



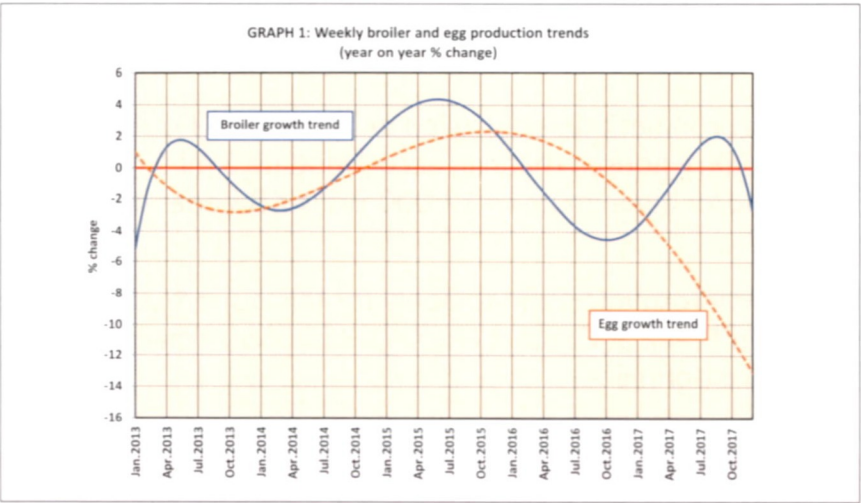
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1. Growth trends:
Percentage change
vs previous year

1.1. Broiler industry trend

The broiler production trend depicted in Graph 1 is based on the actual number of day-old broiler chicks hatched per month, as reported by broiler hatcheries. Poultry meat imports have severely



hampered growth in the industry during the past three years. High feed prices in 2016, as a result of the severe drought, also played a role. Producers have either delayed expansion plans, cut back on production or in some cases closed their businesses.

1.2. Egg industry trend

The trend in egg production was markedly affected by the large reduction in the laying hen population following the highly pathogenic avian influenza (HPAI) outbreaks in 2017. Prior to this, producers were under enormous pressure owing to record high feed prices in 2016. Many smaller egg producers were unable to survive the unfavourable climate.

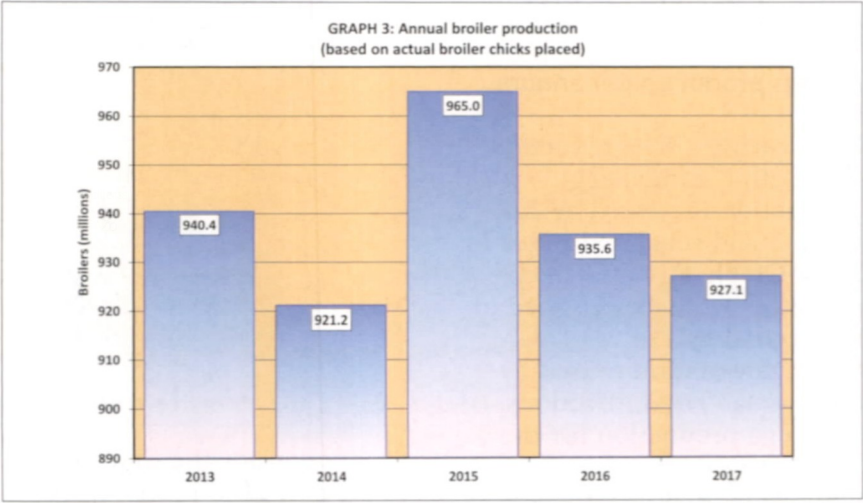
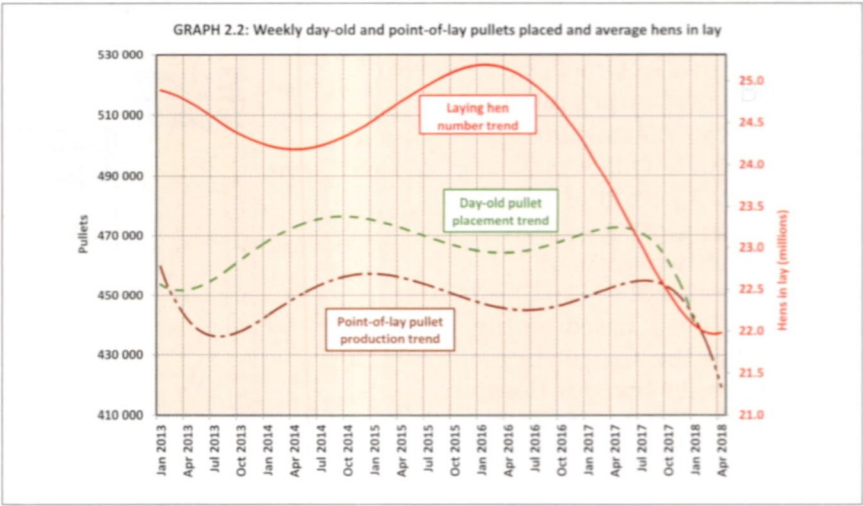
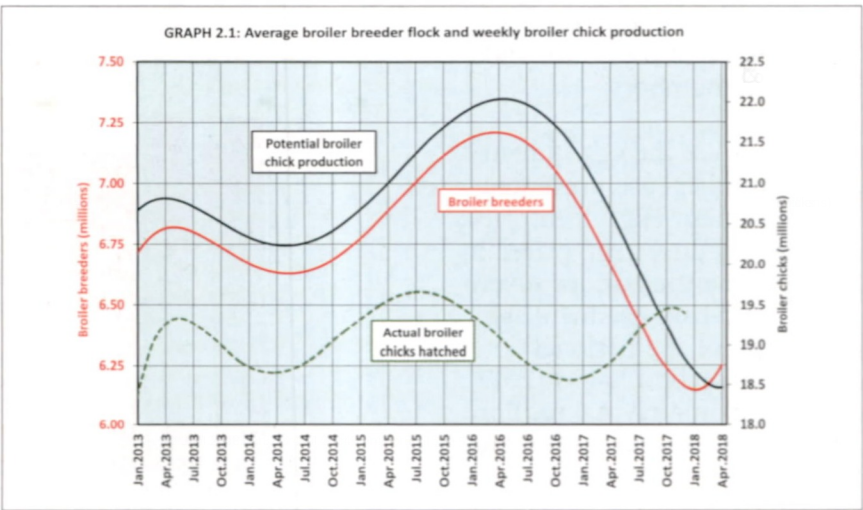
2. Poultry stock number trends

2.1. Broiler industry: broiler parent and broiler chick numbers

The projected broiler breeder flock size, based on actual weekly numbers of day-old broiler parent pullets placed, is presented in Graph 2.1. It is assumed that pullets are moved to the breeder flock at 20 weeks of age and depopulated at 61 weeks of age. A sharp downward trend was seen from late 2016 as producers adjusted to the effect of imports on the local market. In the second half of 2017 HPAI took its toll as a number of broiler breeder flocks were culled.

The potential number of broiler chicks produced per week follows the same trend as the breeder flock.

It is assumed that the actual number of broiler chicks hatched is a true reflection



of broilers placed on South African farms. The discrepancy between actual and potential chick placements may be due to exports of hatching eggs

and day-old chicks, the sale of surplus hatching eggs for table consumption, or early depopulation of breeder flocks.

2.2. Egg industry: day-old pullet, point-of-lay pullet and laying hen numbers

In Graph 2.2 the egg industry bird numbers are presented as trend lines. High feed prices and low producer egg prices in 2016 put margins under severe pressure, causing a shrinkage in the size of the national flock. The second half of 2017 saw approximately 4.6 million laying hens dead or culled due to HPAI.

3. Actual broiler production per annum

As indicated in Graph 3, Annual broiler production decreased by 19.2 million (-2.1%) in 2014. This was followed by a period of considerable growth in 2015 (+4.8%), and two years of contraction in 2016 (-3.0%) and 2017 (-0.9%). Based on the reduction in the size of the national broiler breeder flock, partly due to HPAI outbreaks, broiler production may decline further in 2018, although imports of fertile hatching eggs are likely to cause deviations from model projections.

4. Eggs produced per annum

Following a 1.3% reduction in 2014, annual egg production increased by 2.0% in 2015 and remained stable in 2016 (Graph 4). National egg shortages were experienced in the second half of 2017 owing to the devastation caused by widespread HPAI infections. Total egg production for the year plunged by 7.1%. It is anticipated that it will take more than a year for the egg industry to recover as quarantines are gradually lifted and farms are restocked with point-of-lay pullets. Forecasted

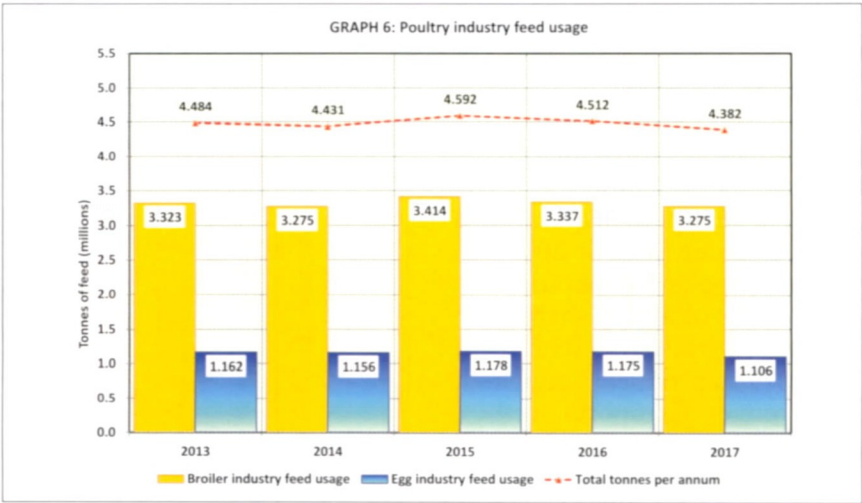
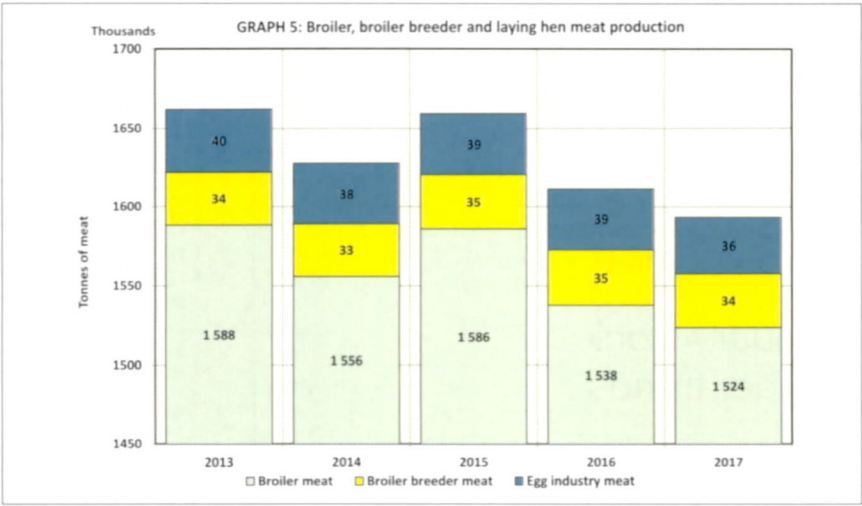
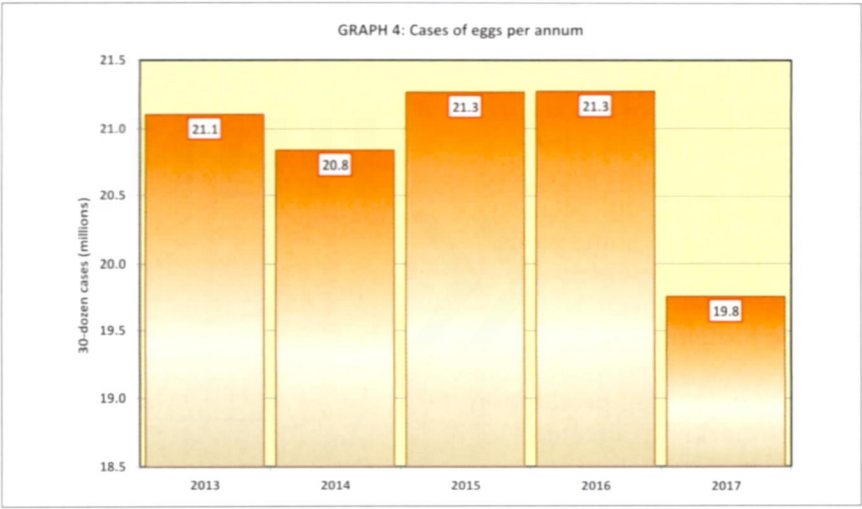
tonnage amounted to 95.6%.

6. Feed usage by poultry industry

The total feed tonnages consumed by birds in the broiler and egg production sectors of the poultry industry are presented in Graph 6. In 2017, the broiler industry consumed 74.7% (3.275 million tonnes) of the total feed required by the industry, up from 74.0% the previous year.

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production for the first four months of 2018 is 8.1% lower than the same period in 2017.

5. Poultry meat production

The total tonnage of meat produced per annum from

the slaughter of broilers, plus live sales of breeding stock and commercial laying hens, is presented in Graph 5. In 2017, 1.594 million tonnes of chicken meat were produced; 1.1% less than in 2016. The contribution of broilers to the total meat



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