



## Zimbabwe Poultry Association

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### Newsletter May 2020

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#### **Production News**

**Broiler Breeding:** Broiler growing and in-production breeding stocks continued to decline from peaks of 499,415 and 325,120 in May and June 2019 to 379,839 and 228,545 in May 2020, respectively (Table 1, Figures 1&2).

Local production of hatching eggs averaged 8.3 million per month in Q1 (January to March) of 2020, being 3% lower than Q4 of 2019 but 11% higher than Q4 of 2019 (Table 1, Figure 3). As a result of increased local production, imports were only 0.4 million per month in Q1 of 2020. However, following the implementation of Covid-19 restrictions at the end of March, local production of hatching eggs plummeted by 28% and averaged 6.0 million per month for April and May (Table 1, Figure 3).

Production of broiler day-old chicks increased by 9% to 5.65 million per month in Q1 2020, which was still 13% down on Q1 of 2019 (Table 1, Figures 4, 5 & 6). However, following the imposition of movement restrictions in April, chick uptake plummeted to 4.1m. As a direct result of small and medium producers not being able to access transport or being denied permission to collect feed and other inputs from agro-dealers located in central business districts of urban areas, 1.4 million chicks were destroyed in April. Following readjustments by breeders, chick production remained at 4.1 million in May.

Chick prices continued to increase by 46% in Q1 and a further 79% for April and May (Table 1, Figure 6). In May, chick prices had increased to ZWL 2,436 per 100 birds (USD 39 per 100 chicks - Figure 7).

**Broiler Meat Production:** The number of birds processed by large-scale abattoirs were 1.97 million per month in Q1 of 2020 which was 10% up on Q4 of 2019 but 4% down on the same period last year (Table 1, Figures 8 & 9).

Similarly, large-scale, estimated small-scale and total broiler meat production increased by 6 to 9% relative to Q4 of 2019 which was 10 to 17% lower than Q1 of 2019 (Tables 1 & 2, Figures 10 & 11).

However, over the months of April and May, large- and small-scale broiler meat production is estimated to have declined by 10 and 17% respectively, yielding an estimated total 6,274mt per month over this period (Table 1, Figures 10 & 11). Despite these reductions in production, large-scale stockholding increased to their highest levels of 2,542mt in April and 2,254mt in May. While producer prices over these months increased by 57% to ZWL 61.44/kg, prices indexed to the USD declined by 10% to USD 1.18/kg (Table 1, Figures 8 & 9).

Wholesale prices on average increased by 44% in the first quarter and a further 57% for April and May (Table 1, Figure 12). However, indexed to the USD, prices for the first quarter remained static and decreased by 10% for the months April and May (Table 1, Figure 13).

**Layer Breeding:** Total growing and in-production layer breeder stocks averaged 45,990 birds per month in Q1 of 2020, decreases of 2 and 35% compared with Q4 of and Q1 of 2019 (Table 3, Figure 14).

Production of layer hatching eggs in Q1 averaged 0.64 million eggs per month, being decreases of 12 and 24% compared with Q4 of and Q1 of 2019, respectively (Table 3, Figure 15).

Sexed pullet (layer day-old chicks) production averaged 180,069 per month in Q1, being an increase of 2% over Q4 of 2019 and a reduction of 32% compared with Q1 of 2019 (Table 3, Figure 15). During the months of April and May, sexed pullet production dropped dramatically by 58% and averaged 76,408 pullets per month accompanied by the destruction of 9,800 birds in April.

The average price of sexed pullets rose by 58% in Q1 and a further 82% for the period April and May, peaking at ZWL 3,700 in May (Table 3, Figure 7). However, indexed to the USD, pullet prices averaged USD 56.13 per 100 birds over the period the months of April and May (Table 3, Figure 7).

**Table Egg Production:** Large-scale growing and in-lay layer production stocks remained relatively static at 1.2 million birds in Q1 and 1.1 million birds for the period April and May (Table 3, Figure 16).

Large-scale table egg production remained static at 1.93 million dozen per month in Q1 compared with Q4 of 2019 (Table 3, Figures 17 & 18). In contrast, small-scale table egg production is estimated to have increased by a further 17% to 3.10 million dozen per month in Q1, an increase of 59% over Q1 of 2019. As a result, total egg production is estimated to have increased by 10% to 5.03 million dozen per month, an increase of 27% over Q1 of 2019 (Table 4, Figures 17&18), surpassing previous peak production realised in 2016 (Figure 18).

The wholesale price of a tray of 30 table eggs increased by 55% in Q1 and 81% over April and May, reaching ZWL 154.81 in May (Table 3, Figure 17). The price of a tray of eggs indexed to the USD increased by 11% in Q1 and 2% over the period April and May to USD2.69 in May.

### **Inputs and Raw Materials**

Poultry feeds continue to dominate the stockfeed industry and in the first quarter of 2020, production averaged 28,126mt/month, worth ZWL 394.1m (USD 12.8m), being a decrease of 24% in volume and an increase of 860% (15% USD terms) in value respectively over the same period last year and a decrease of 6% in quantity and an increase of 116% (52% USD terms) in value respectively over the fourth quarter of 2019 (Figures 19 & 20). Poultry feeds accounted for 69% of all feeds produced by weight and 77% by monetary value.

During April and May, production of poultry feeds averaged 25,755mt/month, worth ZWL 620.5m (USD 11.8m), being a change of -8% in volume and 57% (-7%) in value respectively over the first quarter.

The production of broiler and layer and breeder feeds were 34% lower and +1% higher than the first quarter of 2019, respectively and 14% lower and 27% higher than the fourth quarter of 2019, respectively. Production of poultry concentrates was 48% lower than the first quarter of 2019 and 47% lower than the fourth quarter of 2019. During April and May, production of broiler feeds remained static, while layer and breeder feeds decreased by 20 and 34% and concentrates increased by 47%.

On average, prices of raw materials procured in the first quarter of 2020 increased by 57%. Notable increases were maize (96%), sorghum (100%), screenings (235%), low CP cotton meal (103%), hay (108%) and fine limestone flour (108%). Indexed to the USD, prices of procurements increased by 11% and notably, the price of maize increased by 37% from USD 208 to 261/mt. Over the April and May period, production of broiler feeds remained static, layer and breeder feeds declined by 20 and 34%, respectively and poultry concentrates increased by 47%.

In sharp contrast, first quarter prices of feeds increased by 162% on average, compared to fourth quarter prices. Average weighted wholesale prices of broiler and layer feeds rose by 153% (80% USD value terms) and 111% (50% USD value terms), respectively, to ZWL 15,055 (USD 499/mt) and ZWL 11,657/mt (USD 387/mt) (Figures 20 & 21). Over April and May prices of raw materials and feeds produced over this period increased by 72% (but remained static in USD terms). Average weighted wholesale prices of broiler and layer feeds were ZWL 26,001 (USD 495/mt) and ZWL 19,941/mt (USD 372/mt).

### **Market Watch**

The national lockdown and movement restrictions due to the COVID-19 pandemic disrupted farmer access to chicks and feed. Although these have been relaxed to some extent, demand for broiler meat and table eggs is expected to remain subdued going into the second half of 2020 due to hyperinflation, coupled with restrictions on mobile money transfers. Traders are preferring payments in US dollars, putting further strain on demand for poultry products.

On the input side, poor local and regional maize and soyabean harvests as well as the current ban on the import of soyabeans and meal will put upward pressure on feed costs during the second half of the year.

### **Imports**

Statistics show limited importation of poultry products given the low domestic retail prices in USD terms. However, going forward, the reduced viability of local production is likely to lead to withdrawal from the poultry sector, 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 – May 2020

	2018	2019				2020		% change	2020	
		Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr&May		% change	
<b>Female Parent Stock</b>										
Chick Sales and Retentions	54,486	38,396	32,754	65,993	53,243	30,931	-42%	34,777	12%	
Growing	270,602	324,757	314,931	319,137	263,310	238,037	-10%	244,230	3%	
In-Production	312,288	410,923	463,921	408,454	437,126	424,099	-3%	362,523	-15%	
<b>Hatching Eggs, millions</b>										
Produced	5.9	7.5	8.2	8.0	8.6	8.3	-3%	6.0	-28%	
Imported	3.9	0.9	1.0	0.4	-	0.4		0.3	-14%	
Total	9.8	8.5	9.1	8.3	8.6	8.7	1%	6.3	-27%	
<b>Day Old Chicks, millions</b>										
Chick Sales and Retentions	7.56	6.47	6.97	5.61	5.17	5.65	9%	4.12	-27%	
Gassed	0.27	0.01	0.00	0.24	0.11	0.15	35%	0.71	365%	
Price per 100 chicks, ZWL	116	163	243	403	796	1,165	46%	2,084	79%	
Price per 100 chicks, USD	51.15	44.13	38.15	31.57	37.05	39.09	6%	39.39	1%	
<b>Large-Scale Broilers</b>										
Number slaughtered, millions	2.27	2.05	2.03	1.98	1.79	1.97	10%	1.55	-21%	
Average live weight	1.84	1.78	1.84	1.79	1.79	1.83	2%	1.87	2%	
Producer price, ZWL/kg	2.30	3.34	5.28	11.54	25.14	39.03	55%	61.44	57%	
Producer price, USD/kg	1.03	0.90	0.80	0.91	1.17	1.31	12%	1.18	-10%	
<b>Total dressed weight, tonnes</b>										
Large-Scale	3,751	3,429	3,403	3,270	2,918	3,089	6%	2,399	-22%	
Estimated Small-Scale	8,164	6,777	7,639	5,532	5,145	5,601	9%	3,875	-31%	
Total	11,915	10,205	11,042	8,803	8,064	8,690	8%	6,274	-28%	
<b>Wholesale prices, ZWL/kg</b>										
Whole bird	4.39	6.19	10.96	21.91	50.23	75.01	49%	117.15	56%	
Leg quarters	5.07	7.49	12.37	25.76	57.64	85.77	49%	130.96	53%	
Breast	5.91	9.23	15.07	31.07	72.16	100.92	40%	151.50	50%	
1kg IQF	4.52	6.28	10.94	20.82	49.40	70.20	42%	115.78	65%	
2kg IQF	3.92	5.87	10.65	21.12	48.85	67.47	38%	109.52	62%	
<b>Wholesale prices, USD/kg</b>										
Whole bird	1.89	1.68	1.66	1.74	2.34	2.48	6%	2.23	-10%	
Leg quarters	2.21	2.03	1.88	2.05	2.69	2.85	6%	2.50	-12%	
Breast	2.56	2.50	2.28	2.48	3.36	3.35	0%	2.89	-14%	
1kg IQF	1.97	1.70	1.66	1.66	2.31	2.34	2%	2.20	-6%	
2kg IQF	1.73	1.59	1.61	1.70	2.28	2.24	-2%	2.08	-7%	
Stock Holding (tonnes)	774	1,335	1,014	1,327	642	1,037	62%	2,353	127%	

Table 2. Broiler quarter meat production (mt), 2018 – March 2020

	2018	2019				2020		% change
		Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar		
Large-scale	11,254	10,287	10,209	9,810	8,755	9,267	6%	
Small-scale	24,491	20,330	22,918	16,597	15,435	16,804	9%	
Total	35,746	30,616	33,127	26,408	24,191	26,071	8%	

Table 3. Layer average monthly production returns, 2018 – May 2020

Layers	2019					2020		%	
	2018	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	change	Apr-May	change
<b>Female Parent Stock</b>									
Chick Sales and Retentions	3,251	5,068	-	1,667	1,163	1,667			
Growing	20,113	35,062	29,752	24,048	12,583	16,360	30%	13,612	-17%
In-Production	29,061	36,046	45,137	49,529	34,109	29,630	-13%	34,005	15%
<b>Hatching Eggs</b>									
Produced (ea)	575,616	822,590	631,967	1,056,397	728,556	641,032	-12%	541,999	-15%
Imported (ea)	-	18,000	-	-	-	-		-	
Total (ea)	575,616	840,590	631,967	1,056,397	728,556	641,032	-12%	541,999	-15%
<b>Day Old Chicks</b>									
Chick Sales and Retentions	172,257	265,548	236,594	253,641	175,940	180,069	2%	76,408	-58%
Gassed	-	-	-	-	1,900	3,190	68%	4,900	54%
Price per 100 chicks, ZWL	167	263	334	769	1,095	1,647	50%	2,990	82%
Price per 100 chicks, USD	74.08	71.27	53.09	60.62	50.76	54.56	7%	56.13	3%
<b>Large-Scale Point of Lay</b>									
Sales	14,132	11,925	11,791	4,320	4,115	4,754	16%	-	
Price per bird	12.74	20.42	18.06						
<b>Large-Scale Layers</b>									
Growing	300,174	217,723	318,950	278,731	240,296	272,240	13%	228,827	-16%
In-lay	666,937	942,691	890,611	954,626	896,977	907,184	1%	899,483	-1%
	967,111	1,160,413	1,209,561	1,233,358	1,137,273	1,179,424	4%	1,128,310	-4%
Sale price of spent hens, ZWL	4.24	6.13	10.53	24.25	48.74	66.17	36%	134.25	103%
Sale price of spent hens, USD	1.88	1.66	1.59	1.90	2.26	2.25	-1%	2.49	11%
<b>Table Eggs, million dozen</b>									
Large-scale	1.21	2.02	1.89	1.89	1.93	1.93	0%	1.71	-11%
Estimated Small-scale	1.82	1.95	2.15	2.32	2.64	3.10	17%	3.10	0%
Total	3.03	3.97	4.04	4.21	4.57	5.03	10%	4.81	-4%
Wholesale price per tray, ZWL	4.90	6.96	10.86	23.82	45.41	70.43	55%	127	81%
Wholesale price per tray, USD	2.21	1.88	1.68	1.90	2.11	2.34	11%	2.40	2%
Stockholding (doz)	82,024	148,632	133,072	203,795	203,953	159,611	-22%	68,258	-57%

Table 4. Layer quarterly table egg production (million dozen), 2018 – March 2020

	2019					2020		%	
	2018	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	change		
Large-scale	3.62	6.07	5.67	5.66	5.78	5.78	0%		
Small-scale	5.47	5.85	6.46	6.96	7.93	9.31	17%		
Total	9.10	11.92	12.13	12.63	13.71	15.09	10%		

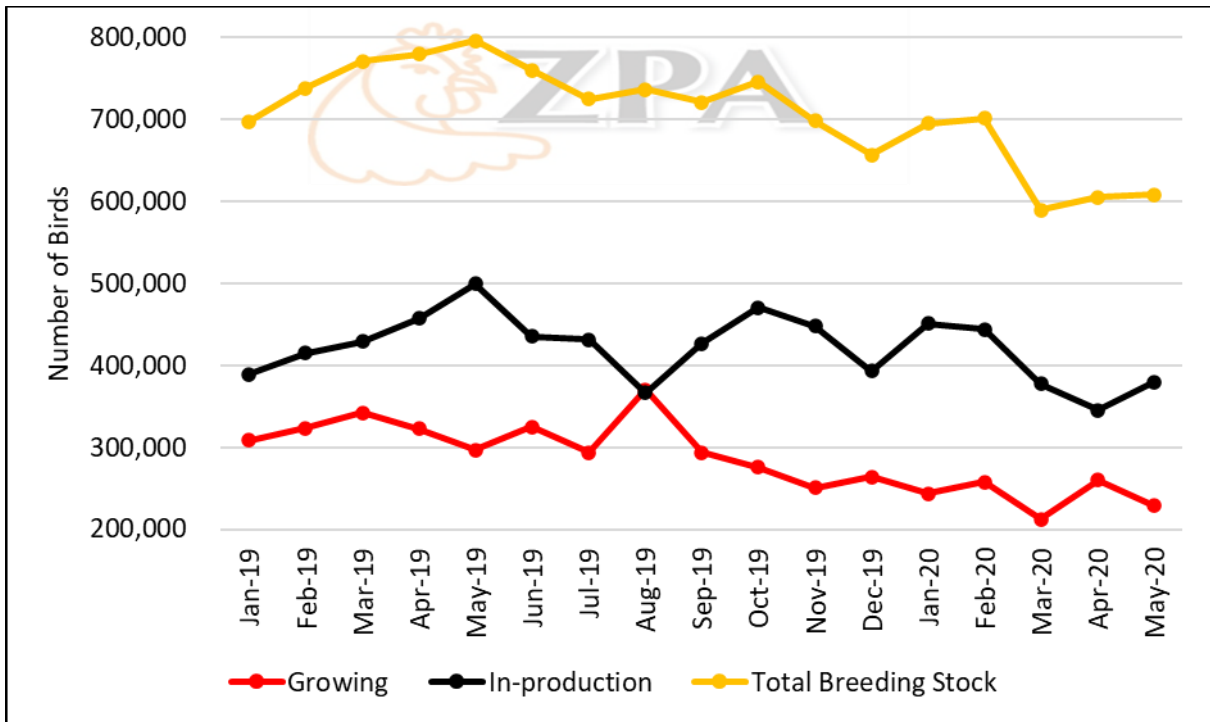


Figure 1. Broiler breeder stocks, 2019 to May 2020

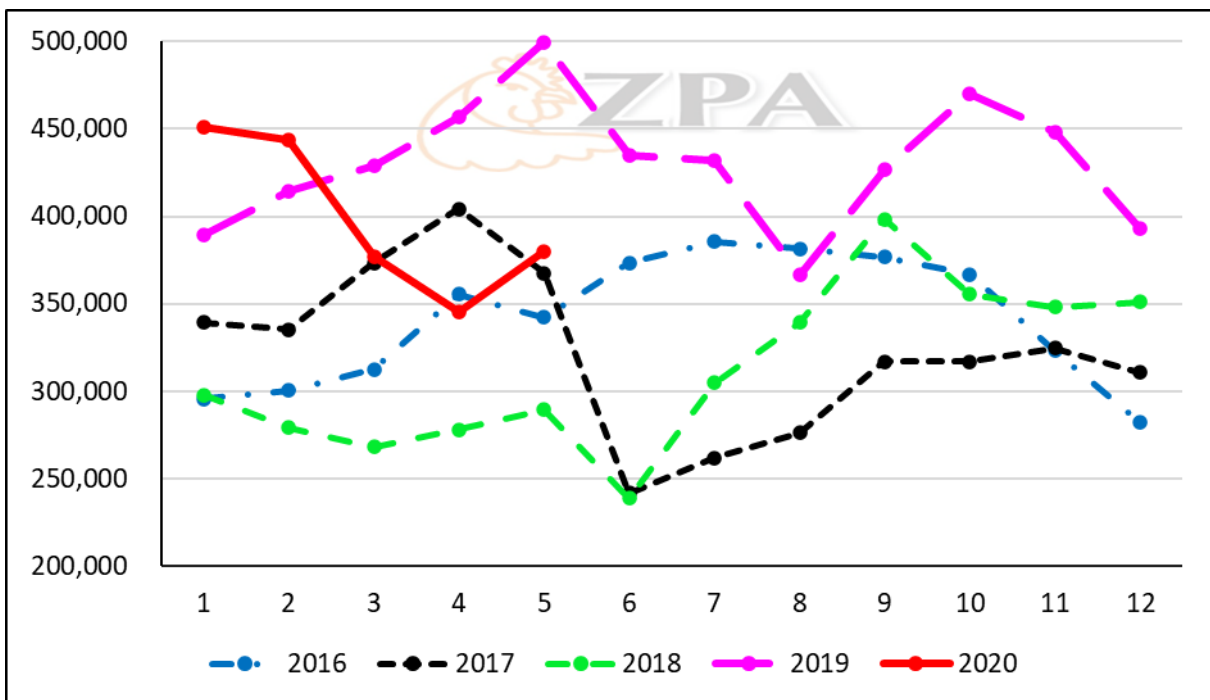


Figure 2. Broiler breeder in-production stocks, 2016 to May 2020

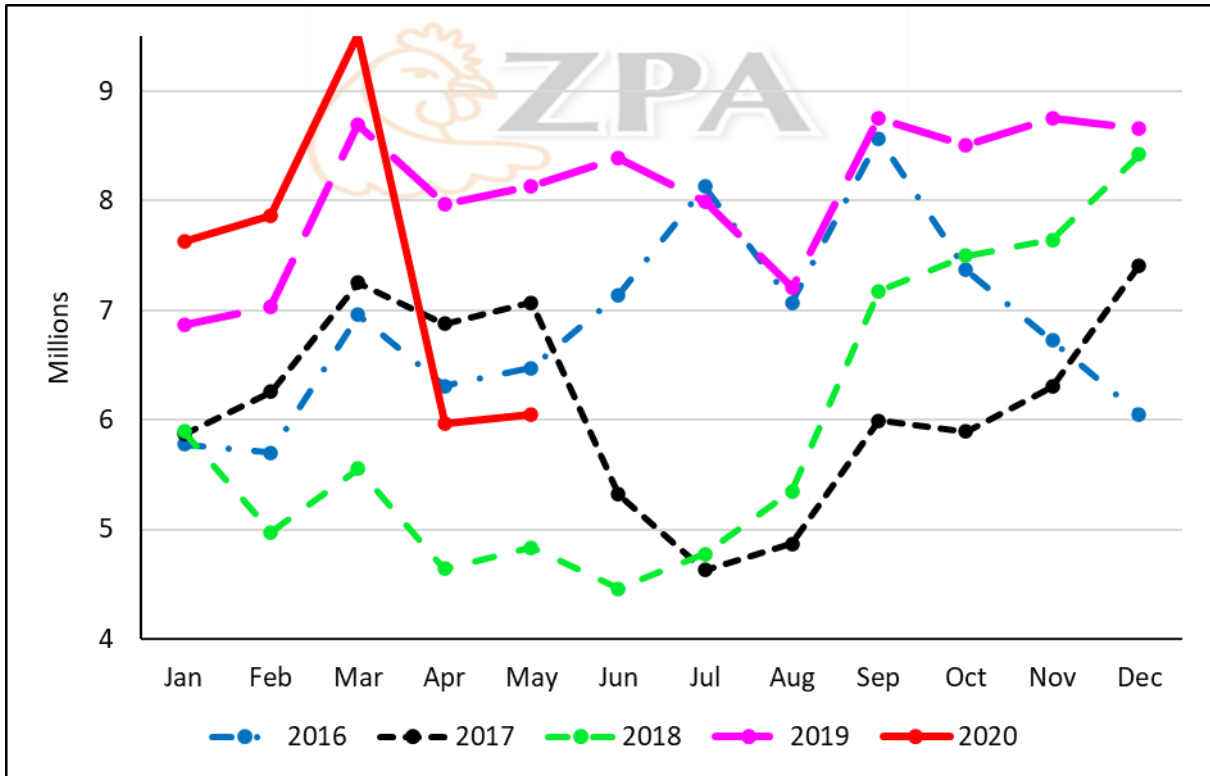


Figure 3. Locally produced broiler hatching eggs, 2016 to May 2020

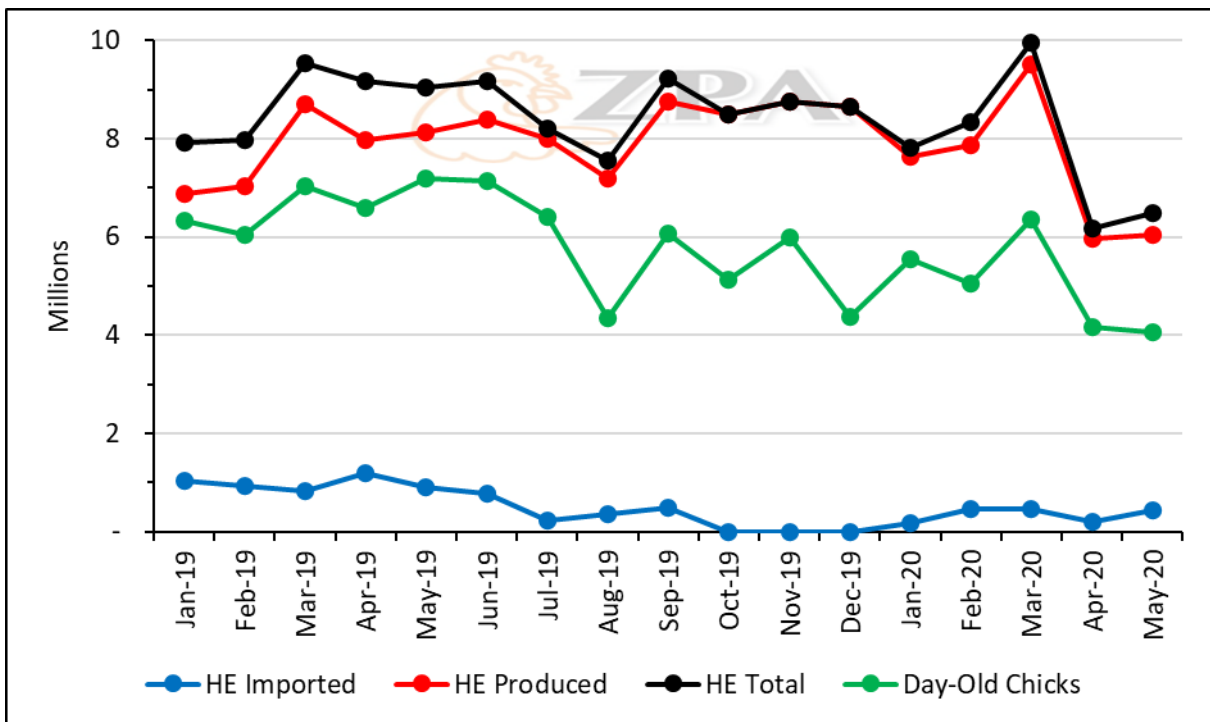


Figure 4. Broiler hatching eggs and day-old chicks, 2019 to May 2020

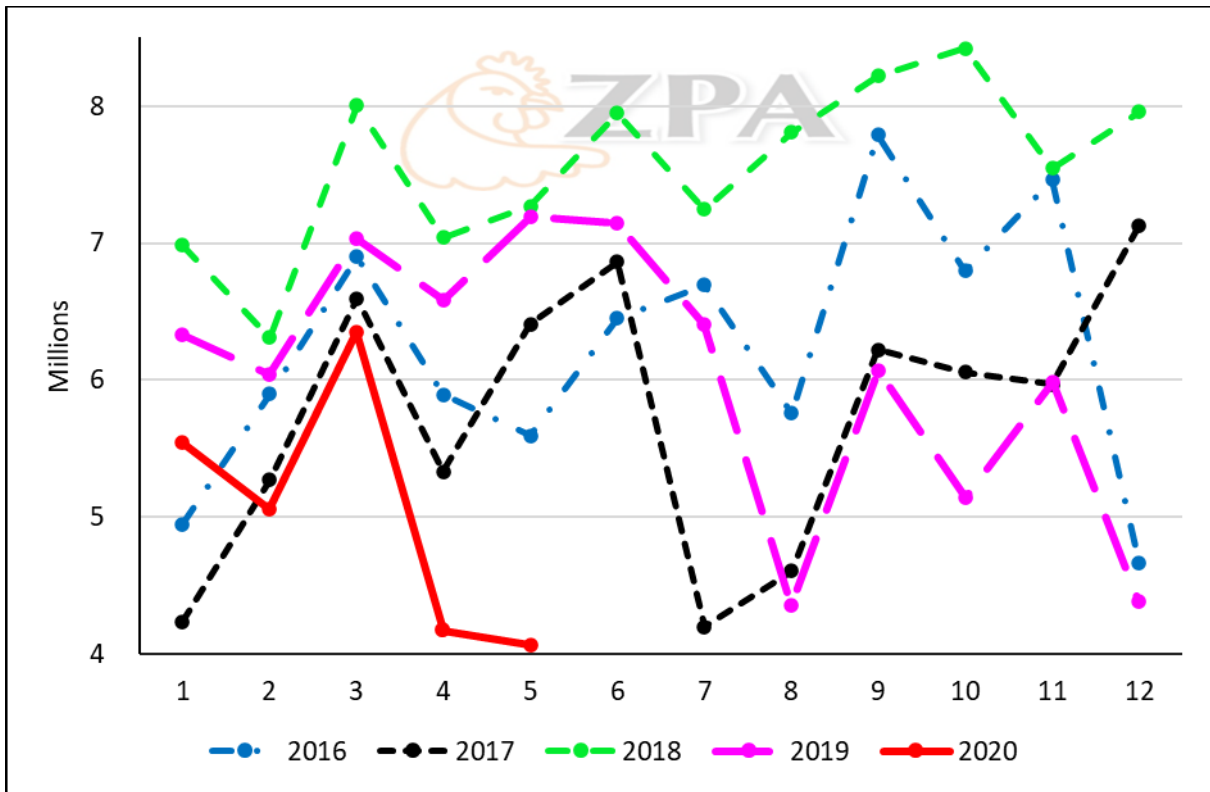


Figure 5. Broiler day-old chicks, 2016 to 2019

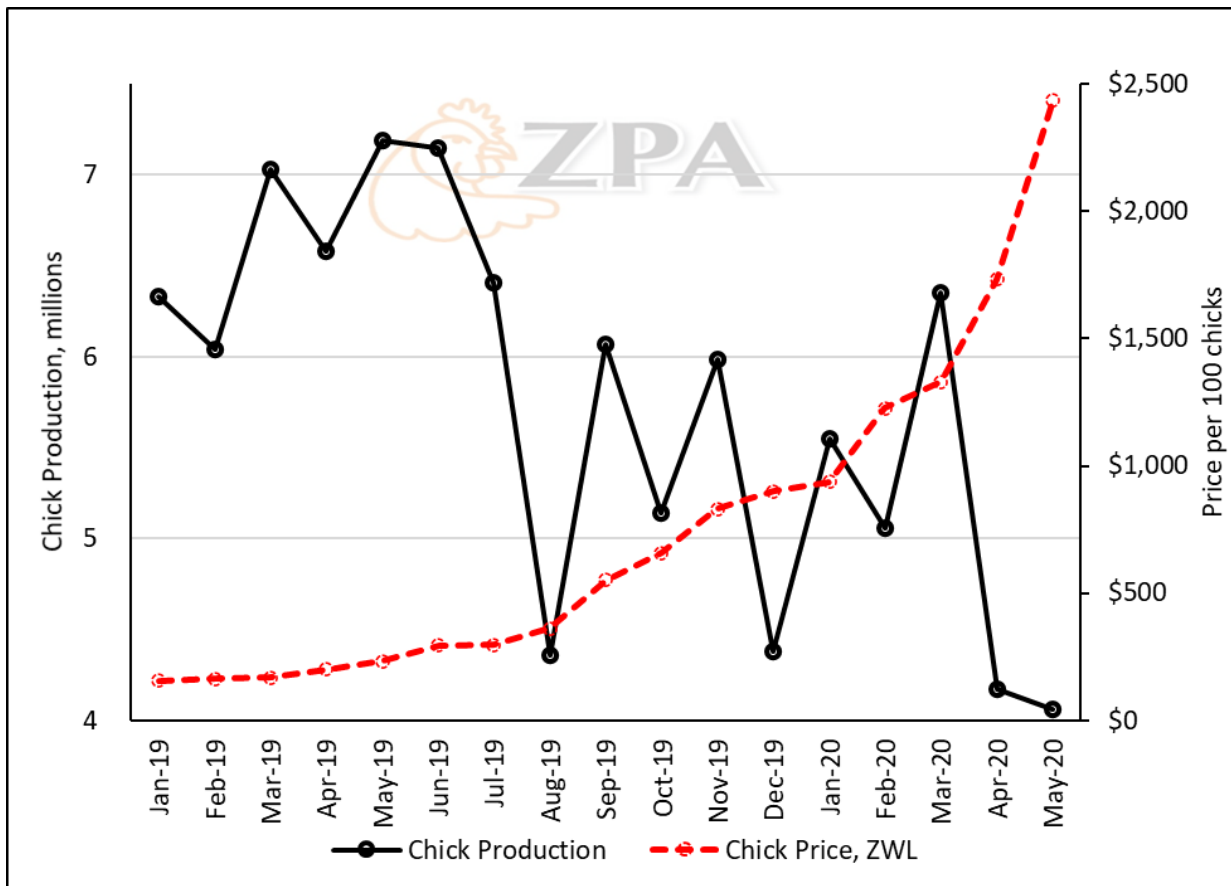


Figure 6. Broiler day-old chick production and prices, 2019 to May 2020

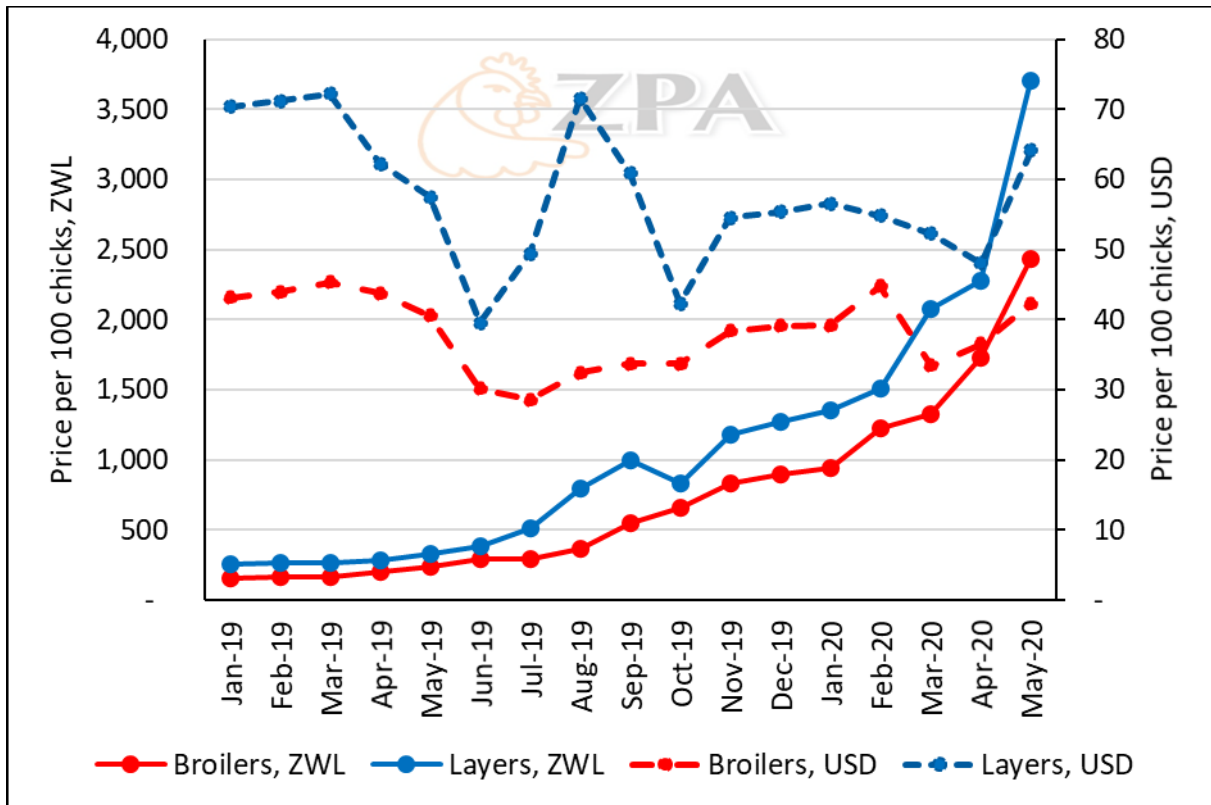


Figure 7. Broiler day-old chick and layer sexed pullet prices, 2019 to May 2020

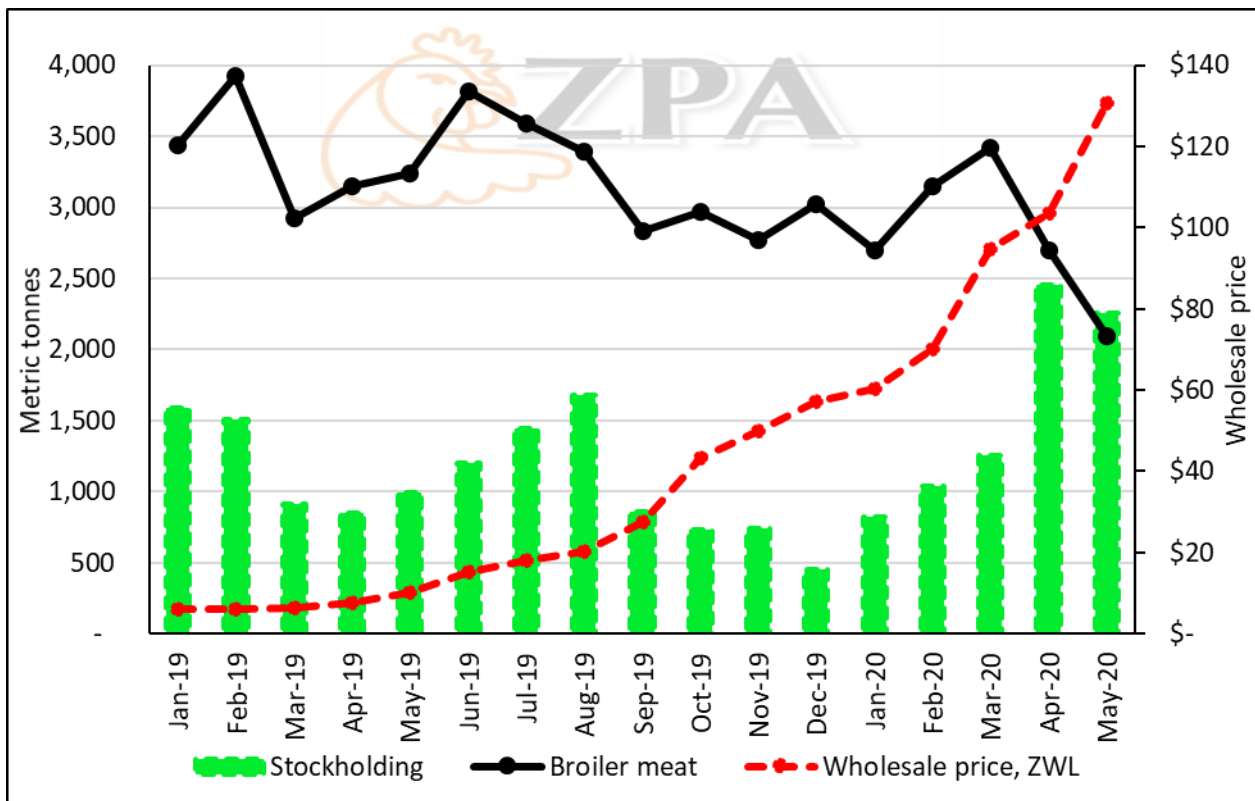
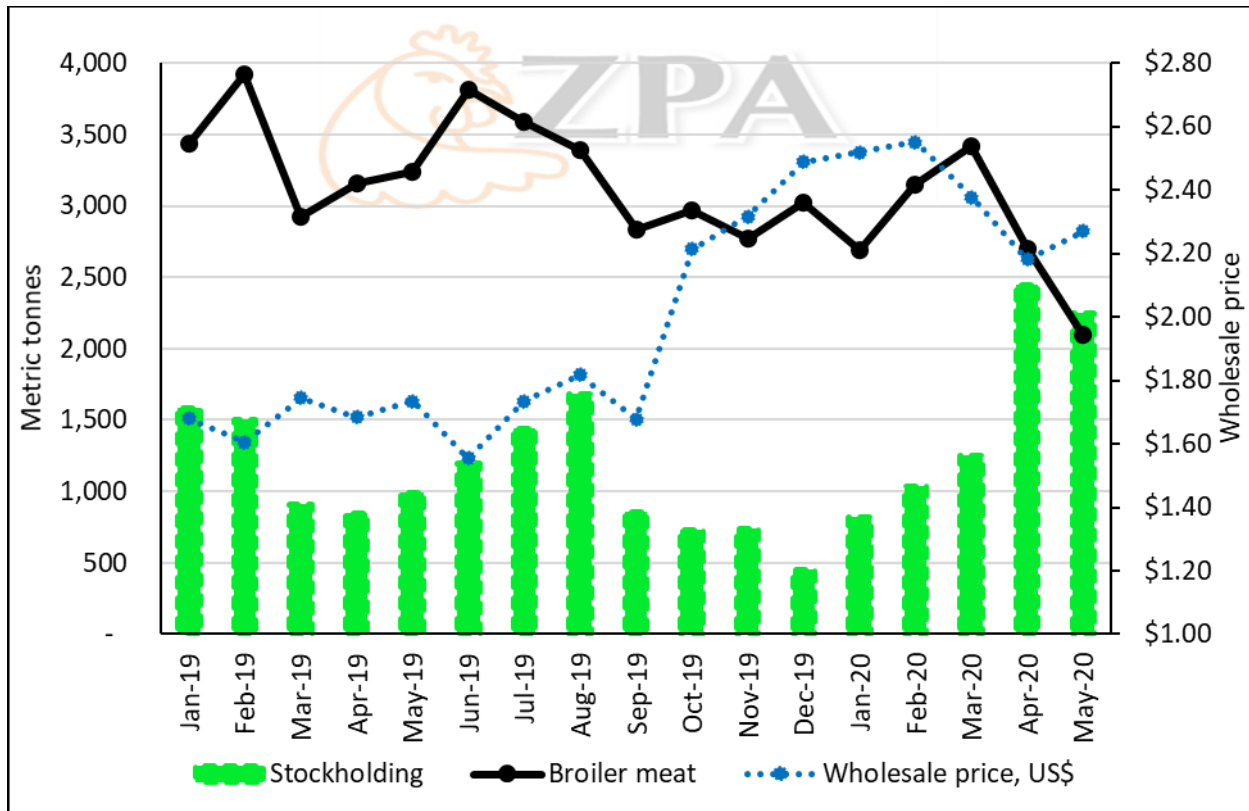
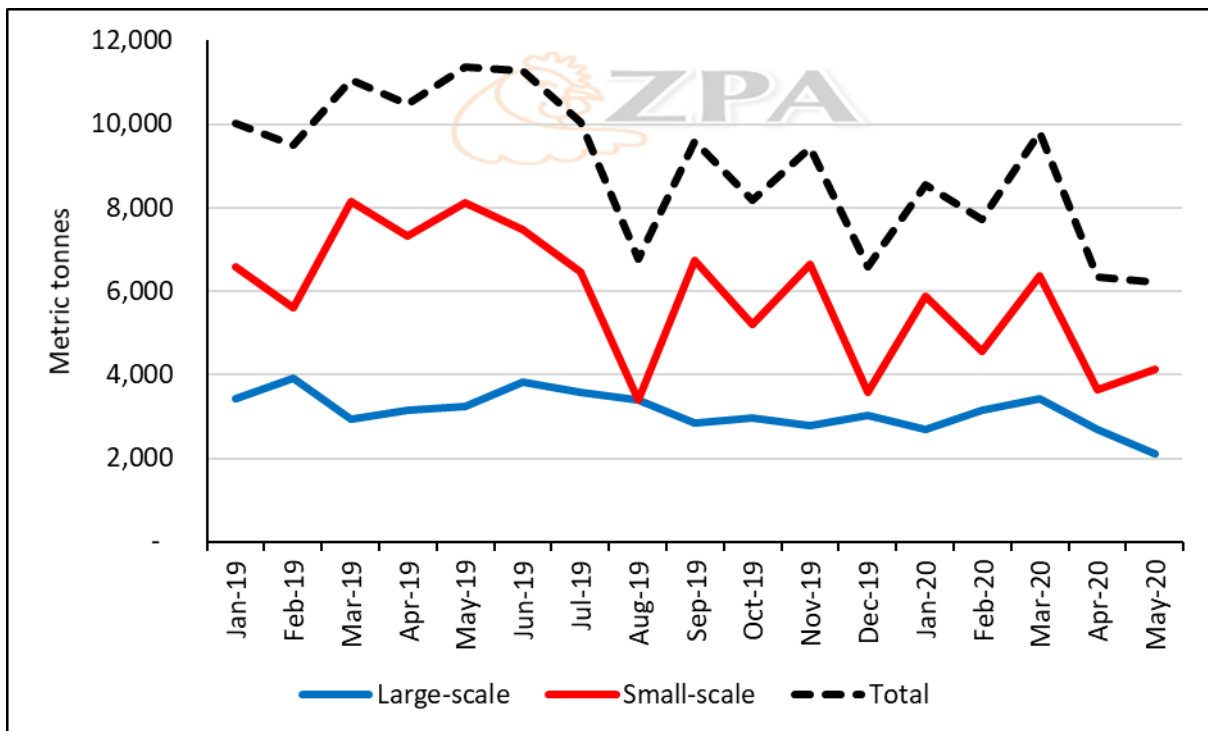


Figure 8. Large-scale broiler meat production, stockholding and whole bird wholesale price, 2019 to May 2020



**Figure 9. Large-scale broiler meat production, stockholding and whole bird wholesale Price (USD), 2019 to May 2020**



**Figure 10. Broiler meat production, 2019 to May 2020**

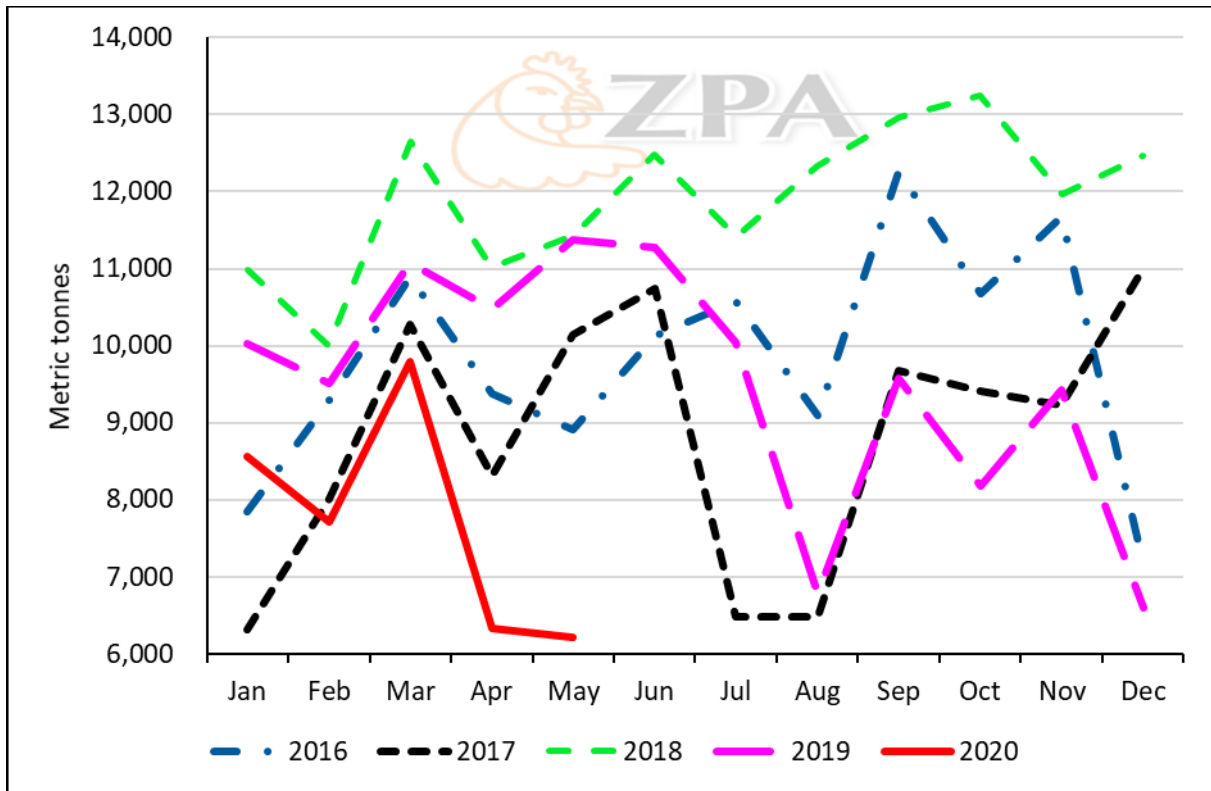


Figure 11. Broiler meat production, 2016 to May 2020

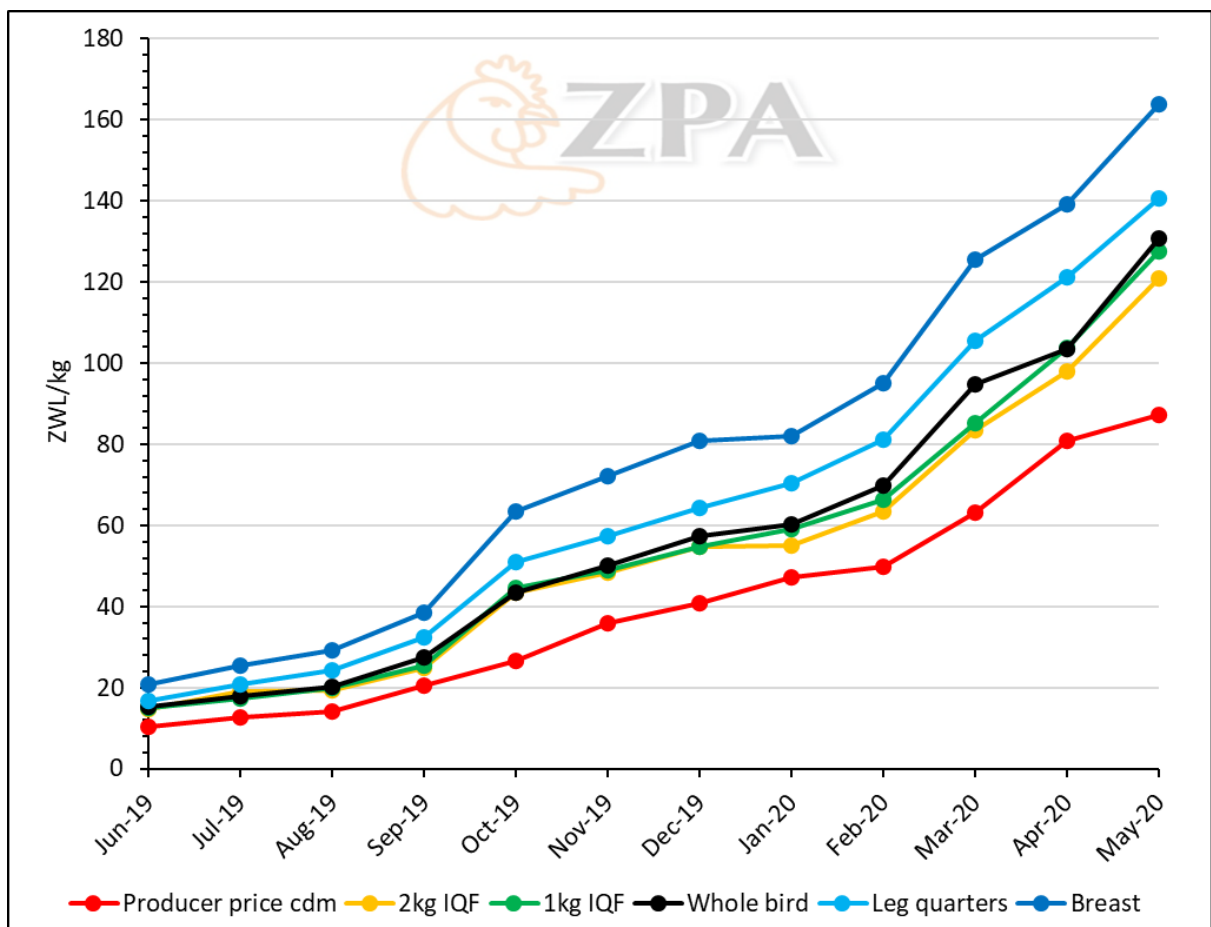


Figure 12. Broiler meat wholesale price trends (ZWL), June 2019 to May 2020

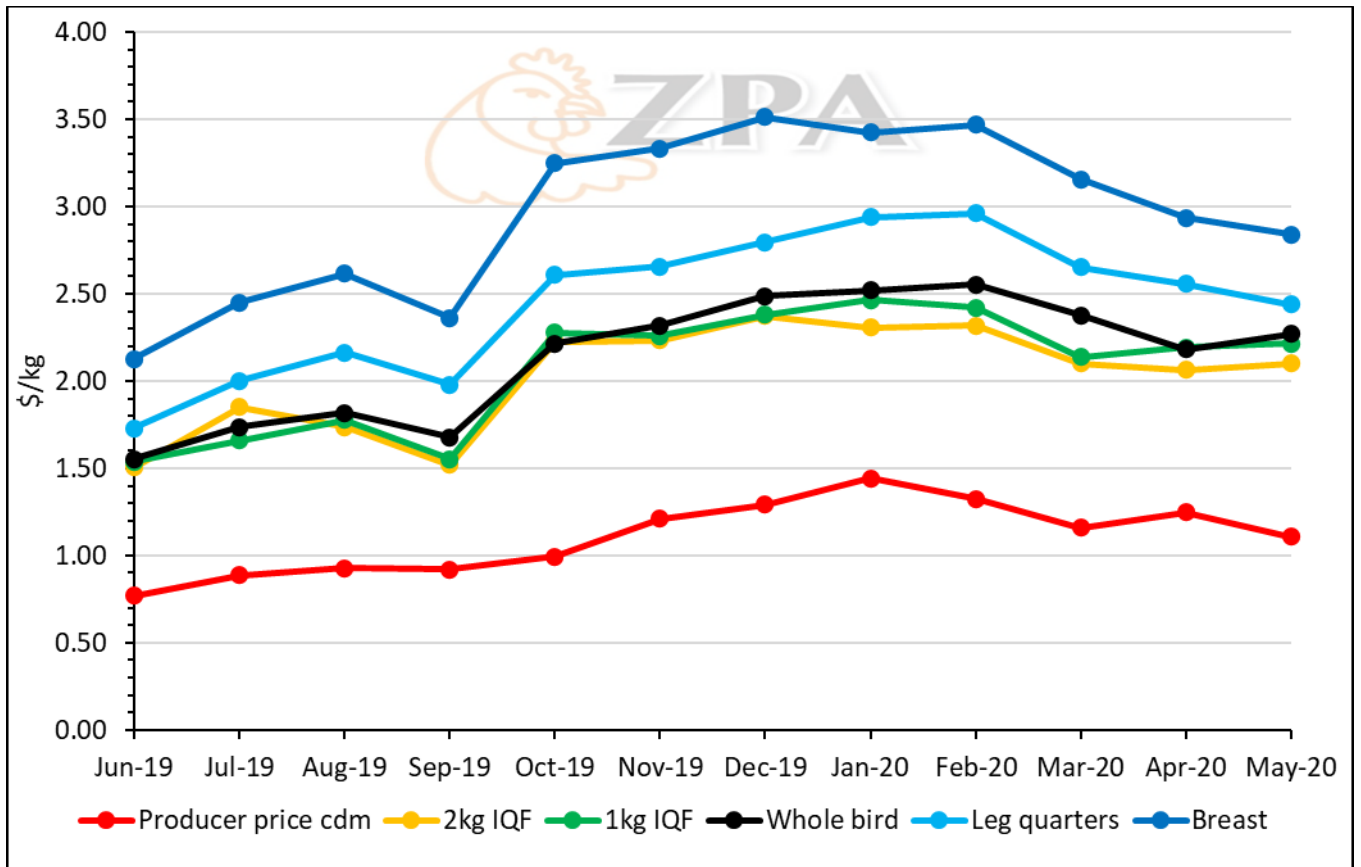


Figure 13. Broiler meat wholesale price trends (USD), June 2019 to May 2020

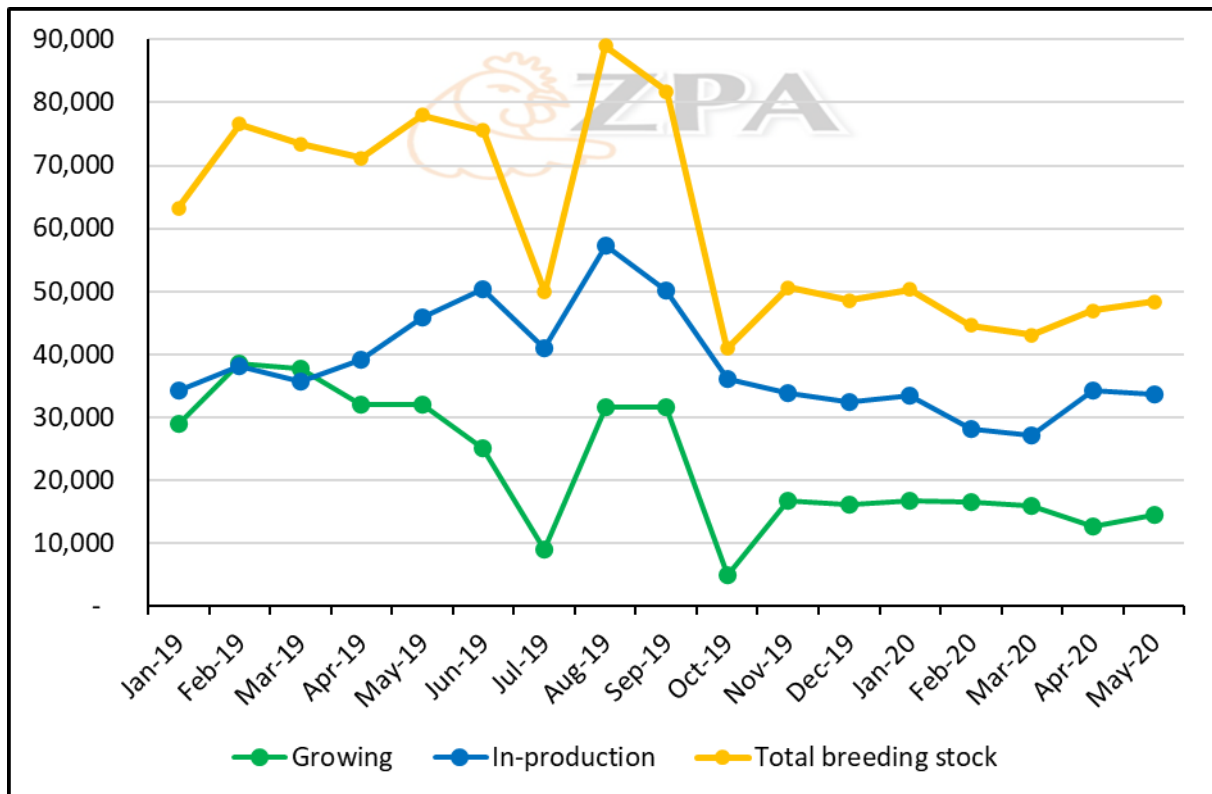


Figure 14. Layer breeder stocks, 2019 to May 2020

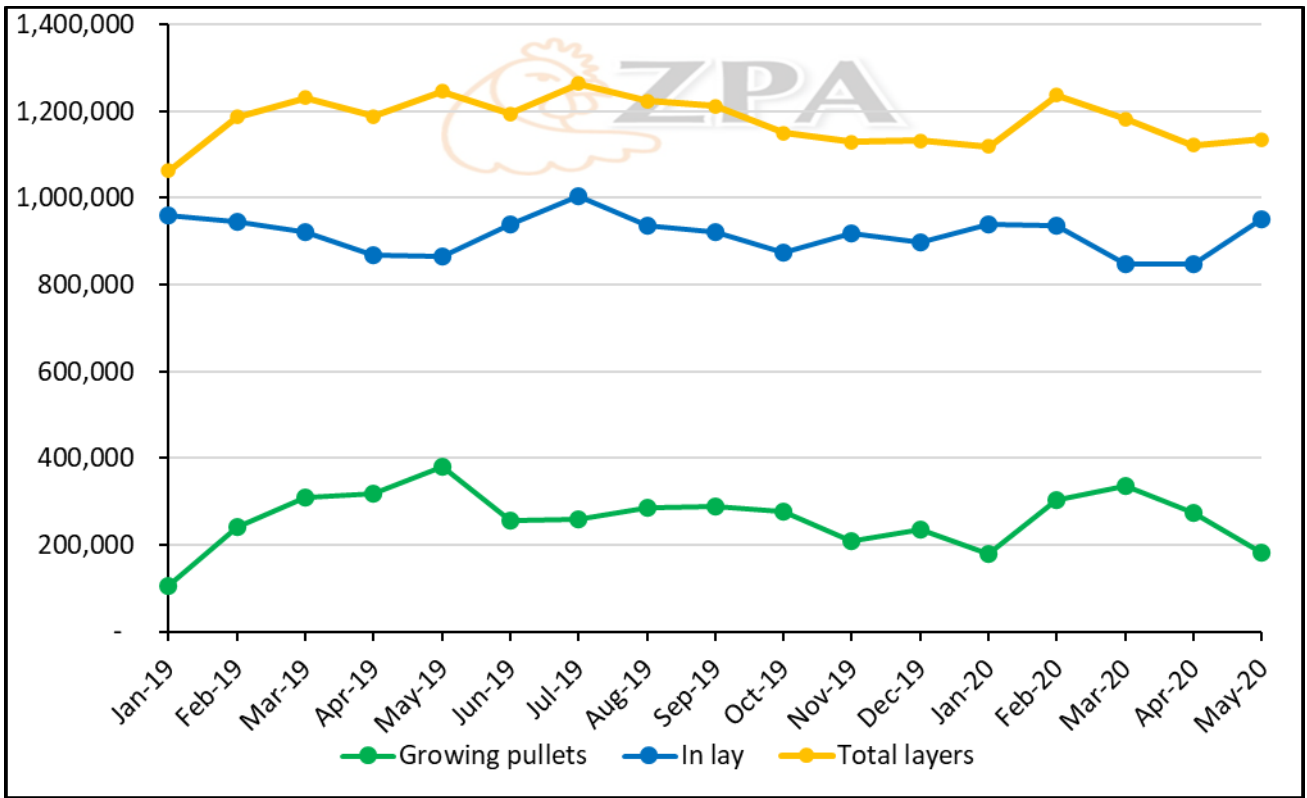


Figure 15. Layer hatching eggs and sexed pullets, 2019 to May 2020

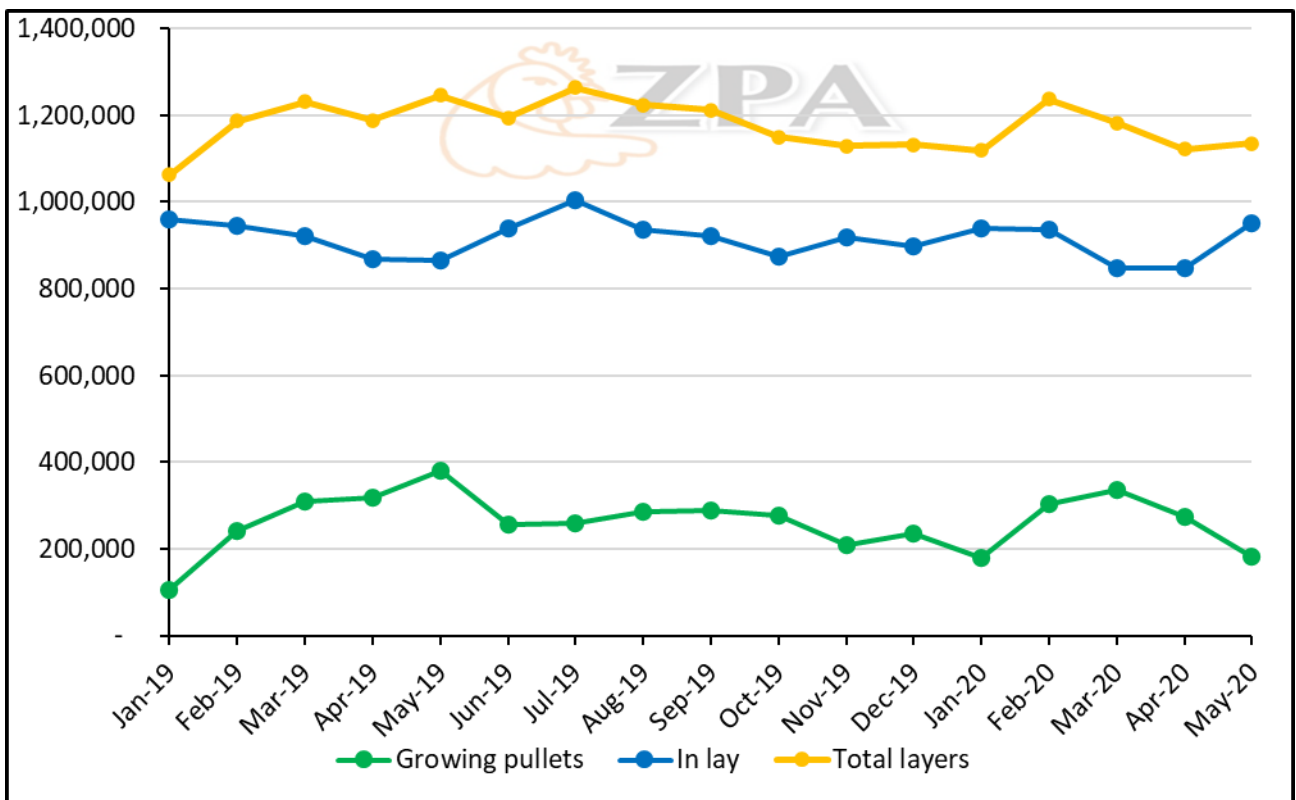


Figure 16. Large-scale layer production stocks, 2019 to May 2020

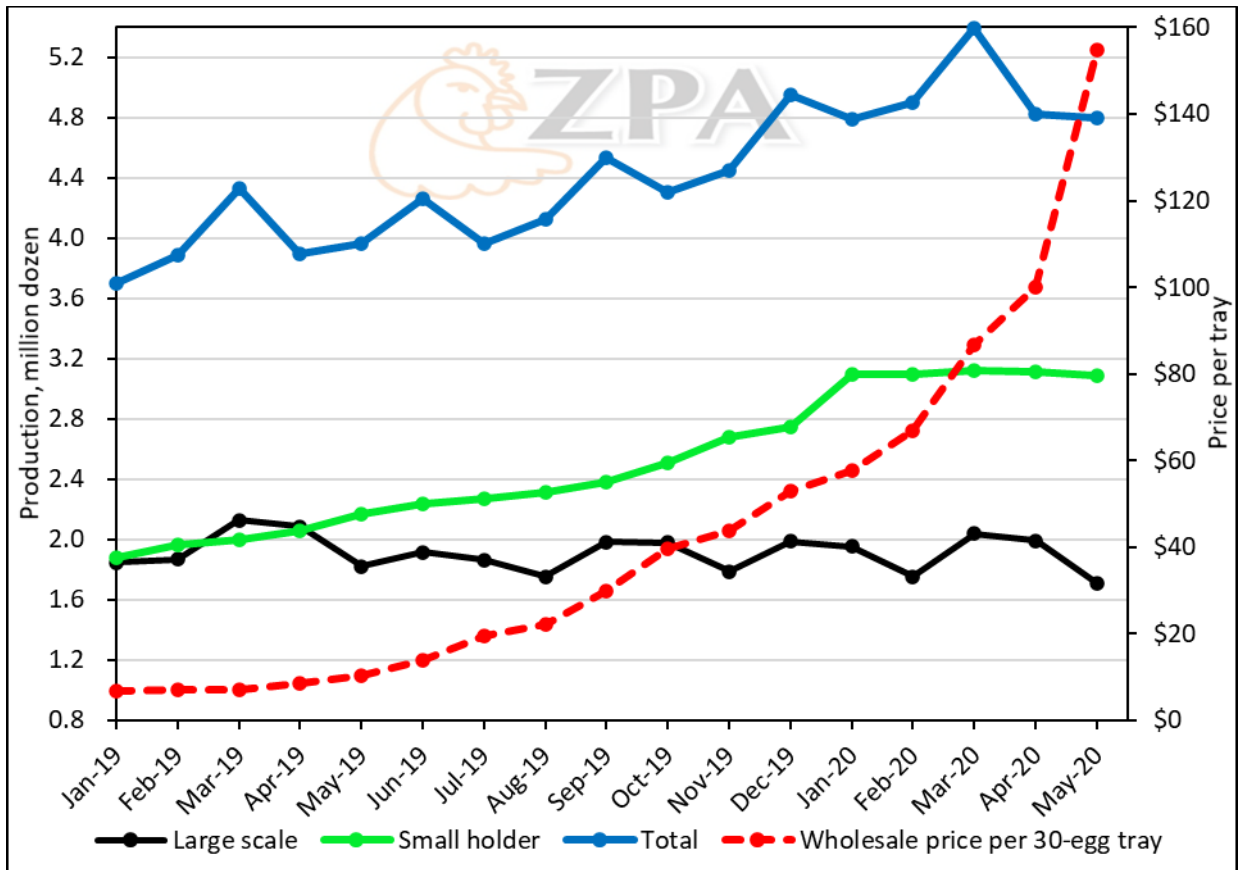


Figure 17. Table egg production and wholesale prices, 2019 to May 2020

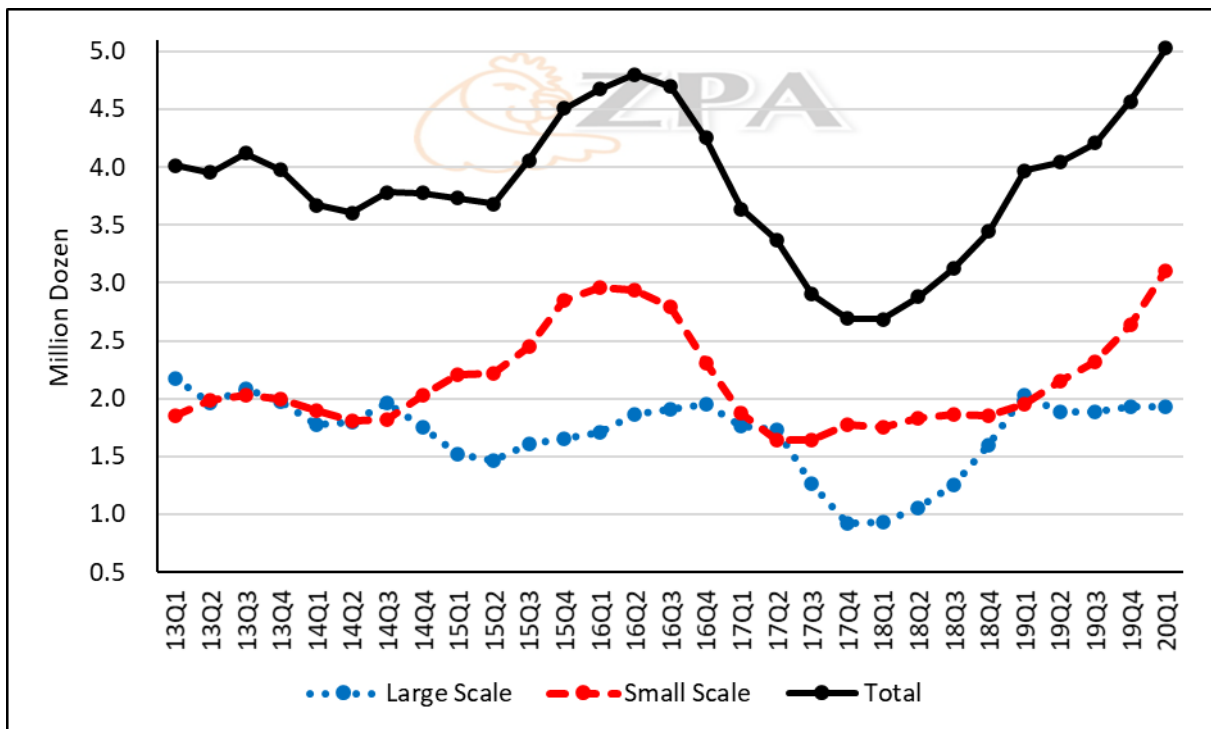


Figure 18. Average monthly table egg production by quarter, 2013 to March 2020

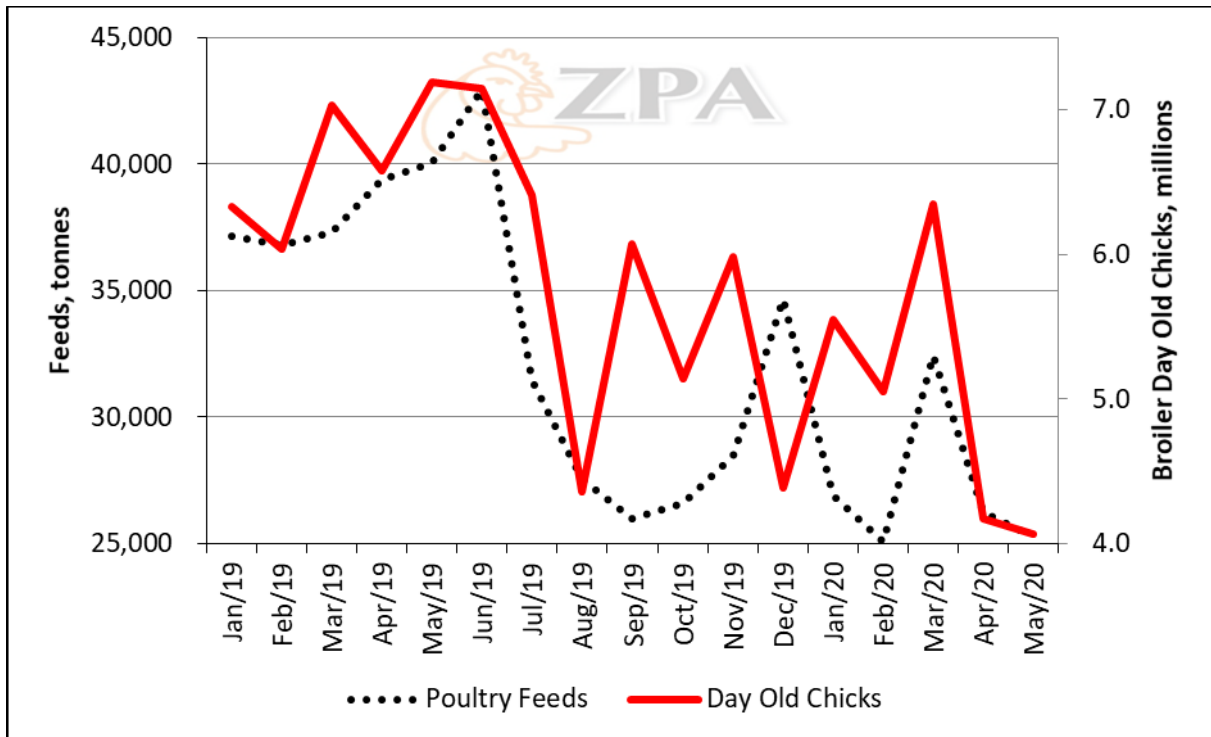


Figure 19. Production of poultry feeds and broiler day old chicks, 2019 to May 2020

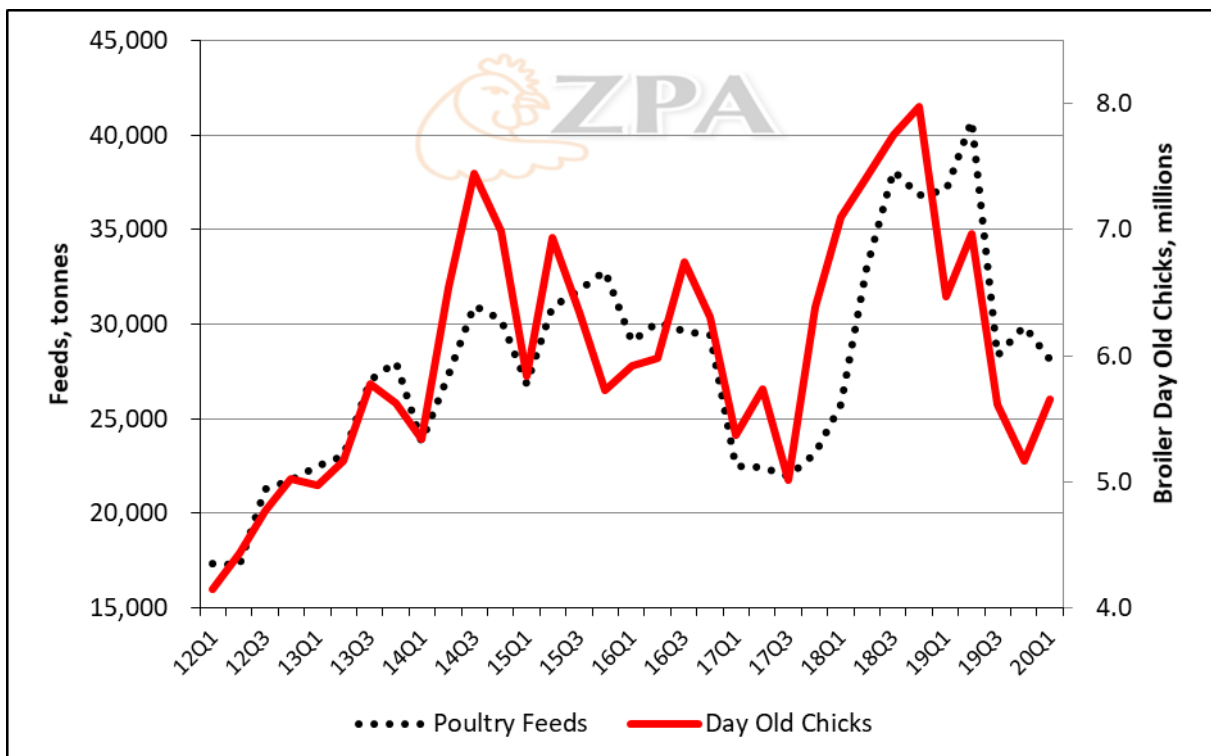


Figure 20. Production of poultry feeds and broiler day old chicks, 2012 to March 2020



Figure 21. Prices (ZWL) of maize, solvent extracted soya meal and layer and broiler feeds, 2019 to May 2020

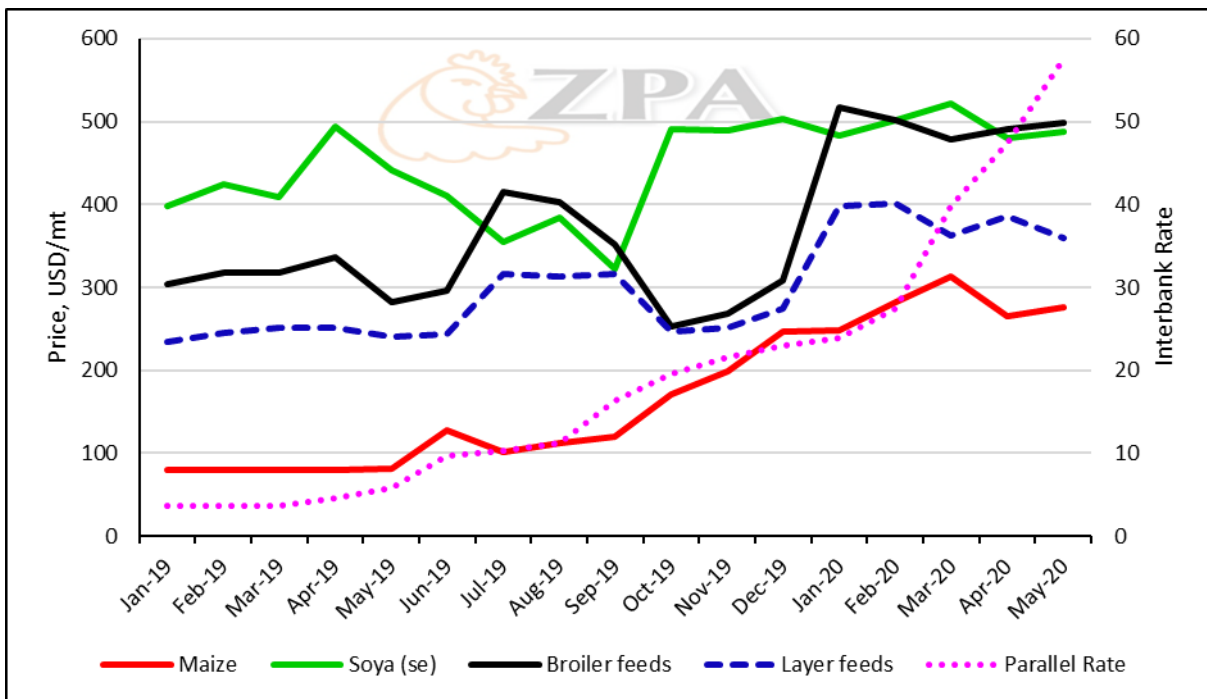


Figure 22. Prices (in USD relative to the parallel rate) of maize, solvent extracted soya meal and layer and broiler feeds, 2019 to May 2020