

Industry update

Presented by: Dr. Abongile Balarane

2024/03/05



Small footprint. Big impact.

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About SAPA

The South African Poultry Association (SAPA) was established in 1904 in Kimberley, mainly as a body of poultry “fanciers” to co-ordinate and promote show holding and later to stage egg laying tests, and to provide an instrument to voice the feelings of the industry.

We are divided into two industries the broilers (led by Mr Izaak Breitenbach with its own board) and the layers (led by Dr Abongile Balarane with also its own board).



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What we do for the Industry

- Tariffs
- Agricultural trade policy and other related Government policies
- Curtailing smuggling
- Food safety issues
- Veterinary matters
- Feed matters
- Training and technology transfer
- Statistics
- Congresses, exhibitions and workshops
- Member liason and information dissemination
- Generic advertising of eggs
- Codes of practice
- Accreditation of hatcheries
- Monitoring of developments in the industry's environment

SAPA is indeed a medium and catalyst for any matter the industry wishes to collectively address.



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RSA Egg market outlook

- With a gross turnover of **R11.44** billion at producer level, eggs retain their position as the fourth largest animal product sector in agriculture in South Africa, after poultry meat (R50.96 billion), beef (R43.01 billion) and milk (R21.17 billion).
- The total value at retail level was estimated to be **R26.27** billion for 2022. (latest stats not yet out)



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Introduction



As anticipated, 2023 was another turbulent year for the egg industry. Feed prices remained stubbornly high, and the difficulties associated with issues of poor service delivery and load shedding continued unabated. The producers that survived managed to adapt or learnt to live with circumstances beyond their control.

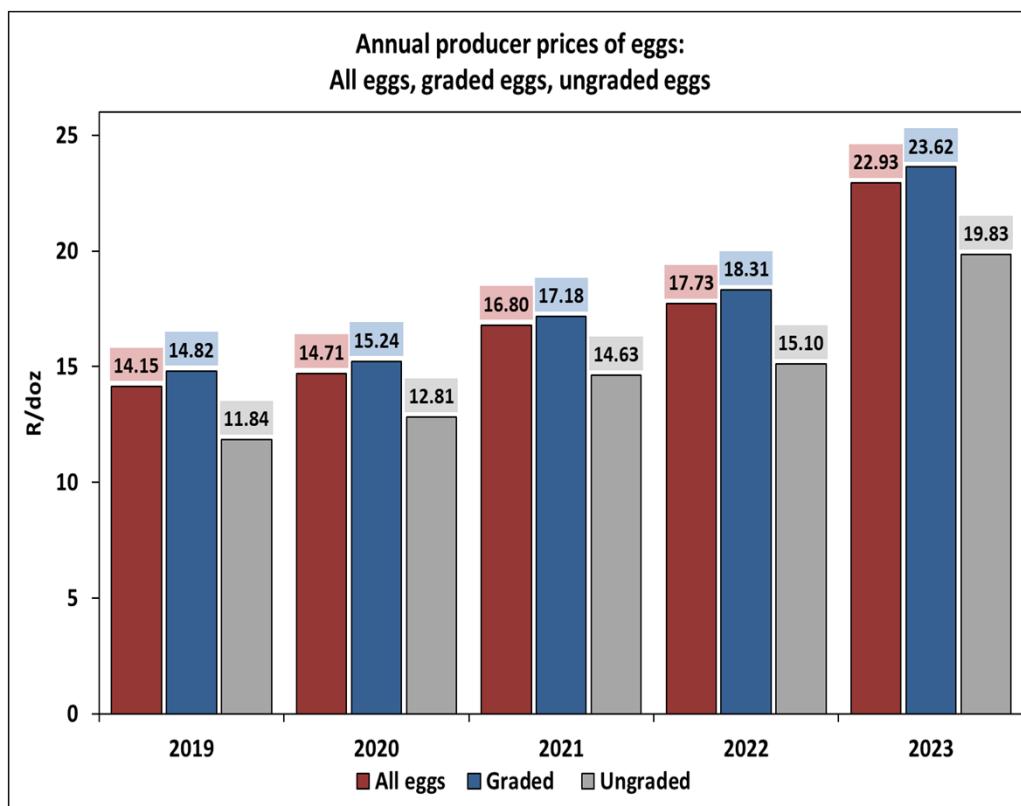
Of great concern was the impact of H7N6 on parent breeder flocks, resulting in disruptions to the supply of fertilised hatching eggs. SAPA supported the issuing of numerous import permits as part of the recovery plan, and the import of **2.654** million hatching eggs was expedited by the egg industry

Egg Farmers



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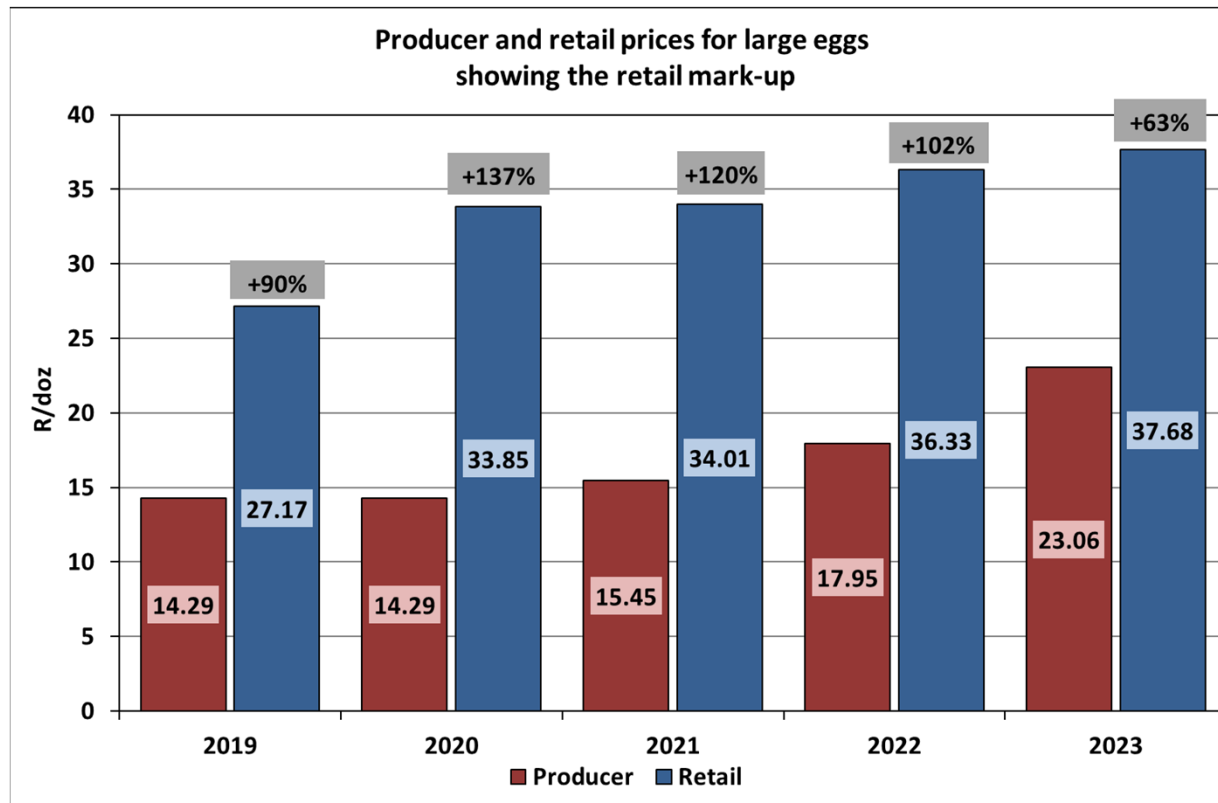
Egg prices



Average producer prices for all eggs (cage, barn and free range) plus graded and ungraded eggs are displayed in Figure 1. The price for all eggs increased from R17.73/dozen in 2022 to R22.93/dozen (+29.3%) in 2023. Average prices for graded and ungraded eggs increased by 29.0% and 31.3% respectively. In 2023, 81.9% of the eggs were graded, down from 82.6% in 2022.



Producer price vs retail price



The average retail price for large eggs reported by Stats SA was R37.68/dozen; an annual increase of 3.7% and giving an estimated retail mark-up of 63% in the year 2023. During the past five years, the average mark-up on large eggs was 102.6%.



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Price comparison with other protein sources

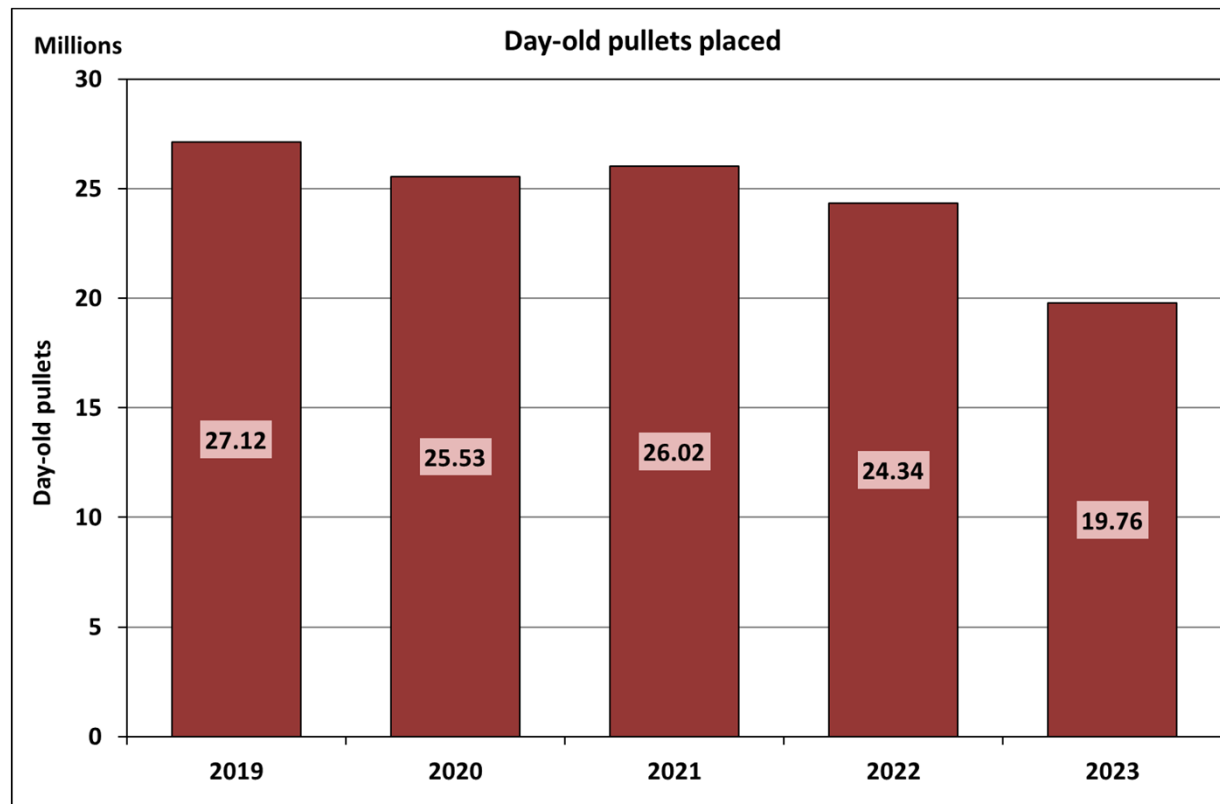
TABLE 1: Producer price comparison of animal protein sources (R/kg) (source: AMT, SAPA)					
Year	Beef A2/A3	Beef C2/C3	Pork	Chicken	Eggs
2022	59.59	48.17	28.42	29.36	24.16
2023	53.97	47.44	33.96	31.70	31.30
% change	-9.4	-1.5	19.5	8.0	29.6

Eggs retained their position as the most affordable source of animal protein compared to beef, pork and chicken, costing on average R31.30/kg in 2023



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Day old pullets

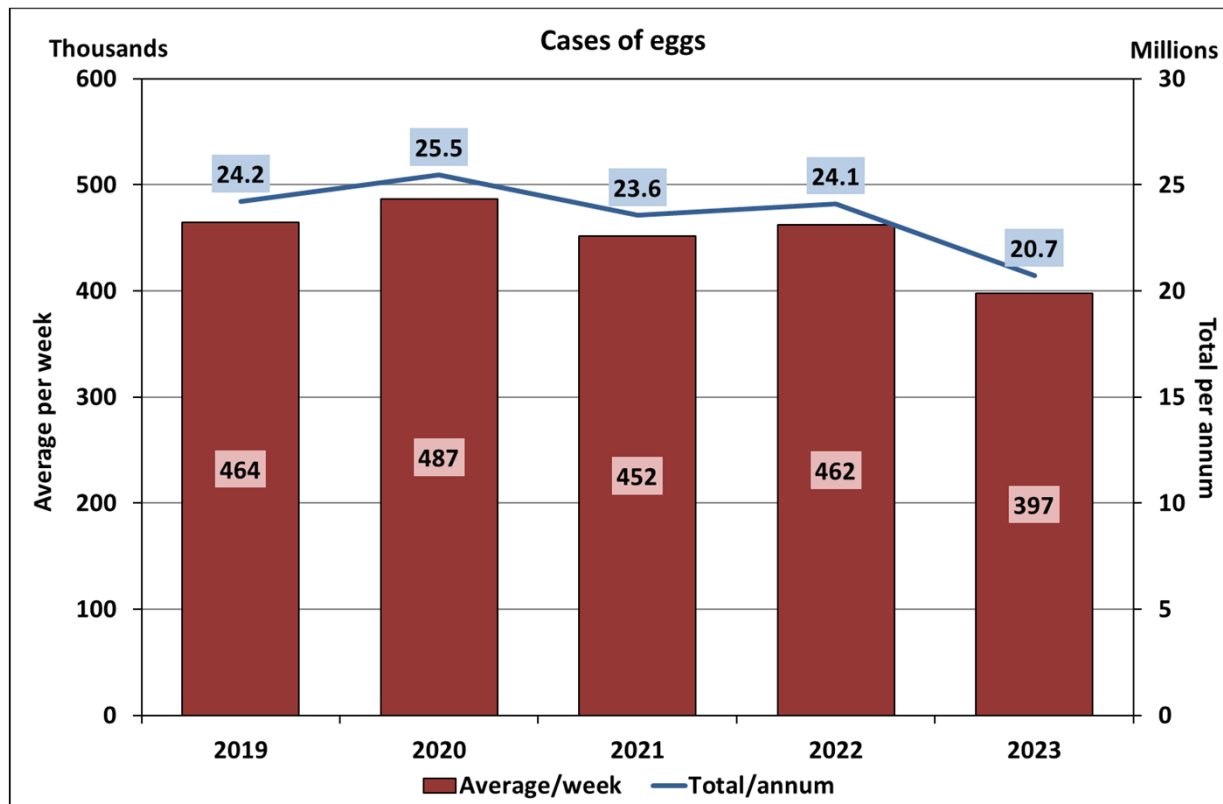


In 2023 annual day-old pullets hatched decreased by **18.8%** to 19.76 million; an average of 379 100 per week compared to 468 800 per week the previous year.



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Egg production

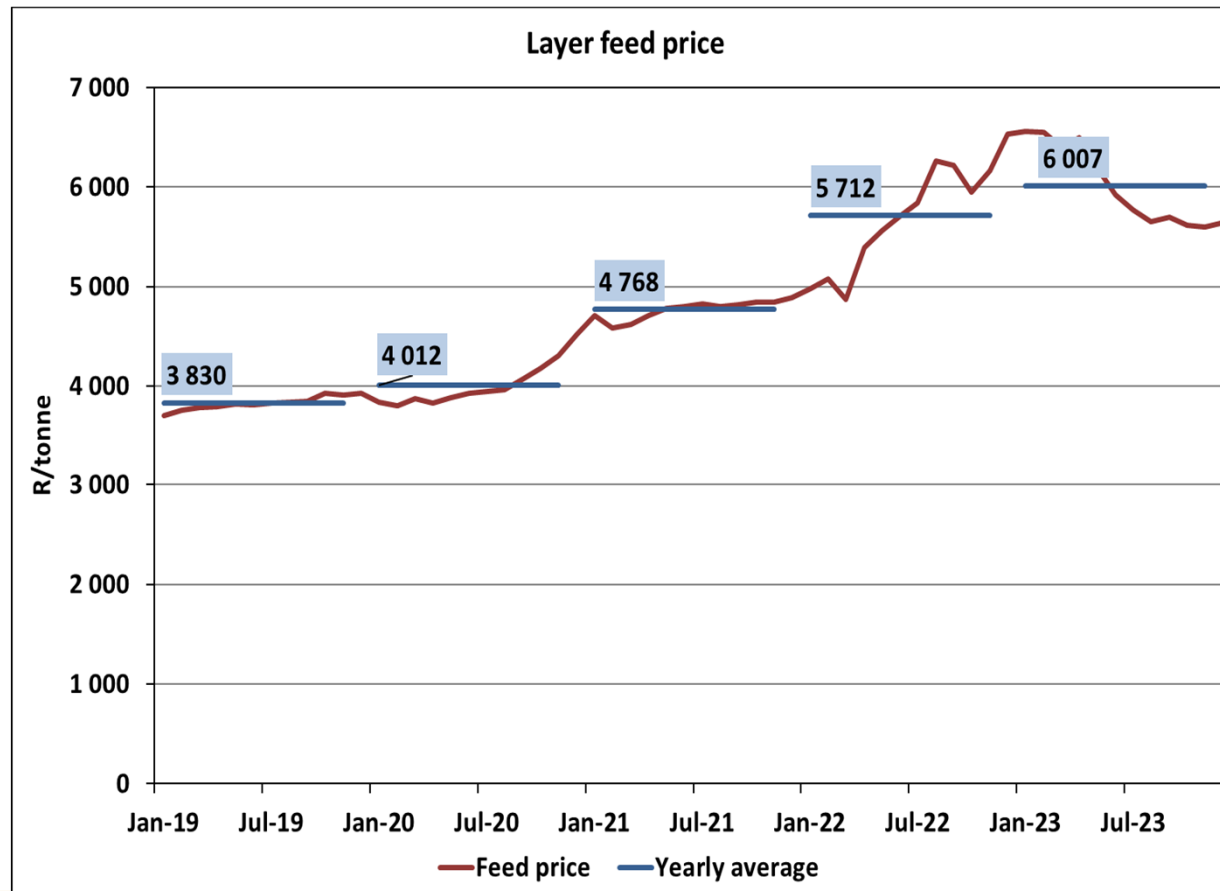


The average number of cases produced per week was 397 500; an annual decrease of 64 700 cases (-14.0%). Total egg production amounted to 20.71 million cases, or **621.4** million dozen eggs



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Feed cost

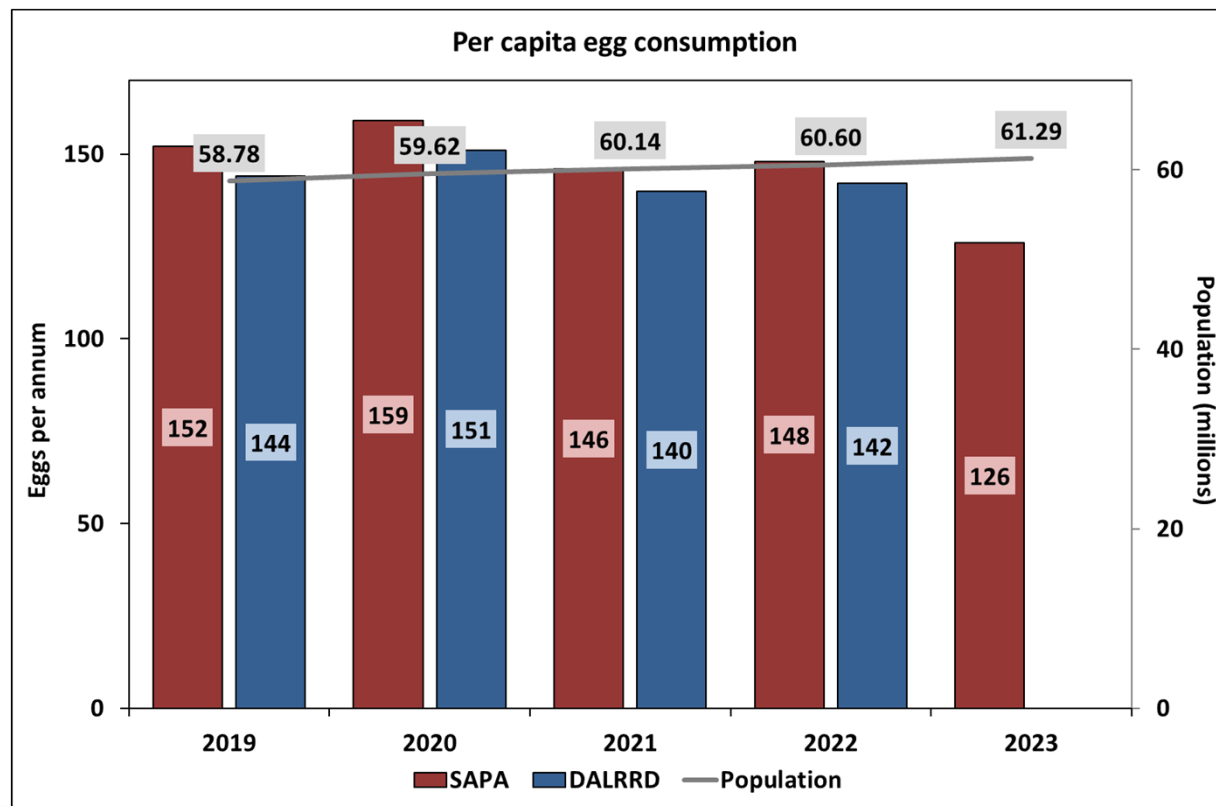


The average price for layer feed in 2023 increased by 5.2% to R6 007/tonne. This followed a 19.8% increase the previous year. The layer feed price includes distribution cost but excludes medication, additives and VAT.



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Consumption



In 2023 the per capita consumption decreased from 148.2 eggs (9.06 kg) the previous year to 126.4 eggs (7.73 kg). The population increased by 1.1% to a midyear estimate of 61.29 million (source: Stats SA)



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Exports

Annual egg exports (source: SARS)				
Product (<i>Gallus gallus domesticus</i>)	Quantity (tonnes)	% of exports	Value (R million)	% of exports
Fertilised eggs for incubation	2 834.795	55.3	209.663	78.9
Shell eggs (fresh and preserved)	2 286.615	44.6	55.450	20.9
Egg product (yolks, raw pulp, albumins)	6.451	0.1	0.520	0.2
<i>liquid egg product</i>	4.920		0.339	
<i>dried egg product</i>	1.531		0.181	
Total exports	5 127.861	100.0	265.632	100.0

Exports were affected by trade bans due to the presence of HPAI in South Africa. The exports of chicken eggs totalled 5 128 tonnes compared to 8 879 tonnes in 2022, a 42.3% decrease. The value of the exports decreased by 27.3%, from **R365.6** million to **R265.6** million.

The main destinations of these exports were Mozambique (73.0%), Eswatini (18.2%) and Botswana (3.4%). These three countries received 94.6% of South Africa's exports.



Imports

Annual egg imports (source: SARS)				
Product (<i>Gallus gallus domesticus</i>)	Quantity (tonnes)	% of exports	Value (R million)	% of exports
Fertilised eggs for incubation	2757.498	73.9	220.975	53.3
Shell eggs (fresh and preserved)	78.474	2.1	6.126	1.5
Egg product (yolks, raw pulp, albumins)	897.389	24.0	187.606	45.2
liquid egg product	53.502		1.958	
dried egg product	843.887		185.648	
Total imports	3733.361	100.0	414.706	100.0

Total imports of chicken eggs, including fertilised eggs, shell eggs and egg products, increased from 752 tonnes in 2022 to 3 733 tonnes (+396%). The total value of the egg imports increased by 270%, from R112.0 million to R414.7 million

The bulk of the imports in 2023 was fertilised eggs, with 87.3% thereof being despatched from Brazil, 10.7% from Spain and the remainder from the United Kingdom (UK) and USA. It is important to note that these fertilised eggs were for both the broiler and egg industries: the South African Revenue Service (SARS) tariff codes do not differentiate between the two.



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End

TABLE 4: Annual number of laying hens

Year	No. hens	% change	Age (weeks)	% change
2019	27 613 065		47.2	
2020	28 887 767	4.6	47.9	1.5
2021	26 845 629	-7.1	47.3	-1.2
2022	27 403 108	2.1	47.5	0.4
2023	22 771 086	-16.9	48.1	1.3
2024	17 342 597	-23.8	50.4	4.8



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Thank you

	India	China	Japan	Chile	RSA	Mexico	Argentina	Guatemala	Kazakhstan	Turkey
Production system	%	%	%	%	%	%	%	%	%	%
Cage	100	98	94,1	98	95	99,61	90	90	80	88
Barn			5	1,5	1		7	10		3
Free range		2	0,9	0,5	4	0,22	3		20	8
Organic						0,17				1



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