



Livestock and Meat Advisory Council

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Meat Processing Market Watch Report: Fourth Quarter 2020

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Zimbabwe Rabbit Breeders Association



Zimbabwe Fish Producers Association



Zimbabwe Free Range Poultry Association



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Zimbabwe Poultry Association



Zimbabwe Quality Assured Pork

Overview

In 2020, the global market of processed poultry and meat was valued at USD 747million and is expected to exceed USD 1billion by 2025, a projected compound growth of 7.35%.

Producers in this market manufacture quality processed poultry and meat products but new global players are manufacturing lab-based meat products using innovative technologies that will increase competition in the global market especially in western countries. While North America continues to command the larger market share, the Asia Pacific region is the leading importer of processed meats and has the fastest growth rates.

In Zimbabwe, processed meat products grew rapidly during the decade of macroeconomic crisis (1999 to 2009) and continued to grow during the dollarisation period to 2017. The availability of cheap imported mechanically deboned meat (MDM) from South America was made even more attractive by the abundant supply of foreign currency amidst the rising demand for cheaper proteins among the growing population of low-income urban families.

However, the return of the Zimbabwe dollar in the form of bond notes and RTGS currency from 2017 to present, combined with the increasing premium on foreign currency, has progressively reduced the attractiveness of MDM as an imported raw material for producing processed meat products at affordable prices. The meat processing industry has therefore effectively substituted locally produced trimmings of beef, pork and poultry carcasses for imported MDM.

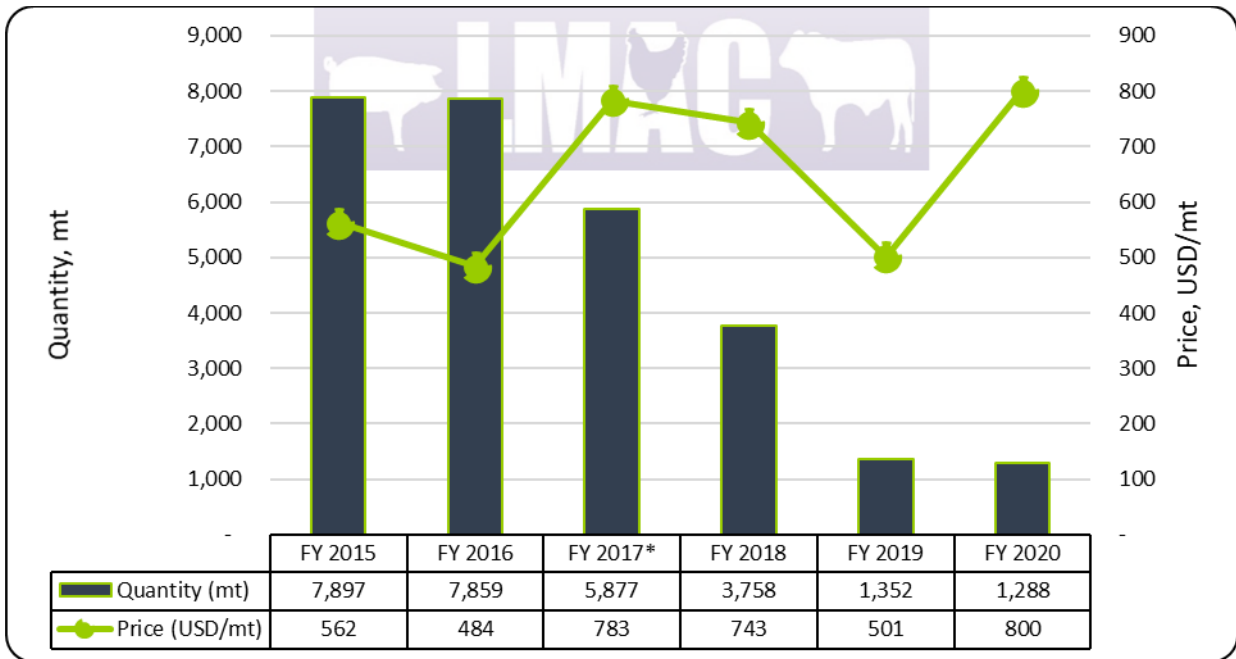
National statistics from the livestock and meat industry presently does not yet capture the quantities of locally produced meat cuttings which is annually transformed into processed meat products.

This report is based on imports of MDM and sausage casings, the volumes of which are only partial indicators of the quantity of processed meat products manufactured in Zimbabwe in 2020.

Imports of Mechanically Deboned Meat

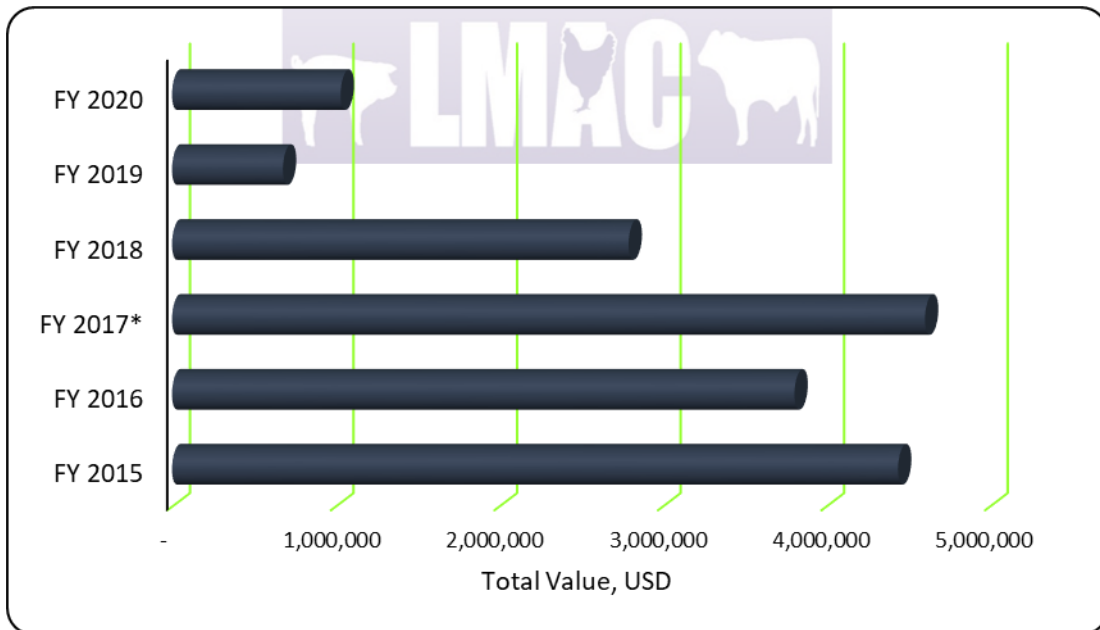
Cumulative imports of MDM for the year 2020 was 1,288mt, a decline of 5% on imports in 2019. The average cost increased by 60% from USD 501 to 800/mt.

The average monthly imports in 2020 was 107mt, compared to 113mt per month in 2019.



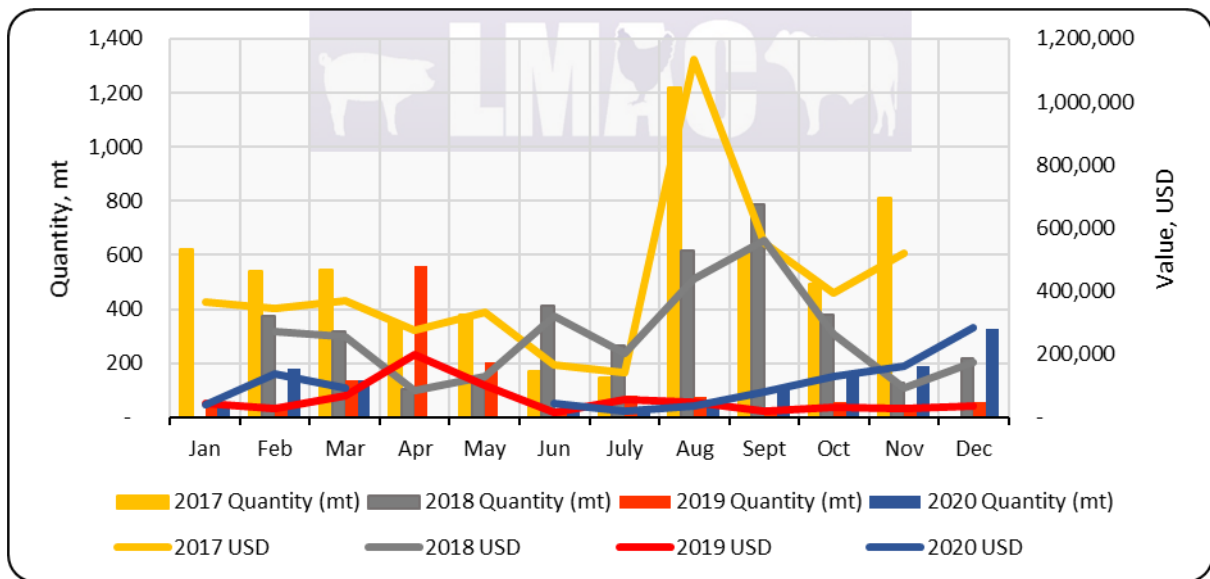
Imports of Mechanically Deboned Meat, 2015 – 2020

Total value of MDM imports in 2020 amounted to USD 1.03 million whereas in the same period in 2019, total imports amounted to USD 678,122. Imports of MDM have been on a general downward trend since 2015 notwithstanding the year-on-year increase in value terms in 2020 because of higher prices.



Total Value of Imports, USD, 2015 – 2020

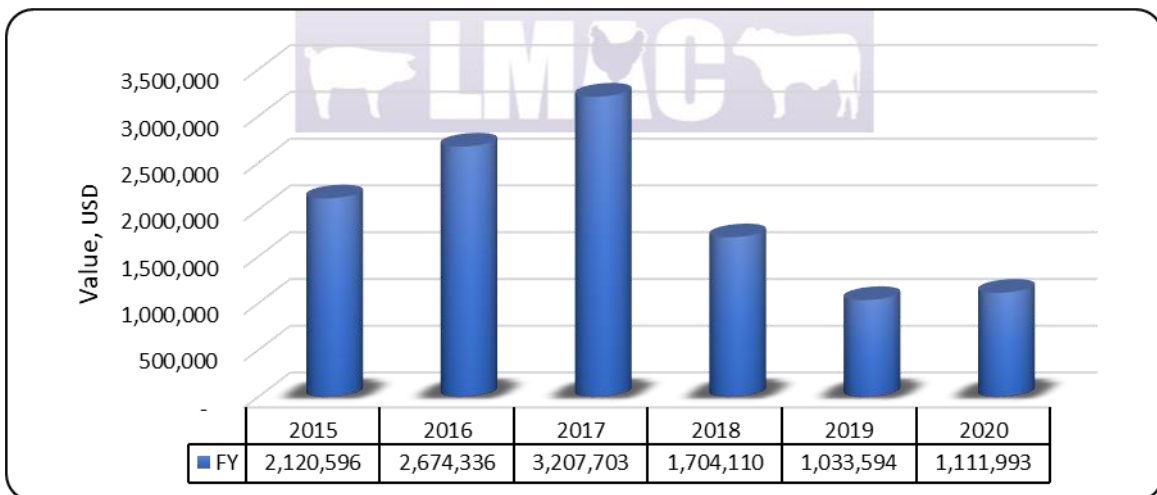
Monthly import costs and quantities are shown in the figure below. Both the value and quantity of MDM increased monthly in the last six months of 2020.



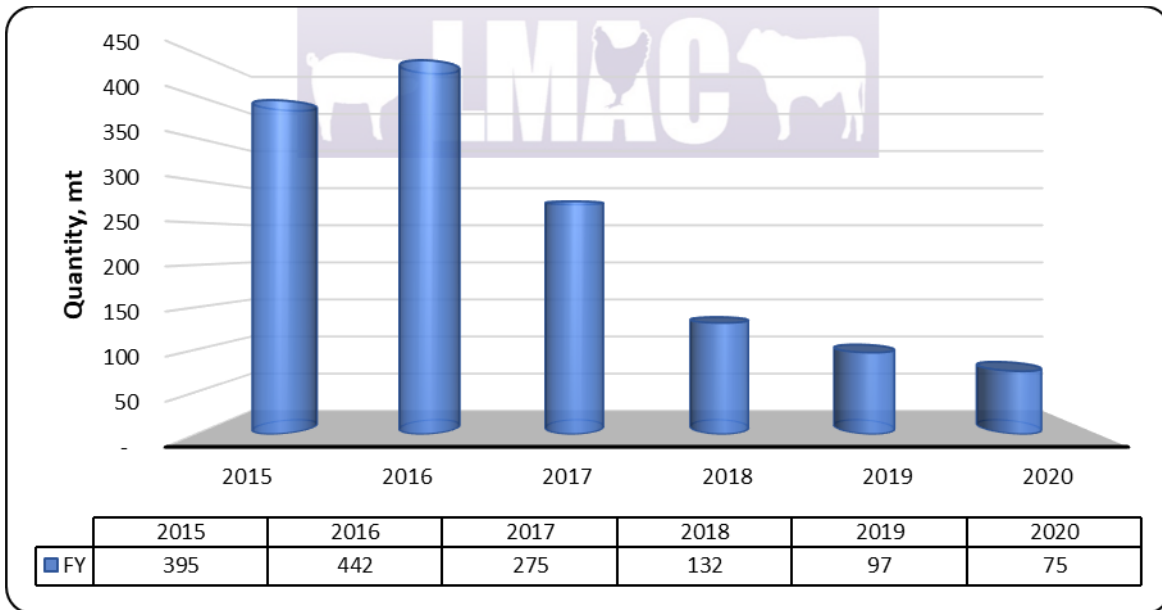
Monthly Imports of Mechanically Deboned Meat, 2017 – 2020

Imports of Sausage Casings

Imports of sausage casings for 2020 amounted to USD 1.1 million, an increase of 8% on imports in 2019 at a value of USD 1 million. In 2019, 75mt was imported compared with 97mt in 2018, a decline of 23%.

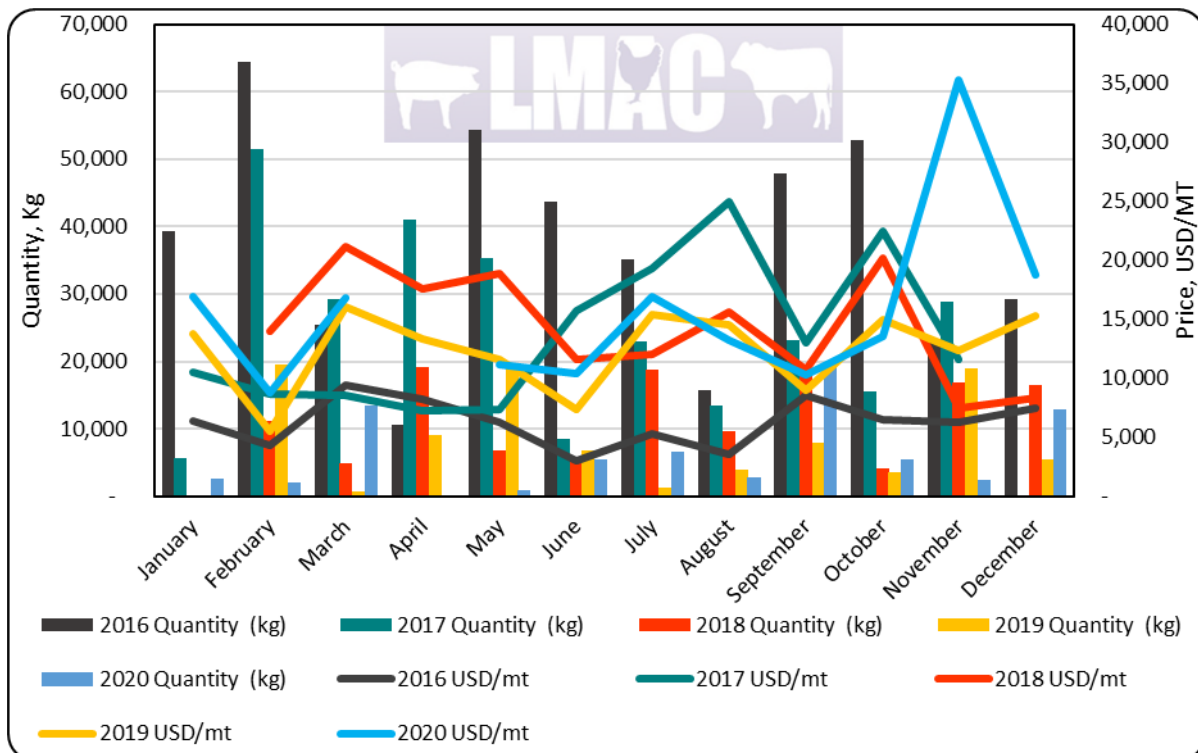


Value of Sausage Casings Imported, 2015 – 2020



Quantity of Imported Sausage Casings, 2015 – 2020

Monthly imports of sausage cases are depicted in the graph below. In 2020, September registered the most quantity imported at 20mt while there were no imports in April. The average import cost per metric ton of sausage casings for 2020 was USD 14,924/mt, an increase of 39% over 2019.



Monthly Imports of Sausage Casings, 2016 – 2020

Conclusion and Outlook for 2021

The good rains received during the 2020/21 agricultural season is good news for the domestic economy which may stimulate demand for processed meat products, especially in the low-income urban and rural population. The projected plentiful crop harvest translates to higher disposal incomes as the majority of Zimbabweans are directly or indirectly dependent upon the agricultural and food sectors for their livelihoods. The outlook for 2021 is therefore positive for the meat processing industry and accordingly, processors are set to increase production.