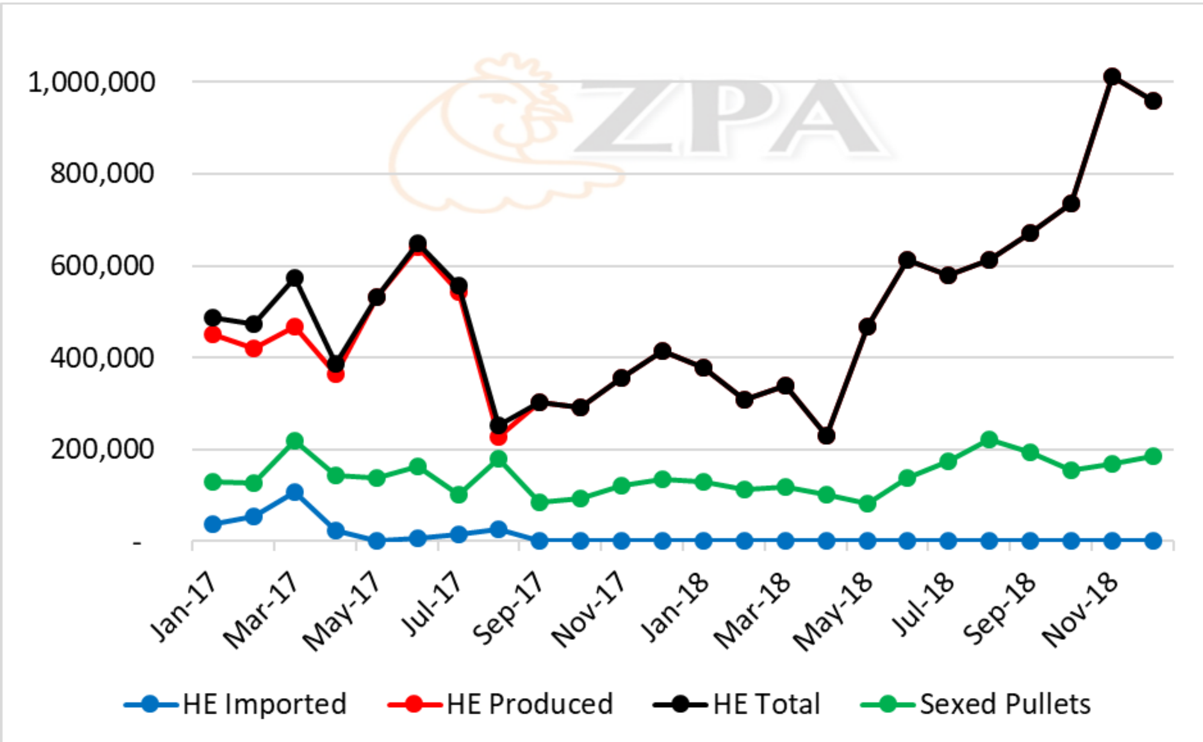

Figure 10. Layer hatching eggs and sexed pullets, 2017 to 2018

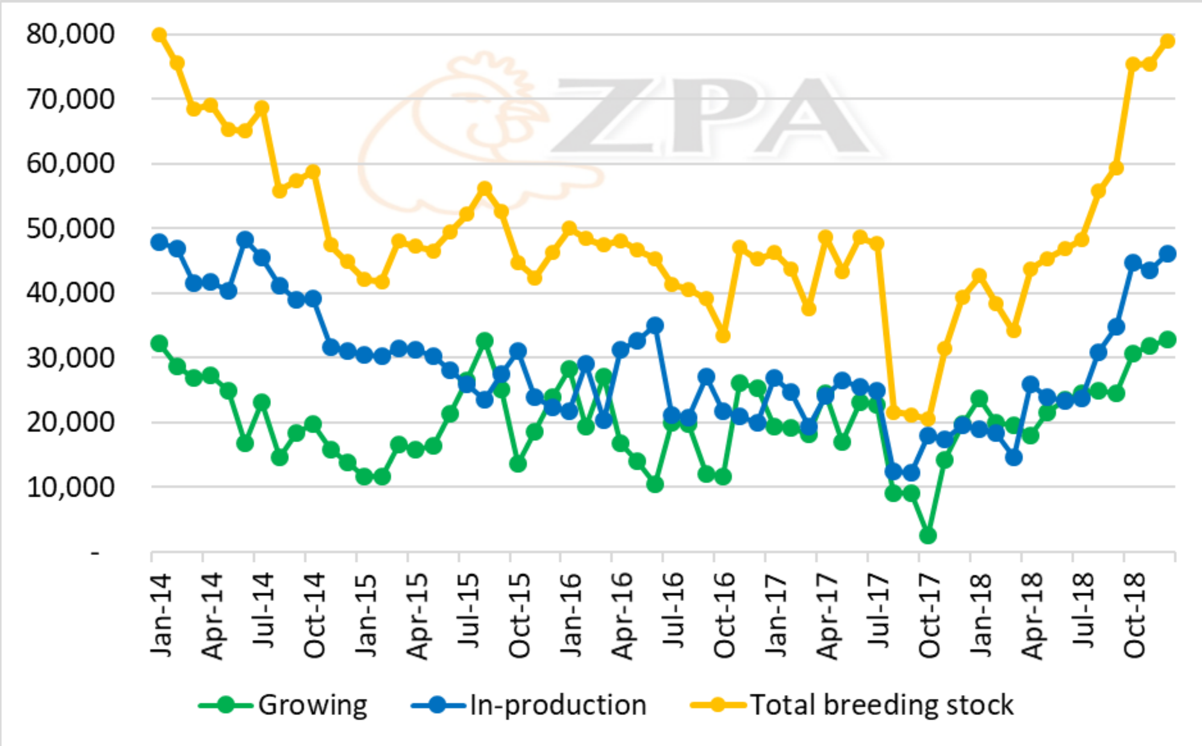

Figure 11. Large-scale layer production stocks, 2017 to 2018

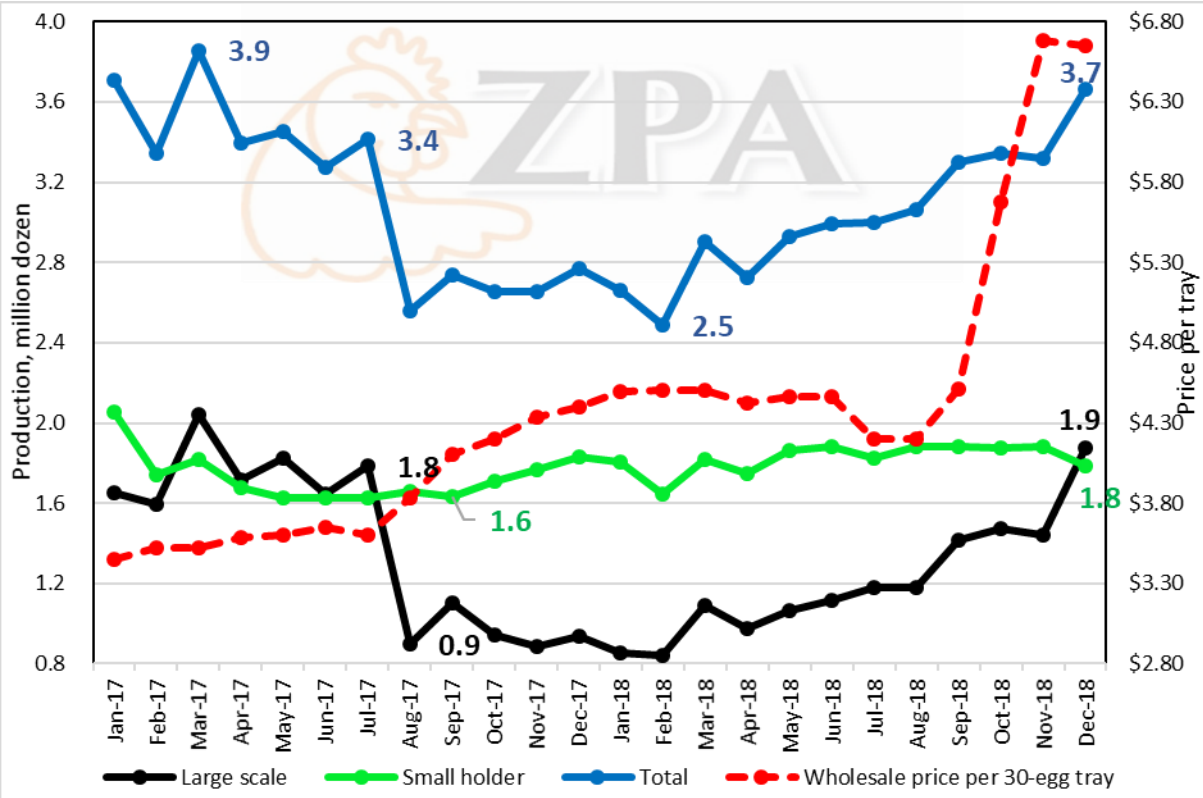

Figure 12. Table egg production and wholesale prices, 2017 to 2018

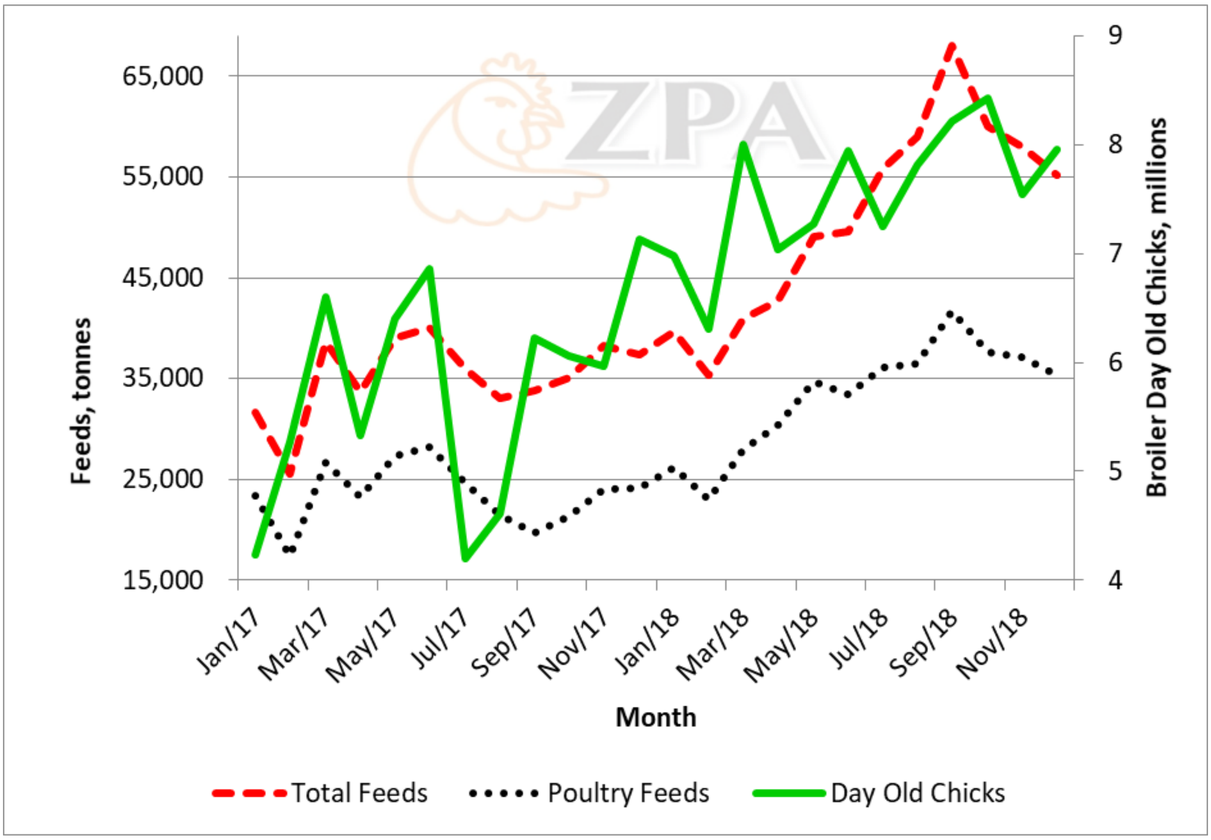

Figure 13. Production of poultry feeds, total feeds and broiler day old chicks, 2017 to 2018

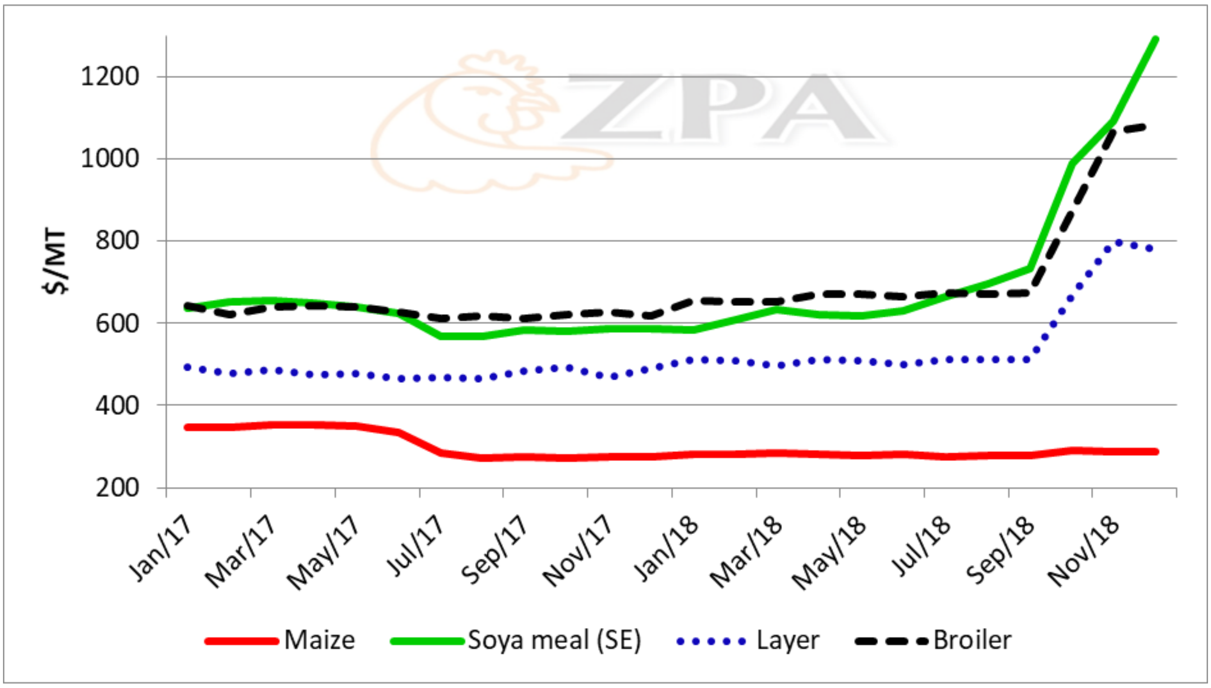

Figure 14. Prices of maize, solvent extracted soya meal and layer and broiler feeds, 2017 to 2018