



## Zimbabwe Poultry Association

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### Newsletter December 2019

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#### **Production News**

**Broiler Breeding:** Total broiler growing and in-production breeding stocks continued to decline by 17% from a peak of 796,150 birds in May 2019 to 657,105 birds in December (Table 1, Figures 1&2), which is similar to previous peak stock levels in 2016.

While in-production breeder stocks recovered to a second peak of 470,496 birds in October before declining by 16% to 393,071 birds in December (Figure 2), growing stocks declined by 29% from a peak of 370,285 birds in May 2019 to 264,034 in December (Table 1, Figure 1).

Local production of hatching eggs averaged 8.6 million per month in Q4 (October to December) of 2019, being 10% higher than Q4 of 2018 and 8% higher than Q3 of 2019 (Table 1, Figure 3). Total annual production of hatching eggs in 2019 was a record high of 97 million (Table 3, Figure 3). On the back of increased local production and softening demand for day-old chicks, there were no imports of hatching eggs in Q4 of 2019 (Table 1, Figure 4) for the first time in the past seven years.

Total broiler hatching eggs averaged 8.6 million per month in Q4 which was 14% lower than Q4 of 2018 but 4% higher than Q3 of 2019 (Table 2, Figure 4).

After the dramatic drop in broiler day-old chick production to 4.4 million in August, chick production showed partial recovery to 5.2 million chicks per month in Q4, being 35% and 8% lower than Q4 of 2018 and Q3 of 2019, respectively (Table 1, Figures 4&5). Despite the slump in production in Q4, total annual production was 73.6 million, being 19% lower than record achieved in 2018 but on par with peak

production achieved 2014 to 2016 (Table 2, Figures 5&6). Chick prices continued to increase in Q4 of 2019 (Table 1, Figure 7) and reached \$9.00 per chick in December. However, in US\$ terms (based on the interbank rate), the price of DoC's was 54c, 37% lower than the prices in early 2017 (Figures 7&8).

Broiler Meat Production: the number of birds processed by large-scale abattoirs were 1.8 million per month in Q4 of 2019 which was 24 and 9% lower than Q4 of 2018 and Q3 of 2019, respectively (Table 1). Similarly, large-scale broiler meat production declined by 25 and 11% in Q4 of 2018 and Q3 of 2019, respectively (Tables 1&2, Figures 9&10).

Despite this decline, fourth quarter large-scale broiler meat production was the second highest ever recorded after 2018.

In contrast, Q4 small-scale broiler meat production estimated at 5,145mt/month, represented decreases of 41 and 7% compared with Q4 of 2018 and Q3 of 2019, respectively (Tables 1&2, Figure 10).

Fourth quarter total meat produced was estimated to be 8,064mt/month, being 36 and 8% lower than that of Q4 in 2018 and Q3 in 2019, respectively (Tables 1&2 and Figure 8). Total meat production in 2019 was estimated at 114.3 thousand metric tonnes, being 20% lower than that of 2018, but similar to total estimated production in the years 2014 to 2016 (Table 3, Figures 10&11).

Large-scale meat production in 2019 was 39.1 thousand metric tonnes which was 13% down on 2018 but the second highest volume recorded. Production from the small-scale sector was estimated at 75.3 thousand metric tonnes, 23% down on 2018 and the lowest since 2013.

Wholesale prices continued to rise sharply each month (Table 1, Figures 9&12) reflecting the local currency devaluation and increasing costs of inputs, particularly feeds. Wholesale prices of whole bird and 2kg Individually Quick Frozen (IQF) pieces in December were ZWL 57.30 and ZWL 54.67/kg respectively. Wholesale prices expressed in US\$ (relative to the interbank rate) were between 7 and 11% higher compared with prices in early 2017 (Figure 13).

Layer Breeding: Total growing and in-production layer breeder stocks averaged 46,692 birds per month in Q4 of 2019, decreases of 34 and 37% respectively compared with Q3 of 2018 and Q4 of 2019 (Table 4, Figure 14).

Current stocks are comparable to those of 2015 to May 2017 (before the outbreak of Avian Influenza).

Production of layer hatching eggs in Q4 averaged 0.7 million eggs per month, being decreases of 19 and 31% compared with Q4 2018 and Q3 of 2019, respectively (Table 4, Figure 15).

Sexed pullet (layer day-old chicks) production averaged 175,940 per month in Q4, being an increase of 4% over Q4 of 2018 but a reduction of 31% compared with Q3 of 2019 (Table 4, Figure 7). The average price of sexed pullets rose by 42% in Q4 (Table 4) and peaked at ZWL 12.75 per pullet in December. However, in US\$ terms (relative to the interbank rate), average sexed pullet prices in December were 77c, 35% down on prices in early 2017 (Figure 8).

Table Egg Production: Large-scale growing and in-lay layer production stocks softened by 8% in Q4 (Table 4, Figure 16), and stock levels are comparable to those between 2015 and May 2017 (before the outbreak of Avian Influenza).

Large-scale table egg production remained static at 1.9 million dozen per month in Q4, being an increase of 21% over Q4 of 2018 (Table 4, Figures 17&18). In contrast, small-scale table egg production is estimated to have increased by 14% to 2.6 million dozen per month, an increase of 43% over Q4 of 2018.

As a result, total egg production is estimated to have increased by 9% to 4.6 million dozen per month, an increase of 43% over Q4 of 2018 (Table 4, Figures 17&18), approaching previous peak production realised in 2016 (Figure 18).

Annual production of table eggs was estimated at 50.4 million dozen (Table 6), an increase of 38% over 2018.

As with broiler meats, the wholesale price of table eggs has increased dramatically since March 2019 and in December was ZWL 52.86 per tray of 30 eggs (Table 4, Figure 17). The price of a tray of eggs in US\$ terms (relative to the interbank rate) was \$3.20 which is 7% softer than prices realised in early 2017.

### **Inputs and Raw Materials**

Poultry feeds continue to dominate the stockfeed industry and in Q4 of 2019, production averaged 29,897mt/month (worth ZWL 182.8m), being a decrease of 19% in volume and an increase of 413% in value respectively over the same period last year and an increase of 5% in quantity and increase of 30% in value respectively over Q3 of 2019 (Figure 19).

Poultry feeds accounted for 62% of all feeds produced by weight and 64% by monetary value. The production of broiler and layer and breeder feeds were 27% and 5% lower, respectively than Q4 of 2018 and 16% higher and 15% lower,

respectively than Q3 of 2019. Production of poultry concentrates was 19% lower than Q4 of 2018, and 12% lower than Q3 of 2019.

On average, prices of raw materials procured in Q4 increased by 179% (Figure 20). Notable increases were full-fat soya (274%), high CP cotton meal (314%) and roughages (wheat bran: 377%; maize bran: 337%; screenings: 490%; and hay: 298%).

In contrast, fourth quarter prices of feeds on average, increased by 59% compared to third quarter prices. Average weighted wholesale prices of broiler and layer feeds rose by 23% and 39%, respectively, to ZWL 5,961 and ZWL 5,530/mt (Figure 21). However, in US\$ terms (relative to the interbank rate), prices of broiler and layer feeds in December were \$430 and \$383, respectively, being 33 and 22% down on prices in early 2017.

### **Market Watch**

Depreciation of the ZWL against the US\$ in Q4 of 2019 continued to exert pressure on feed and day-old chick prices that were not matched by increases in consumer disposable incomes. However, demand remained strong, largely due to greater increases in prices of alternative livestock proteins, primarily beef, pork and fish.

Going into 2020, demand for poultry products is projected to slow down given the continued erosion of disposable incomes.

### **Imports**

Statistics show limited importation of poultry products given the low local retail prices in US\$ terms. However, going forward, reduced viability of local production is likely to lead to withdrawal from poultry production especially by small to medium scale farmers who depend on purchased feeds. This will likely lead to an upsurge in both legal and illicit imports of cheap poultry products.

Kind regards,



Solomon Zawe  
Chairman

Table 1. Broiler average monthly production returns, 2018 - 2019

	<b>2018</b>				<b>2019</b>				<b>% change</b>
	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jul-Sep</b>	<b>Oct-Dec</b>	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jul-Sep</b>	<b>Oct-Dec</b>	
<b>Female Parent Stock</b>									
Chick Sales and Retentions	70,224	29,554	52,523	65,641	38,396	32,754	65,993	53,243	-19%
Growing	235,371	298,895	263,511	284,629	324,757	314,931	319,137	263,310	-17%
In-Production	281,594	268,530	347,463	351,564	410,923	463,921	408,454	437,126	7%
<b>Hatching Eggs, millions</b>									
Produced	5.5	4.6	5.8	7.9	7.5	8.2	8.0	8.6	8%
Imported	3.6	4.8	5.0	2.2	0.9	1.0	0.4	-	-100%
Total	9.1	9.4	10.8	10.1	8.5	9.1	8.3	8.6	4%
<b>Day Old Chicks, millions</b>									
Chick Sales and Retentions	7.1	7.4	7.8	8.0	6.5	7.0	5.6	5.2	-8%
Price per 100 chicks, \$	97.33	96.37	106.50	165.27	163.00	242.74	403.18	796.28	97%
<b>Large-Scale Broilers</b>									
Number slaughtered, millions	2.3	2.1	2.2	2.3	2.1	2.0	2.0	1.8	-9%
Average live weight	1.79	1.84	1.87	1.87	1.78	1.84	1.79	1.79	0%
Producer price, \$/kg	2.03	2.03	2.02	3.12	3.34	5.28	11.54	25.14	118%
<b>Total dressed weight, tonnes</b>									
Large-Scale	3,935	3,481	3,721	3,869	3,429	3,403	3,270	2,918	-11%
Estimated Small-Scale	7,278	8,163	8,521	8,694	6,777	7,639	5,532	5,145	-7%
Total	11,213	11,644	12,242	12,563	10,205	11,042	8,803	8,064	-8%
<b>Wholesale prices, \$/kg</b>									
Whole bird	3.61	3.42	3.46	7.05	6.19	10.96	21.91	50.23	129%
Leg quarters	4.30	4.11	4.33	7.56	7.49	12.37	25.76	57.64	124%
Breast	4.95	4.75	4.99	8.93	9.23	15.07	31.07	72.16	132%
1kg IQF	3.96	3.55	3.77	6.80	6.28	10.94	20.82	49.40	137%
2kg IQF	3.58	3.20	3.30	5.60	5.87	10.65	21.12	48.85	131%
Stock Holding (tonnes)	869	1,128	370	727	1,335	1,014	1,327	642	-52%

Table 2. Broiler quarter meat production (mt), 2018 – 2019

	<b>2018</b>				<b>2019</b>				<b>% change</b>
	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jul-Sep</b>	<b>Oct-Dec</b>	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jul-Sep</b>	<b>Oct-Dec</b>	
Large-scale	11,805	10,443	11,162	11,607	10,287	10,209	9,810	8,755	-11%
Small-scale	21,833	24,488	25,563	26,081	20,330	22,918	16,597	15,435	-7%
Total	33,638	34,931	36,725	37,688	30,616	33,127	26,408	24,191	-8%

Table 3. Broiler annual production returns, 2013 to 2019

	2013	2014	2015	2016	2017	2018	2019	% change
<u>Female Parent Stock, monthly averages, thousands</u>								
Chick Sales and Retentions	58	42	34	34	18	54	48	-13%
Growing	335	321	282	294	216	271	306	13%
In-Production	417	427	332	341	322	312	430	38%
<u>Total Hatching Eggs, millions</u>								
Produced (ea)	79	82	77	82	74	71	97	36%
Imported (ea)	8	20	26	16	17	47	7	-86%
Total (ea)	87	102	103	98	91	118	104	-12%
<u>Day Old Chicks</u>								
Total Chick Sales and Retentions, millions	64	78	76	75	69	91	74	-19%
Average price per 100 chicks	79	70	69	62	76	116	401	245%
<u>Large-scale broilers</u>								
Total number slaughtered, millions	20.6	20.9	22.2	21.8	22.7	27.3	23.6	-14%
Live weight	1.54	1.87	1.90	1.78	1.76	1.84	1.80	-2%
Producer price, \$/kg	2.12	2.04	1.95	1.82	1.91	2.30	11.32	392%
<u>Dressed weight, '000 tonnes</u>								
Large-scale	31.5	32.3	35.5	35.9	35.3	45.0	39.1	-13%
Small-scale	66.8	88.2	80.8	82.0	70.7	98.0	75.3	-23%
Total	98.3	120.5	116.3	117.9	106.0	143.0	114.3	-20%
<u>Wholesale prices, \$/kg</u>								
Whole bird	3.38	3.26	3.13	2.85	3.35	4.39	22.32	409%
Leg quarters	3.90	3.74	3.67	3.41	3.88	5.07	25.82	409%
Breast	5.40	5.05	5.08	4.61	4.85	5.91	31.88	440%
1kg IQF	3.34	3.12	3.05	2.77	3.30	4.52	21.86	384%
2kg IQF	3.27	3.06	2.91	2.66	3.20	3.92	21.62	452%
<u>Average monthly stock holding, tonnes</u>								
	744	688	868	1,053	384	774	1,079	40%

Table 4. Layer average monthly production returns, 2018 – 2019

Layers	2018				2019				% change
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	
<b>Female Parent Stock</b>									
Chick Sales and Retentions	-	4,992	4,848	3,164	5,068	-	1,667	1,163	-30%
Growing	16,103	16,854	21,770	25,726	35,062	29,752	24,048	12,583	-48%
In-Production	17,275	24,338	29,843	44,786	36,046	45,137	49,529	34,109	-31%
<b>Hatching Eggs</b>									
Produced (ea)	342,074	436,845	621,491	902,054	822,590	631,967	1,056,397	728,556	-31%
Imported (ea)	-	-	-	-	18,000	-	-	-	
Total (ea)	342,074	436,845	621,491	902,054	840,590	631,967	1,056,397	728,556	-31%
<b>Day Old Chicks</b>									
Chick Sales and Retentions	216,340	106,850	196,219	169,620	265,548	236,594	253,641	175,940	-31%
Price per 100 chicks	133.44	142.78	170.83	219.61	263.25	334.17	769.11	1,094.61	42%
<b>Large-Scale Point of Lay</b>									
Sales	12,928	7,404	22,553	13,642	11,925	11,791	4,320	4,115	-5%
Price per bird	11.28	11.67	11.97	16.04	20.42	18.06			
<b>Large-Scale Layers</b>									
Growing	268,064	369,903	347,944	214,786	217,723	318,950	278,731	240,296	-14%
In-lay	487,633	534,882	765,924	879,310	942,691	890,611	954,626	896,977	-6%
Sale price of spent hens	3.67	3.59	3.67	6.06	6.13	10.53	24.25	48.74	101%
<b>Table Eggs, million dozen</b>									
Large-scale	0.9	1.1	1.3	1.6	2.0	1.9	1.9	1.9	2%
Estimated Small-scale	1.8	1.8	1.9	1.8	1.9	2.2	2.3	2.6	14%
Total	2.7	2.9	3.1	3.4	4.0	4.0	4.2	4.6	9%
Wholesale price per tray	4.50	4.45	4.30	6.34	6.96	10.86	23.82	45.41	91%
Stockholding (doz)	48,703	52,331	94,607	132,455	148,632	133,072	203,795	203,953	0%

Table 5. Layer quarterly table egg production (million dozen), 2018 – 2019

	2018				2019				% change
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	
Large-scale	2.8	3.2	3.8	4.8	6.1	5.7	5.7	5.8	2%
Small-scale	5.3	5.5	5.6	5.5	5.8	6.5	7.0	7.9	14%
Total	8.1	8.6	9.4	10.3	11.9	12.1	12.6	13.7	9%

Table 6. Layer annual production returns, 2013 to 2019

	2013	2014	2015	2016	2017	2018	2019	% change
<u>Female Parent Stock, monthly averages</u>								
Chick Sales and Retentions	5,644	1,950	3,608	2,284	2,296	3,251	1,974	-39%
Growing	25,475	21,843	19,456	19,247	16,510	20,113	25,361	26%
In-Production	50,656	41,173	27,969	25,123	20,970	29,061	41,205	42%
<u>Total Hatching Eggs, thousands</u>								
Produced (ea)	10,660	9,762	6,266	6,909	5,012	6,907	9,719	41%
Imported (ea)	160	648	2,649	364	267	-	54	
Total (ea)	10,820	10,410	8,914	7,273	5,278	6,907	9,773	41%
<u>Day Old Chicks</u>								
Total Chick Sales and Retentions, thousands	2,406	2,333	3,213	2,019	1,707	2,194	3,065	40%
Average price per 100 chicks	120	129	133	116	126	167	615	269%
<u>Point of Lay</u>								
Total sales, thousands	194	141	351	131	43	170	96	-43%
Average price per bird	9.78	10.48	10.09	8.27	10.62	12.74		
<u>Layers, monthly averages, thousands</u>								
Growing	408	331	338	285	212	300	264	-12%
In-lay	1,091	1,010	819	886	717	667	921	38%
Average sale price of spent hens	4.17	4.05	3.85	3.33	3.68	4.24	22.41	428%
<u>Table Eggs, million dozen</u>								
Large-scale	24.6	21.8	18.8	22.3	17.0	14.5	23.2	60%
Small-scale	23.6	22.7	29.2	33.0	20.8	21.9	27.2	24%
Total	48.2	44.5	48.0	55.3	37.8	36.4	50.4	38%
Wholesale price per tray of eggs	3.89	4.21	3.78	3.18	3.82	4.90	21.76	344%
Average monthly stockholding	0.23	0.18	0.20	0.24	0.10	0.08	0.17	110%

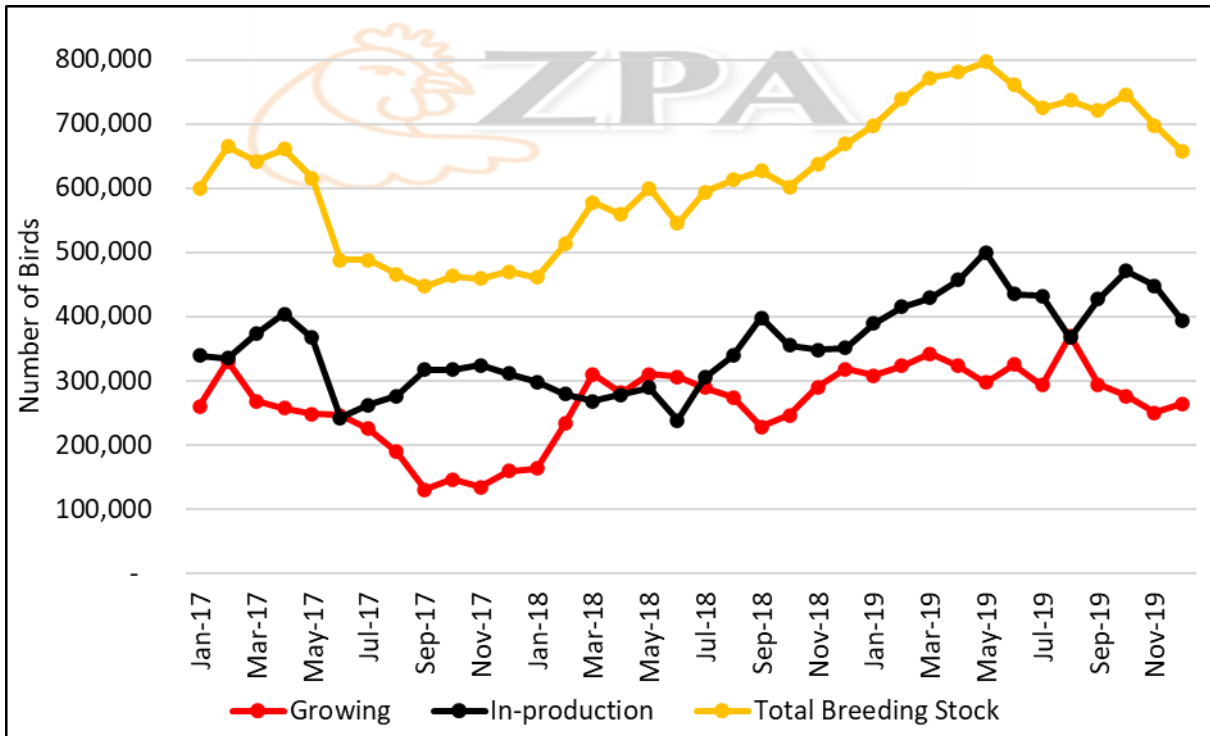


Figure 1. Broiler breeder stocks, 2017 to 2019

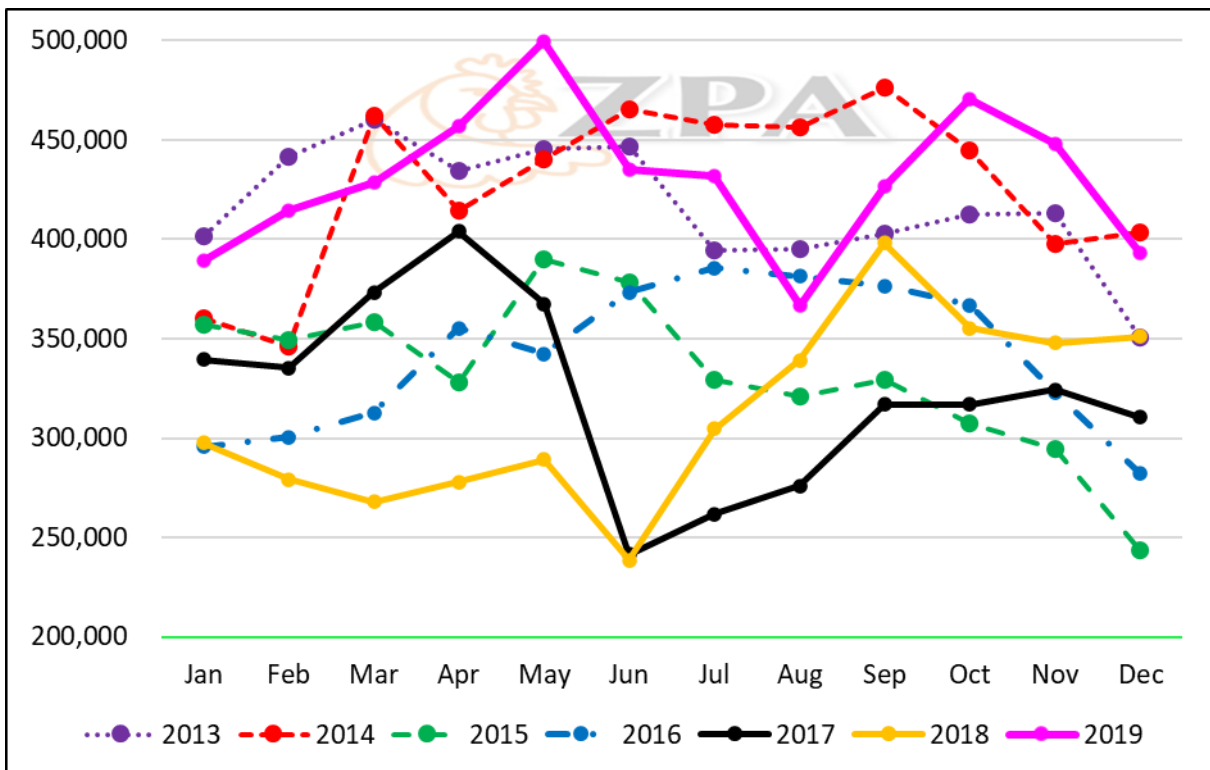


Figure 2. Broiler breeder in-production stocks, 2013 to 2019

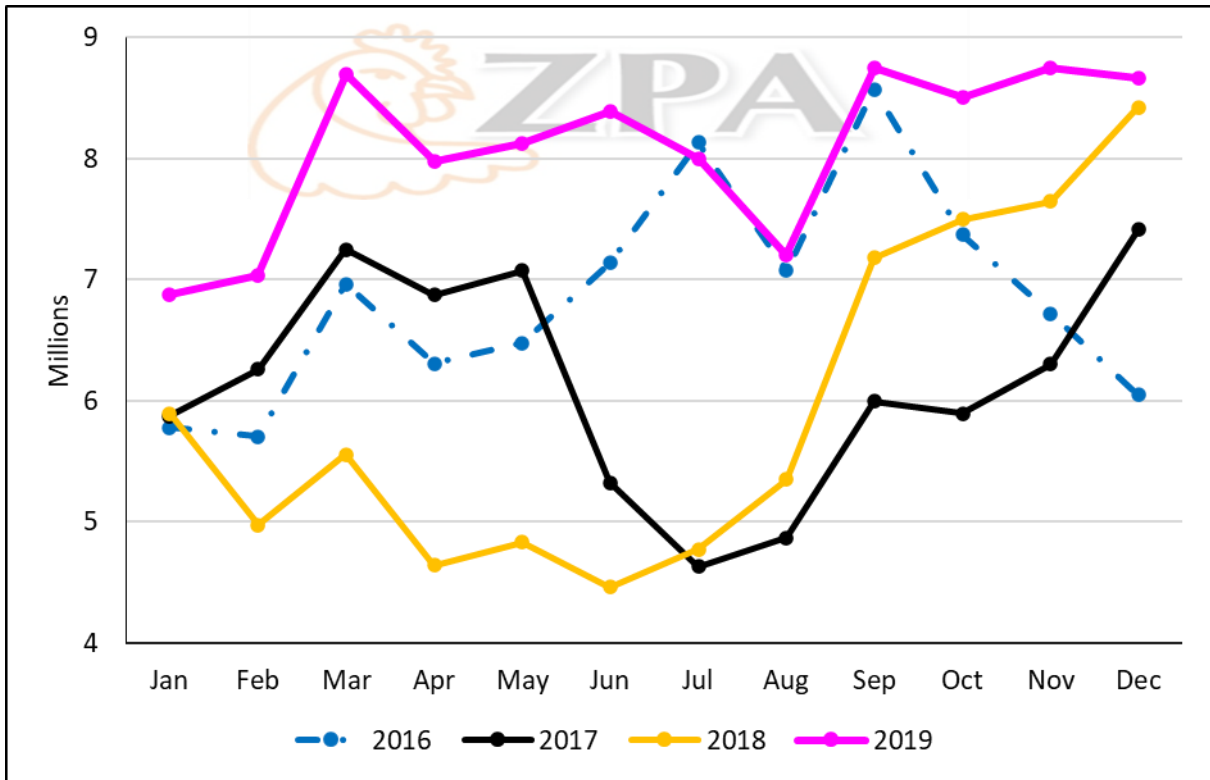


Figure 3. Locally produced broiler hatching eggs, 2016 to 2019

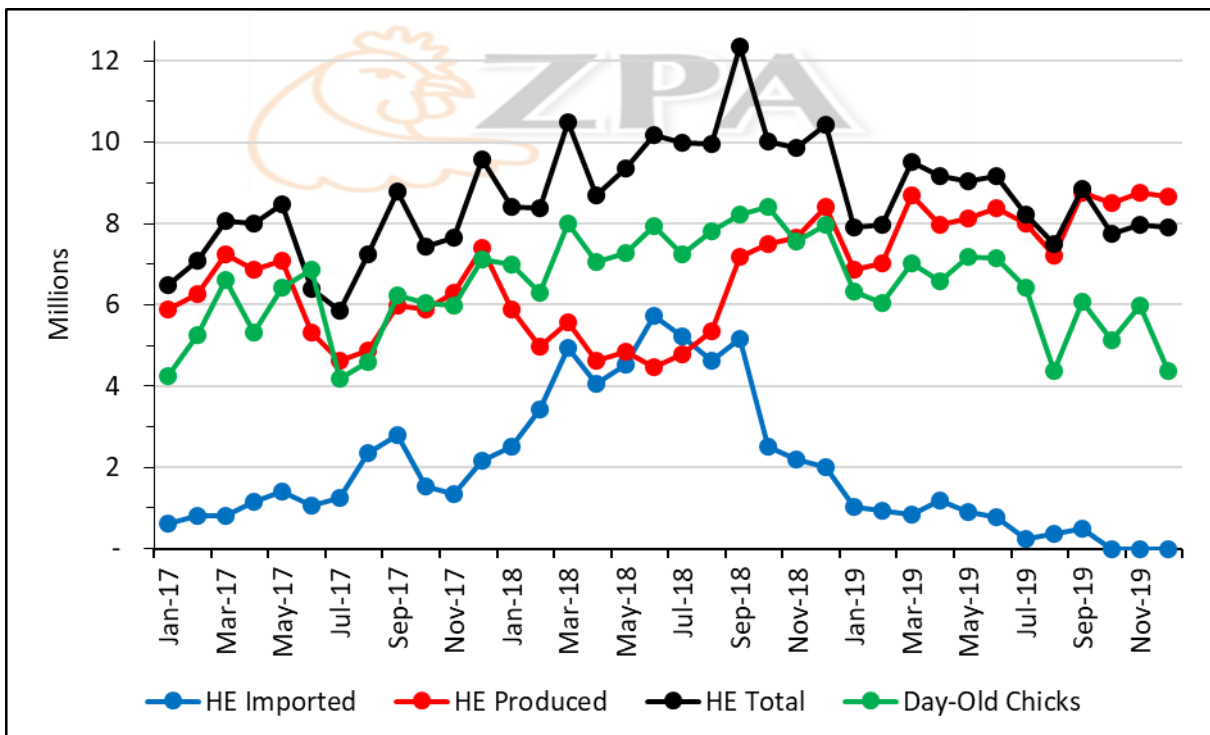


Figure 4. Broiler hatching eggs and day-old chicks, 2017 to 2019

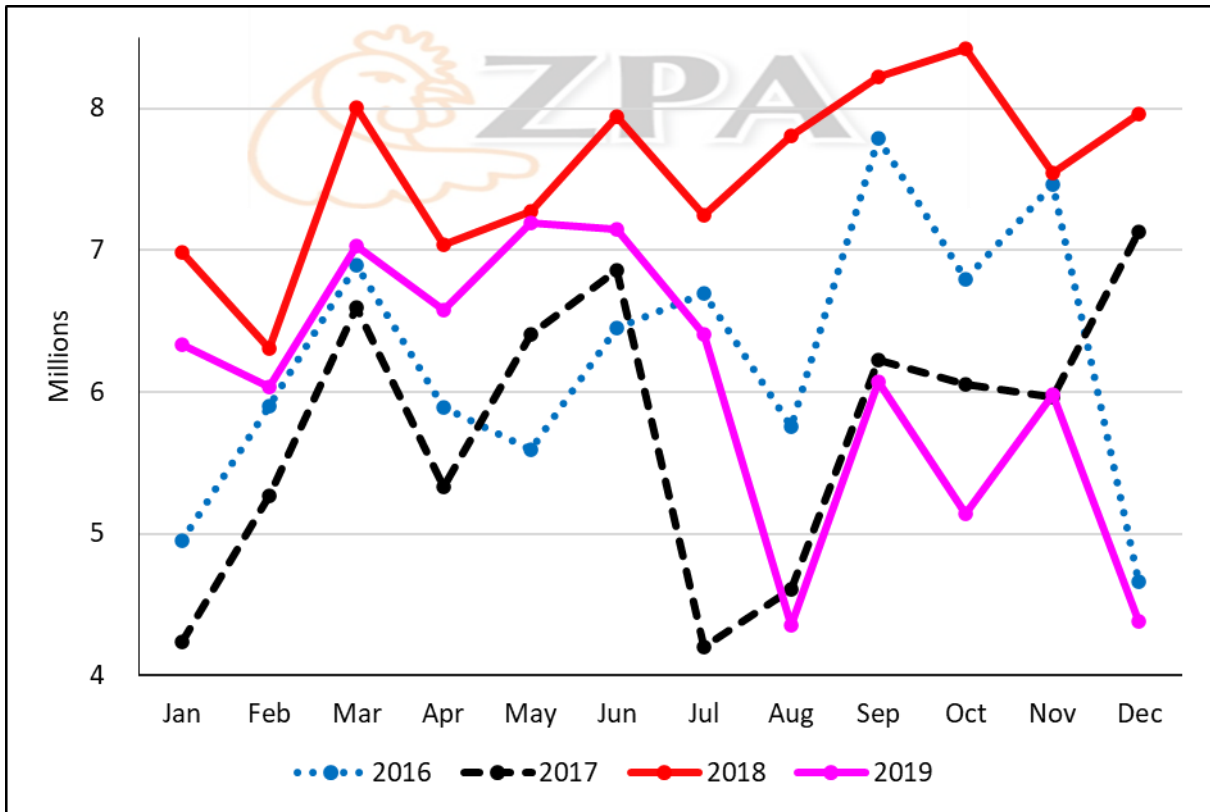


Figure 5. Broiler day-old chicks, 2016 to 2019

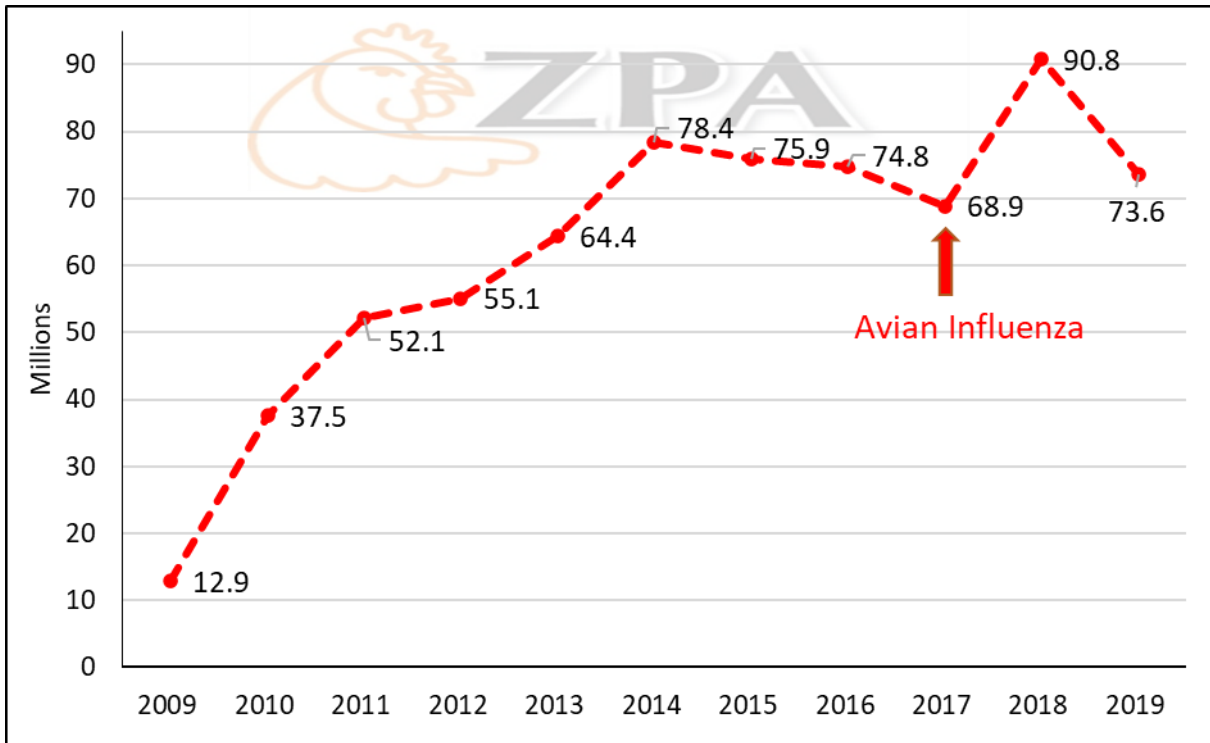
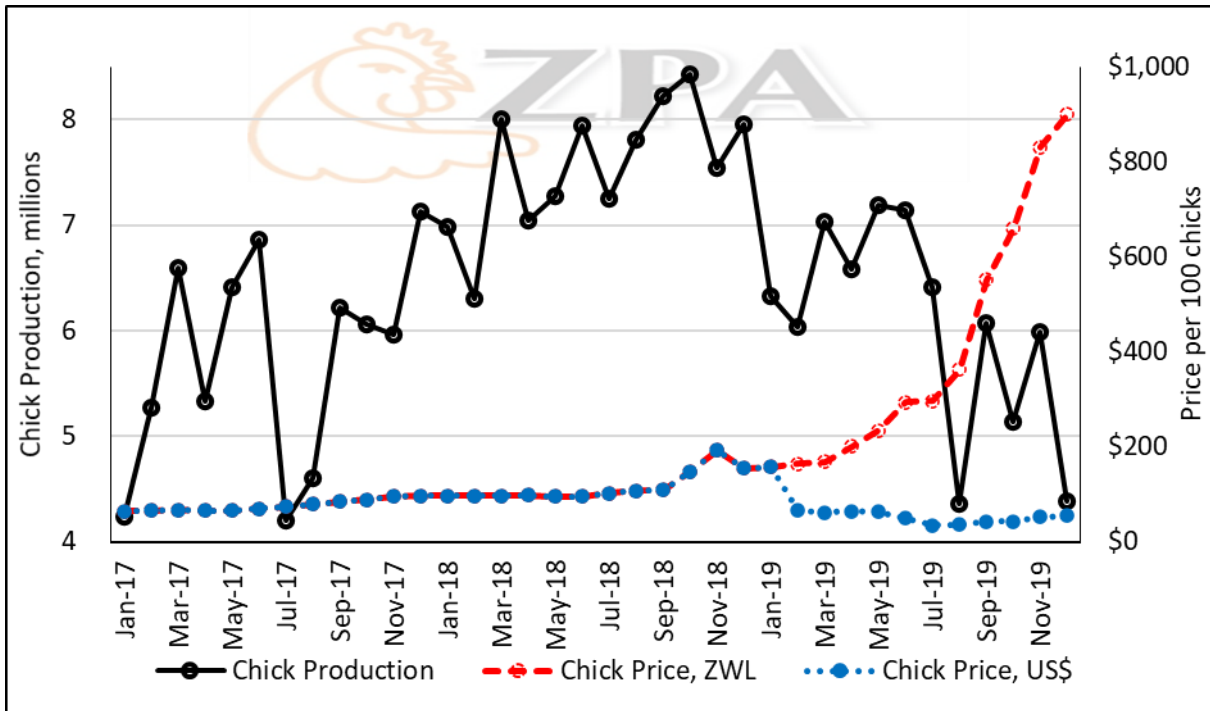
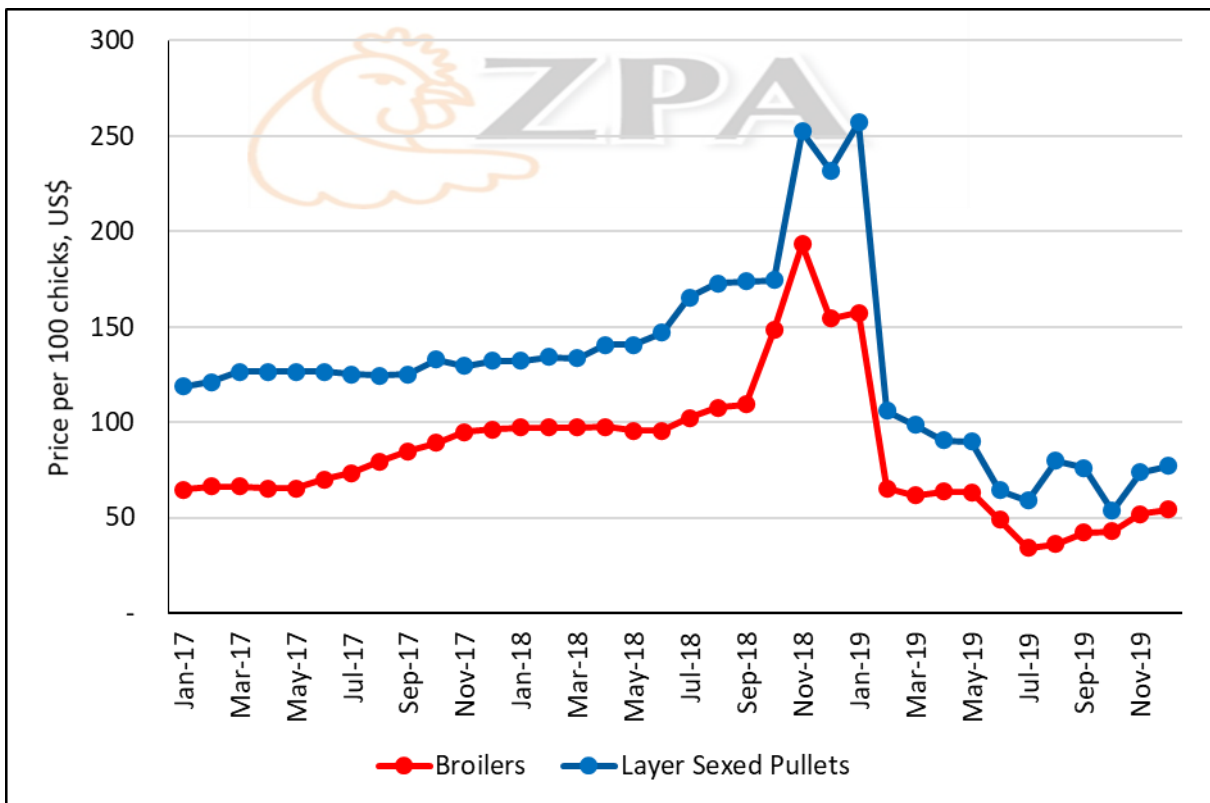


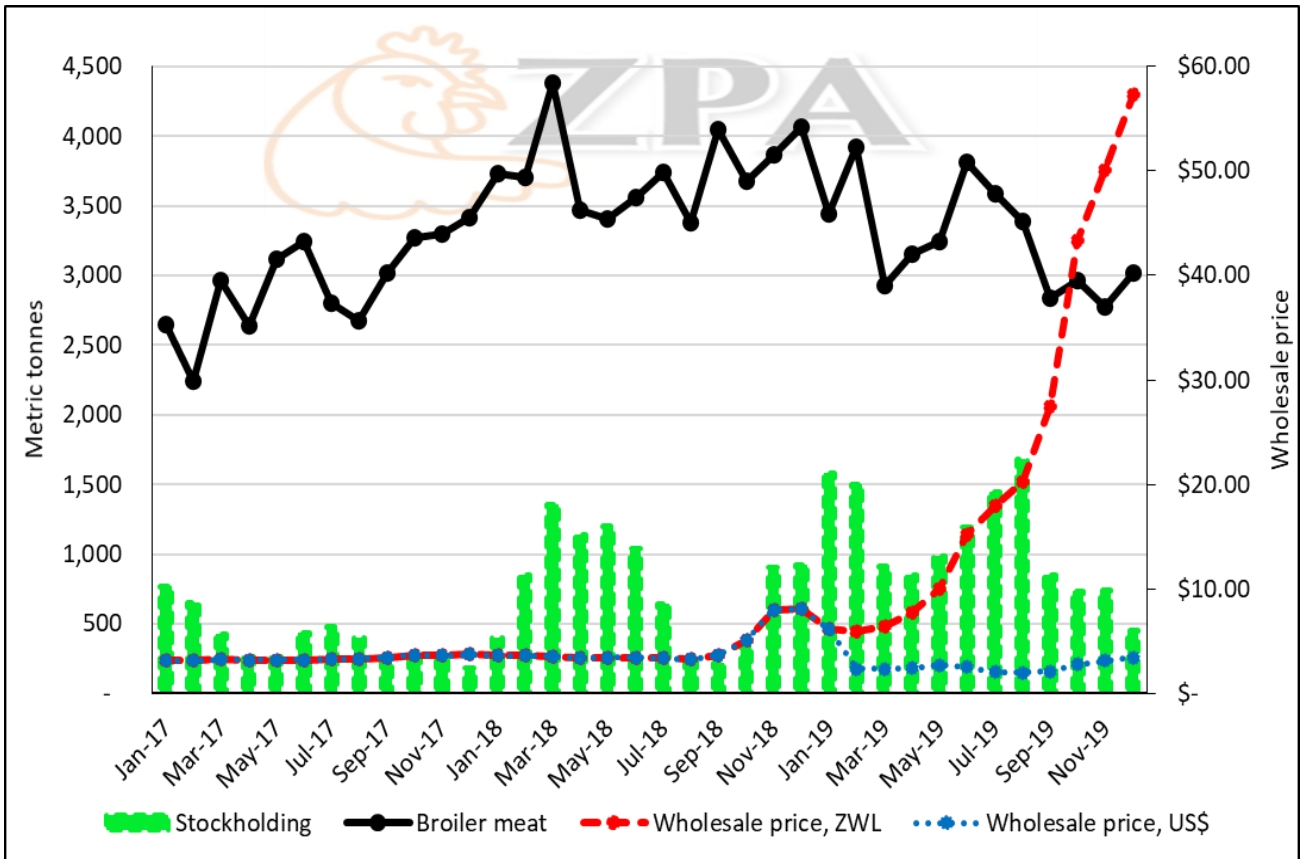
Figure 6. Annual Production of Broiler day-old chicks, 2009 to 2019



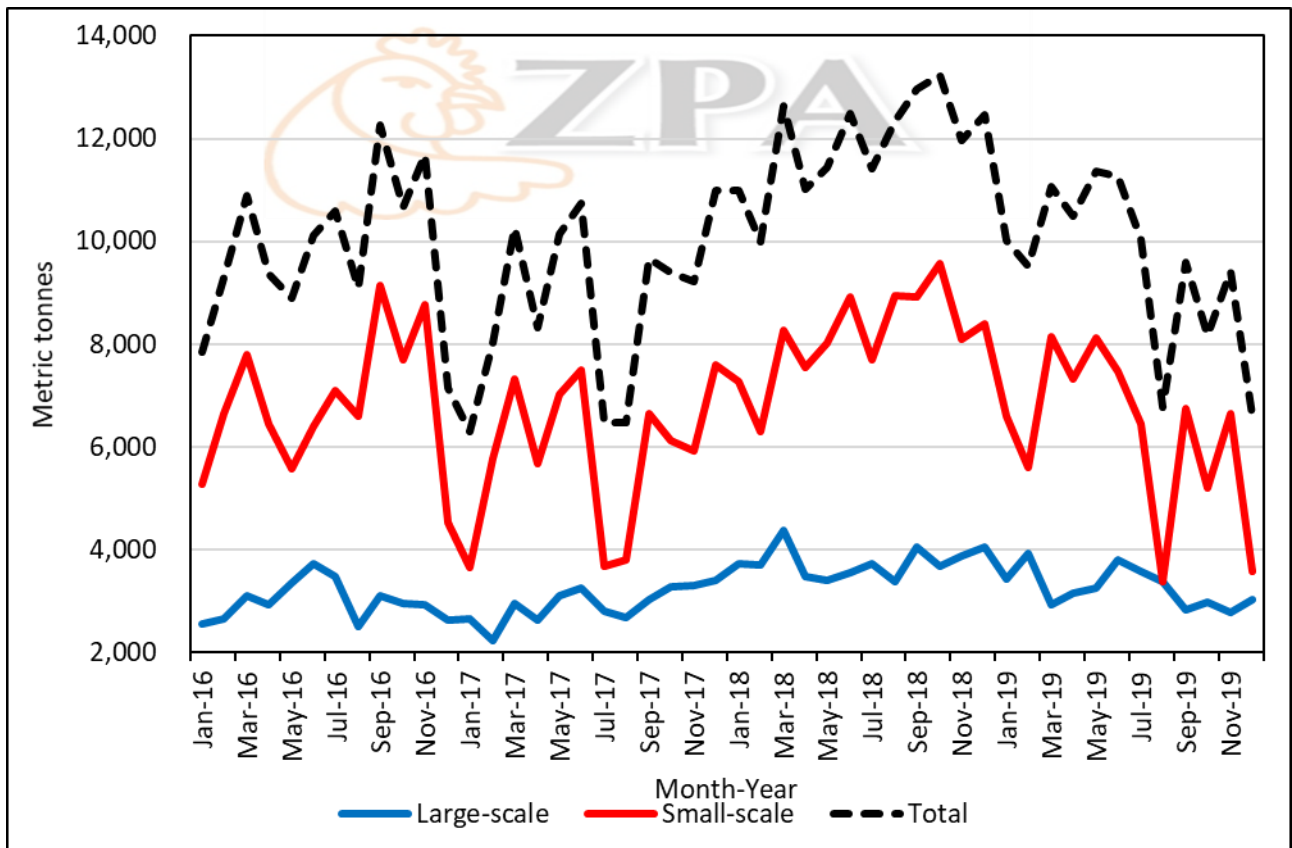
**Figure 7. Broiler day-old chick production and prices, 2017 to 2019**



**Figure 8. Broiler day-old chick and Layer sexed pullet prices in US\$**



**Figure 9. Large-scale broiler meat production, stockholding and whole bird wholesale price, 2017 to 2019**



**Figure 10. Broiler meat production, 2017 to 2019**

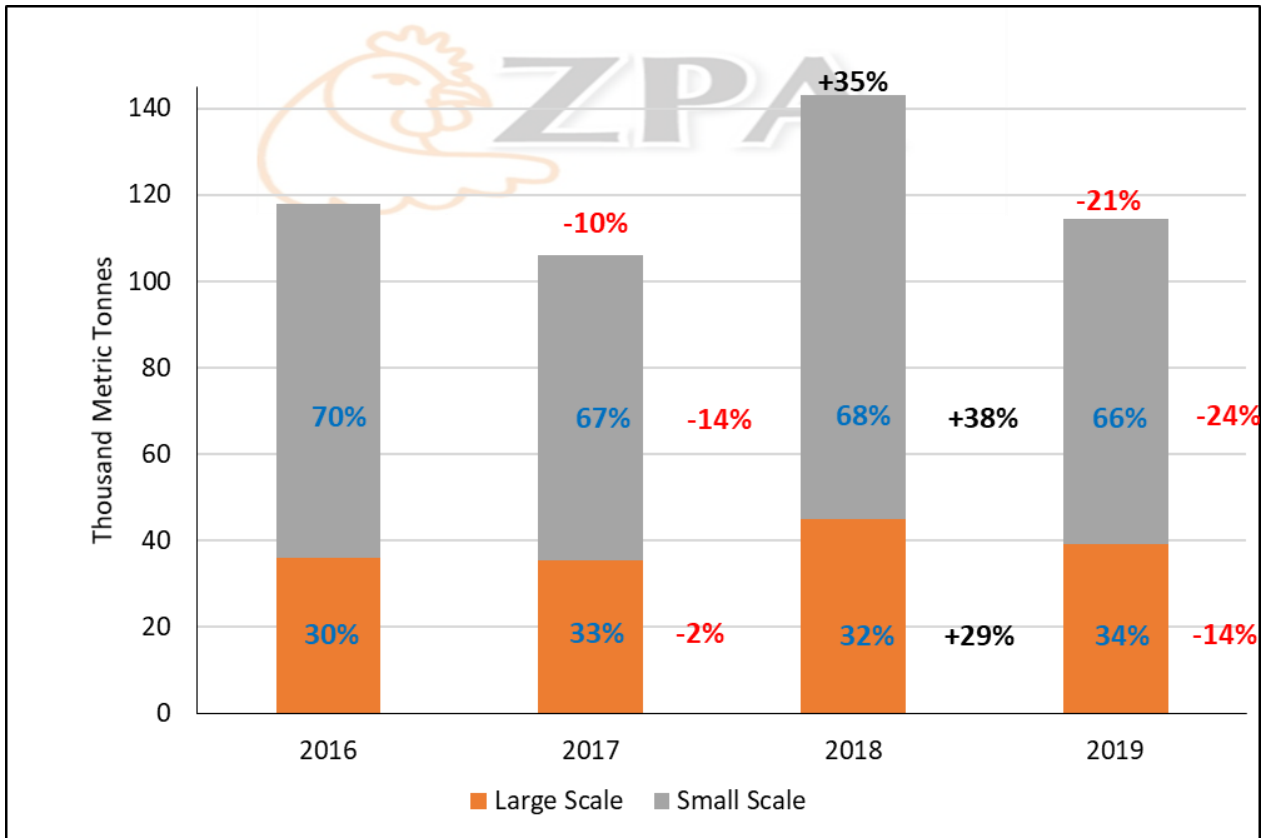


Figure 11. Broiler meat production, 2016 to 2019

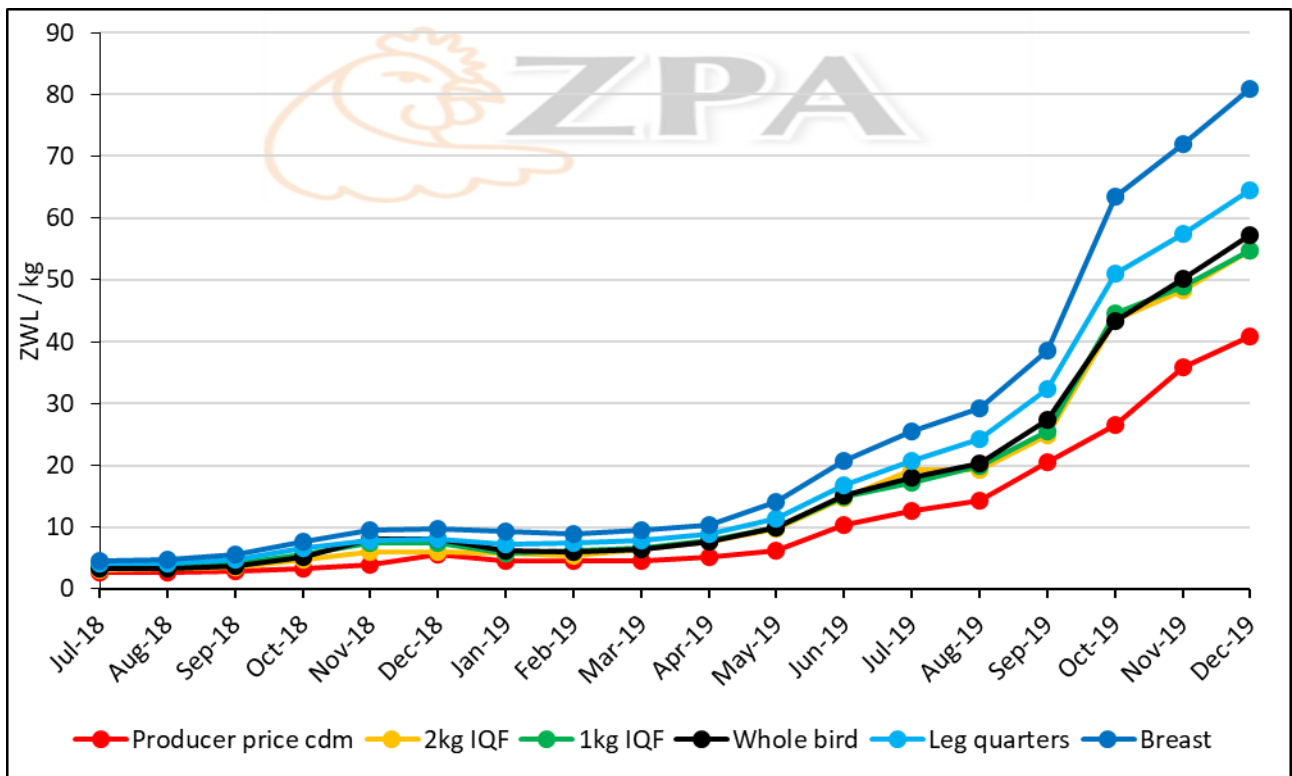


Figure 12. Broiler meat wholesale price trends (ZWL), July 2018 to 2019

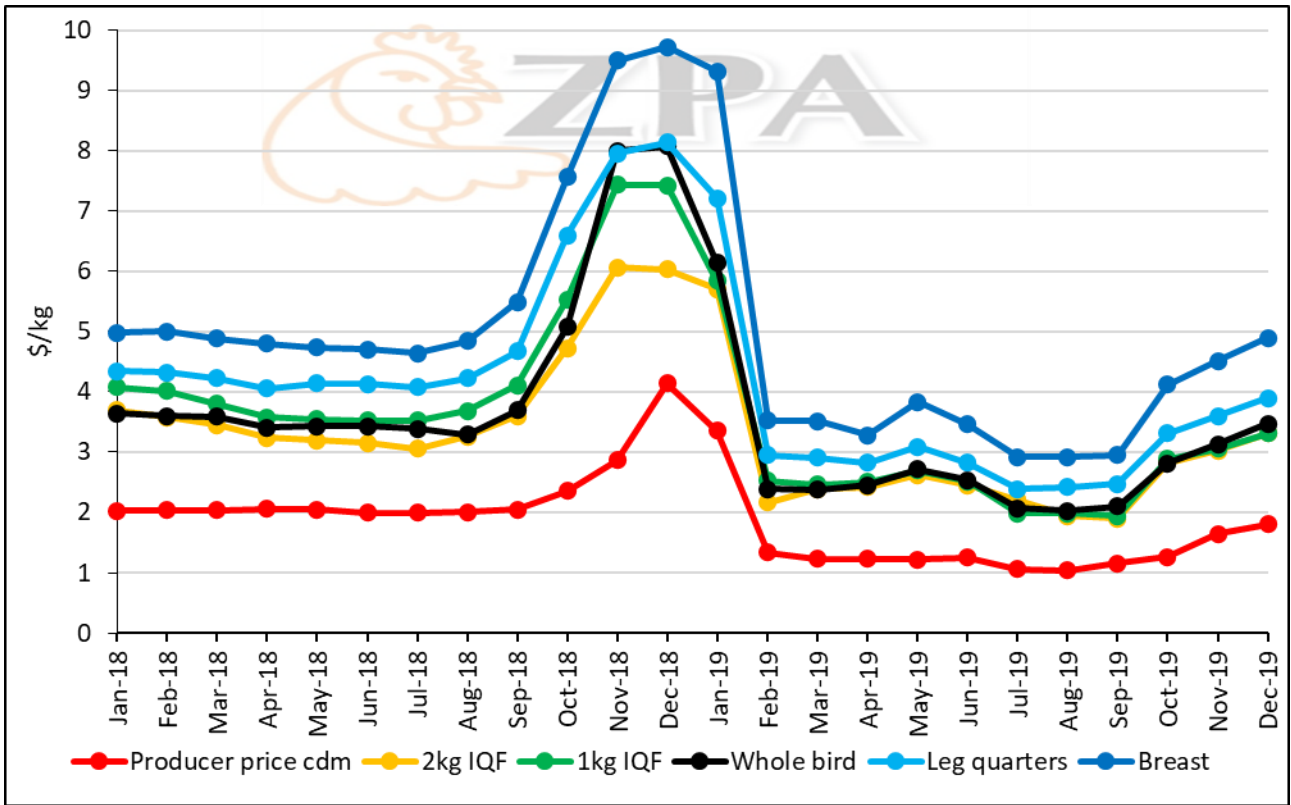


Figure 13. Broiler meat wholesale price trends (US\$), July 2018 to 2019

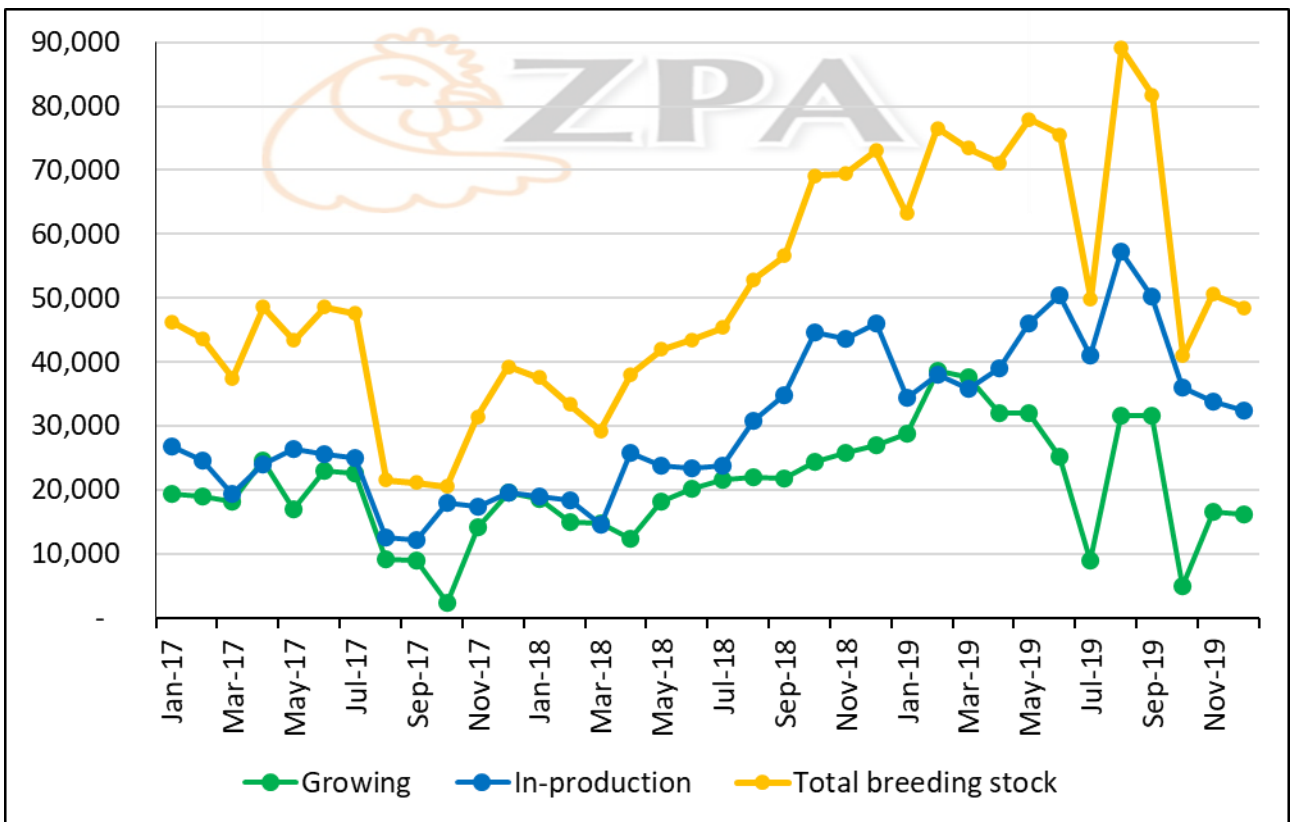
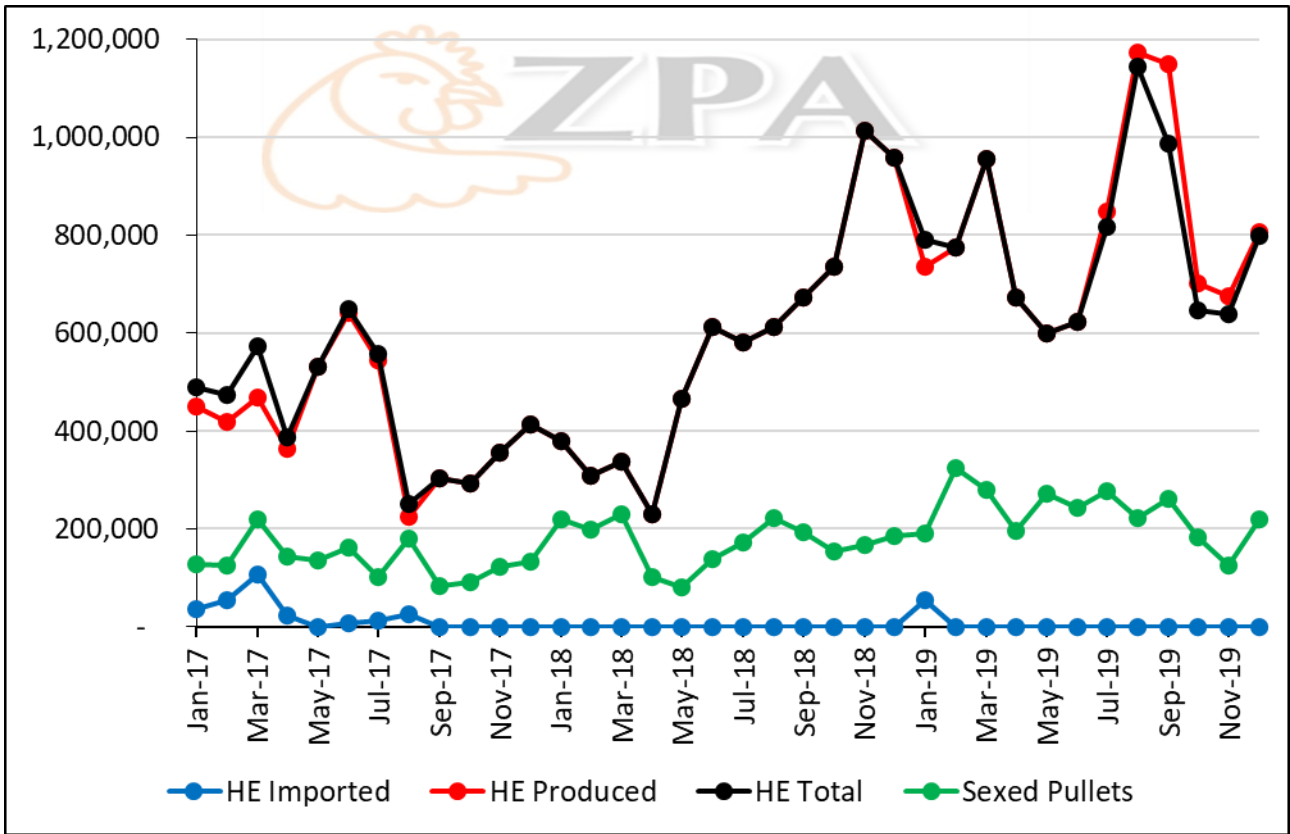
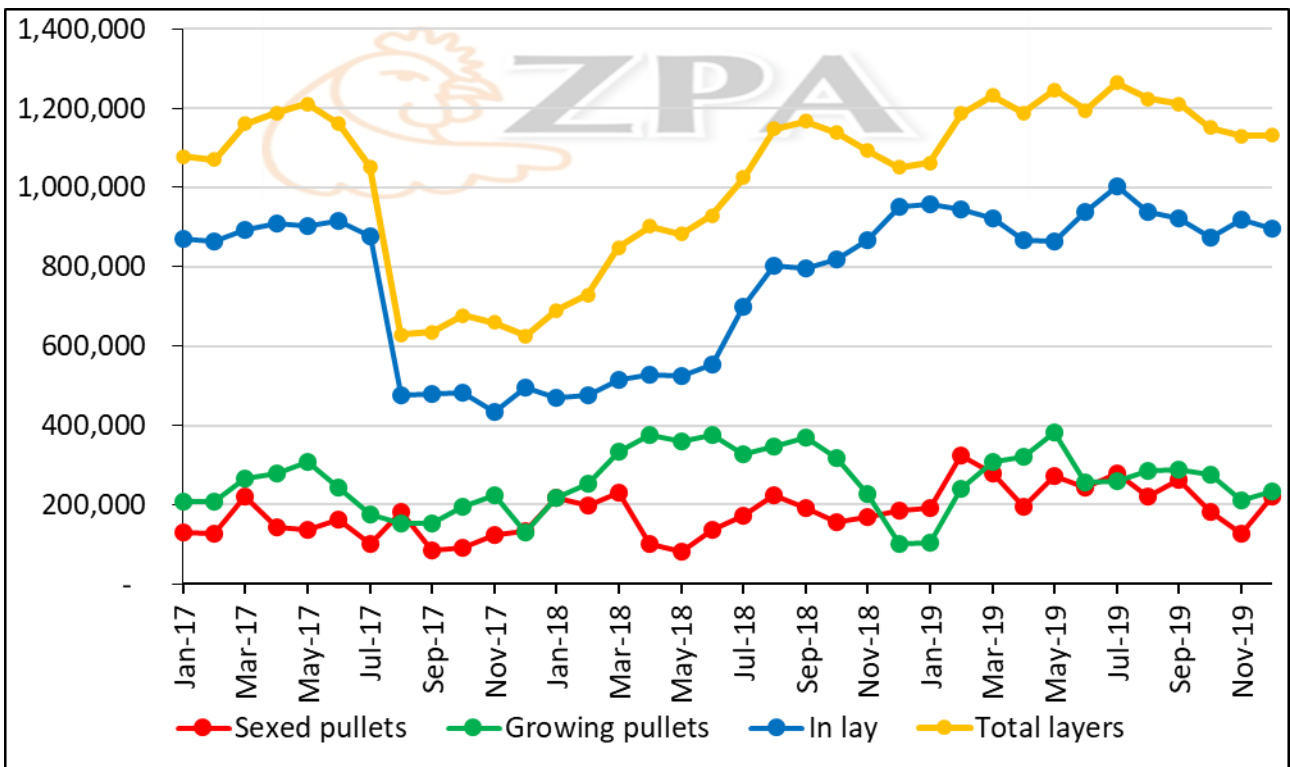


Figure 14. Layer breeder stocks, 2017 to 2019



**Figure 15. Layer hatching eggs and sexed pullets, 2017 to 2019**



**Figure 16. Large-scale layer production stocks, 2017 to 2019**

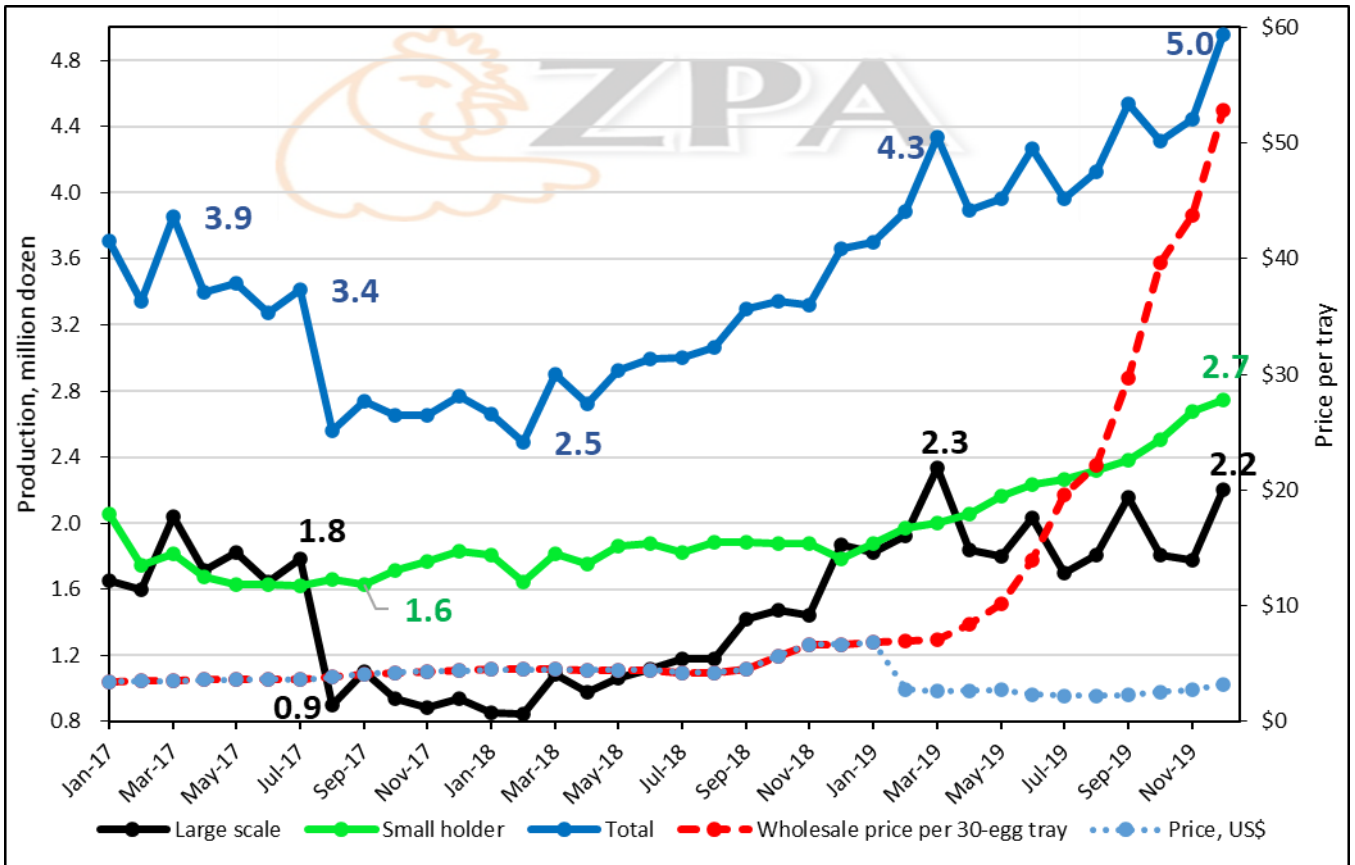


Figure 17. Table egg production and wholesale prices, 2017 to 2019

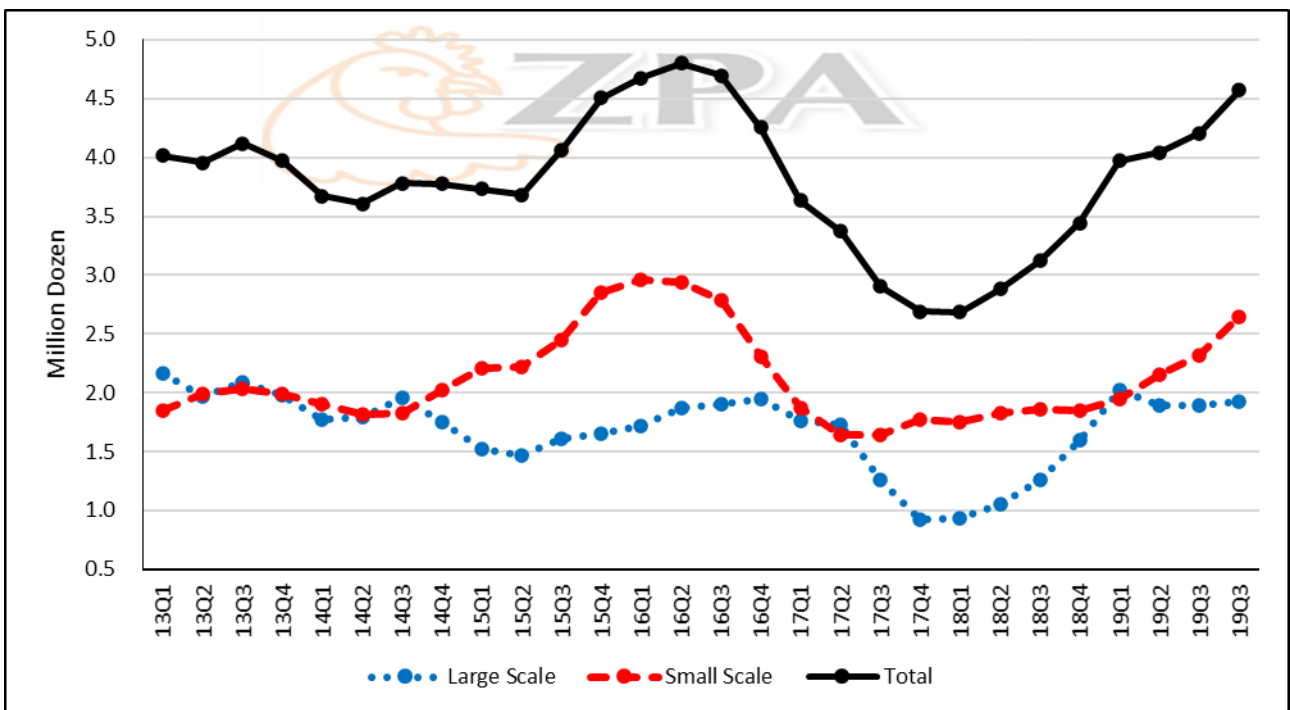


Figure 18. Average monthly table egg production by quarter, 2013 to 2019

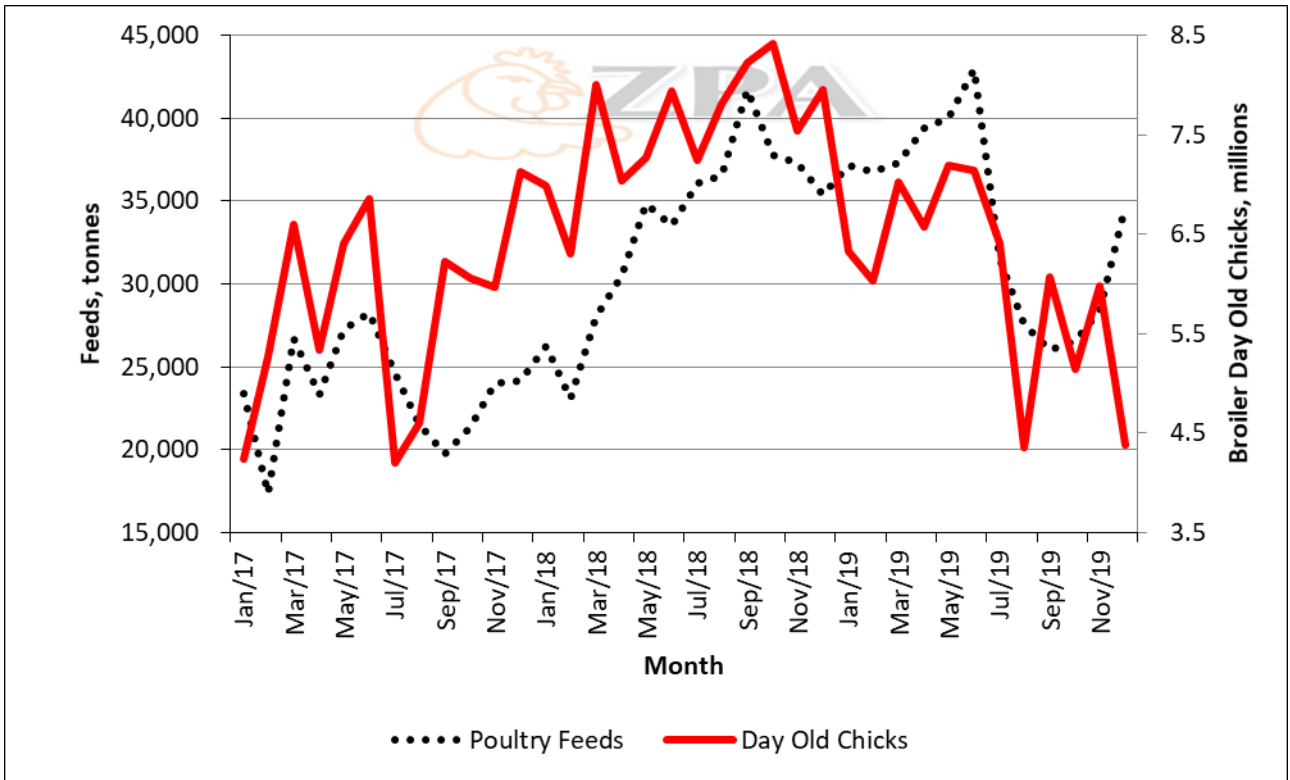


Figure 19. Production of poultry feeds and broiler day old chicks, 2017 to 2019

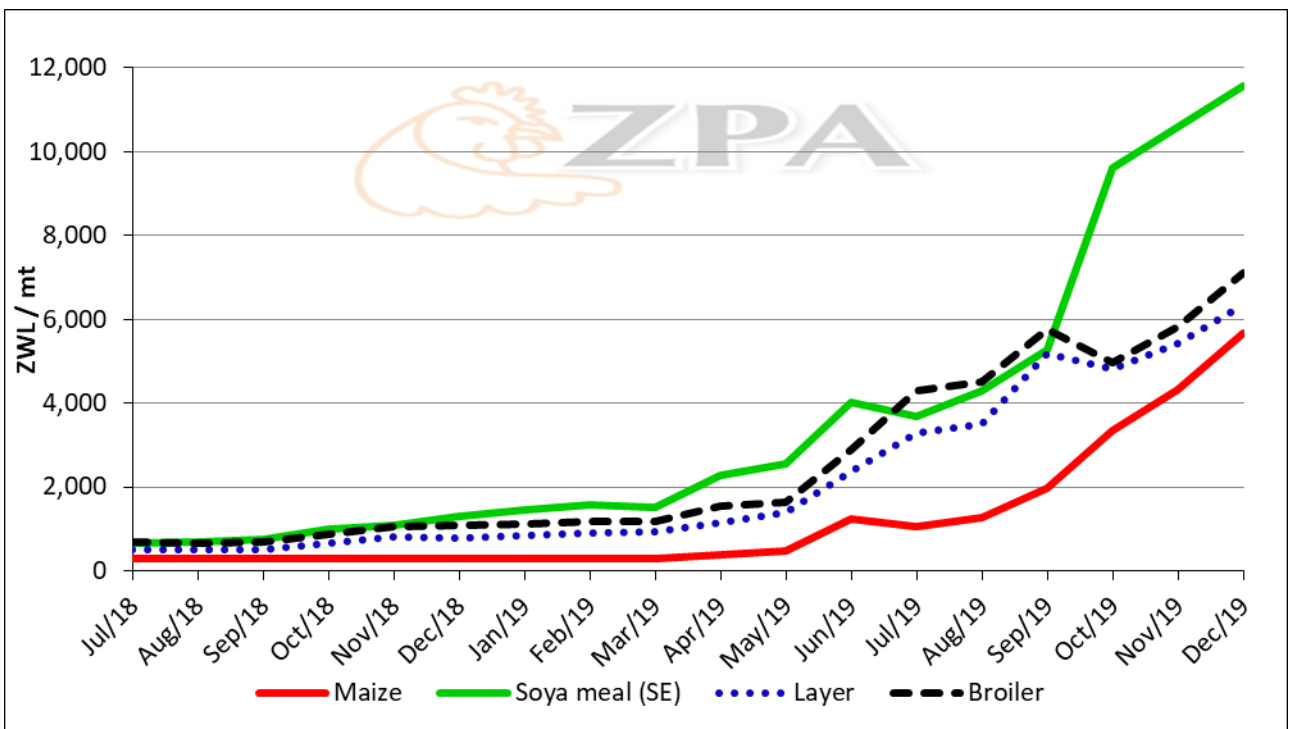
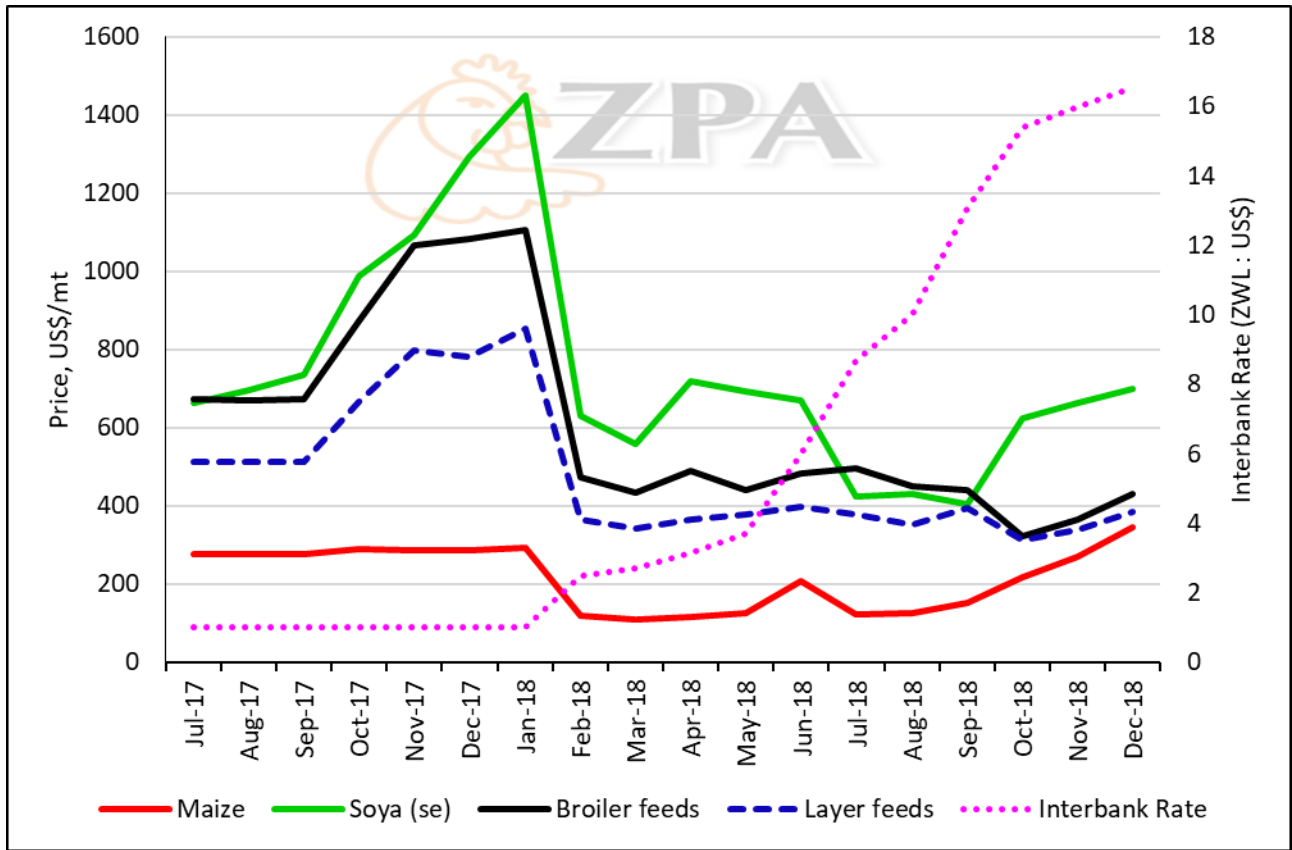


Figure 20. Prices (ZWL) of maize, solvent extracted soya meal and layer and broiler feeds, July 2018 to December 2019



**Figure 21. Prices (in US\$ relative to the interbank rate) of maize, solvent extracted soya meal and layer and broiler feeds, July 2018 to December 2019**