SOUTH AFRICAN POULTRY ASSOCIATION
Founded 1904

BROILER INDUSTRY PRODUCTION REPORT: MAY 2018

- *We have received data from a number of breeders, hatcheries and producers for which estimates were being used. This data has been backdated, hence the subsequent output figures have been revised. SAPA is indebted to these role players whose contributions have made a substantial difference to the accuracy of the broiler statistics presented in this report. We are also most grateful to our regular contributors.*
- *The model has taken into account the loss of breeders due to highly pathogenic avian influenza (HPAI).*
- The revised 2013 standards were applied in the broiler production forecasting models from January 2013 onwards and were fully implemented by November 2013.
- Two methods are used to produce the data summarised in this report:
    1. Based on the number of female parent chicks placed, the forecasting model predicts:
        - The number of 20-week-old parent hens that will be transferred;
        - The number of hatching eggs that will be produced;
        - The number of broiler chicks that will hatch;
        - The number of broilers that will be slaughtered.
        - This information is deemed to reflect the industry potential.
    2. Based on the number of day-old broiler chicks hatched as supplied by commercial hatcheries, the model predicts:
        - The number of broilers that will be slaughtered.
        - This information is deemed to reflect the actual production and is regarded as a true reflection of the industry performance.
- Comparisons are made between potential and actual figures as a means of validating both the model assumptions and the data supplied by the industry.
- The reliability of the model output is dependent on the supply of accurate monthly data from broiler hatcheries and broiler breeder operations.

TABLE 1: BROILER BREEDER PRODUCTION STANDARDS:

	2011	2013	2011	2013
Broiler Breeder Flock:				
Mortality to 20 weeks of age:	5.6%	5.6%	5.6%	5.6%
Laying Cycle: 20 weeks to	60 weeks	60 weeks	61 weeks	61 weeks
Mortality during the laying cycle:	8.7%	8.1%	8.8%	8.2%
Broiler Breeder Performance				
Total eggs per hen housed	151.7	166.1	154.0	169.2
Hatching eggs per hen housed:	141.2	150.6	143.4	153.5
Broiler chicks per hen housed:	122.3	126.8	124.0	128.7

Disclaimer: *Information in this report reflects assumptions and also actual data. The projections presented in the report are based upon specific production standards and indicate historic and forecasted trends only.*

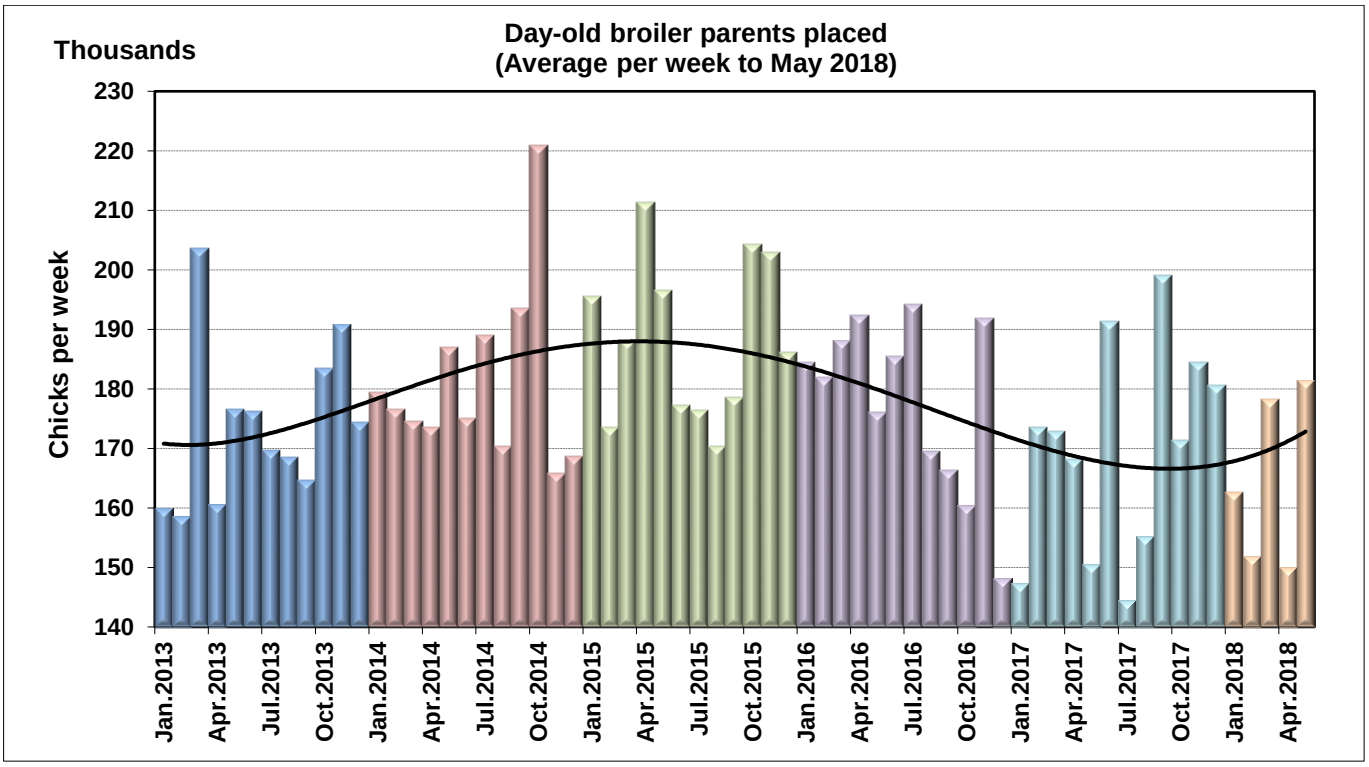
Any and all information, data, know-how, documentation, materials and other communications, written or oral, which are disclosed or provided to SAPA or its designees by a SAPA member shall be regarded as confidential information belonging to that member and will not be disclosed to any other member.

1. BROILER BREEDERS

Day-old parent pullets placed

An average of 181 400 day-old parent pullets was placed per week in May 2018 (Graph 1). This was an increase of 31 400 parent pullets (+20.9%) compared to the previous month and an increase of 30 700 parent pullets (+20.4%) compared to the same month of the previous year.

In total 816 200 day-old parent pullets were placed in May 2018; this was a month-on-month increase of 178 700 parent pullets (+28.0%) and a year-on-year increase of 138 300 parent pullets (+20.4%).

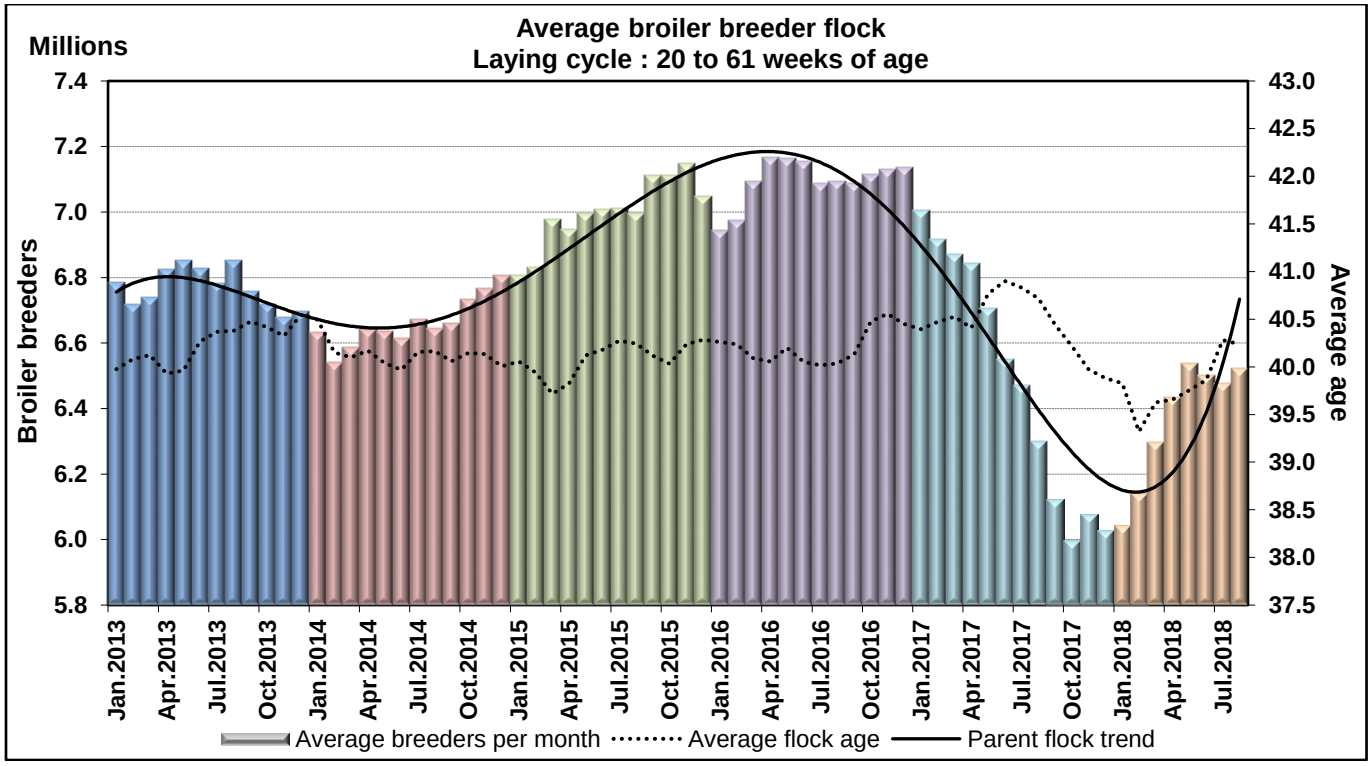


GRAPH 1: Day-old broiler female parents placed

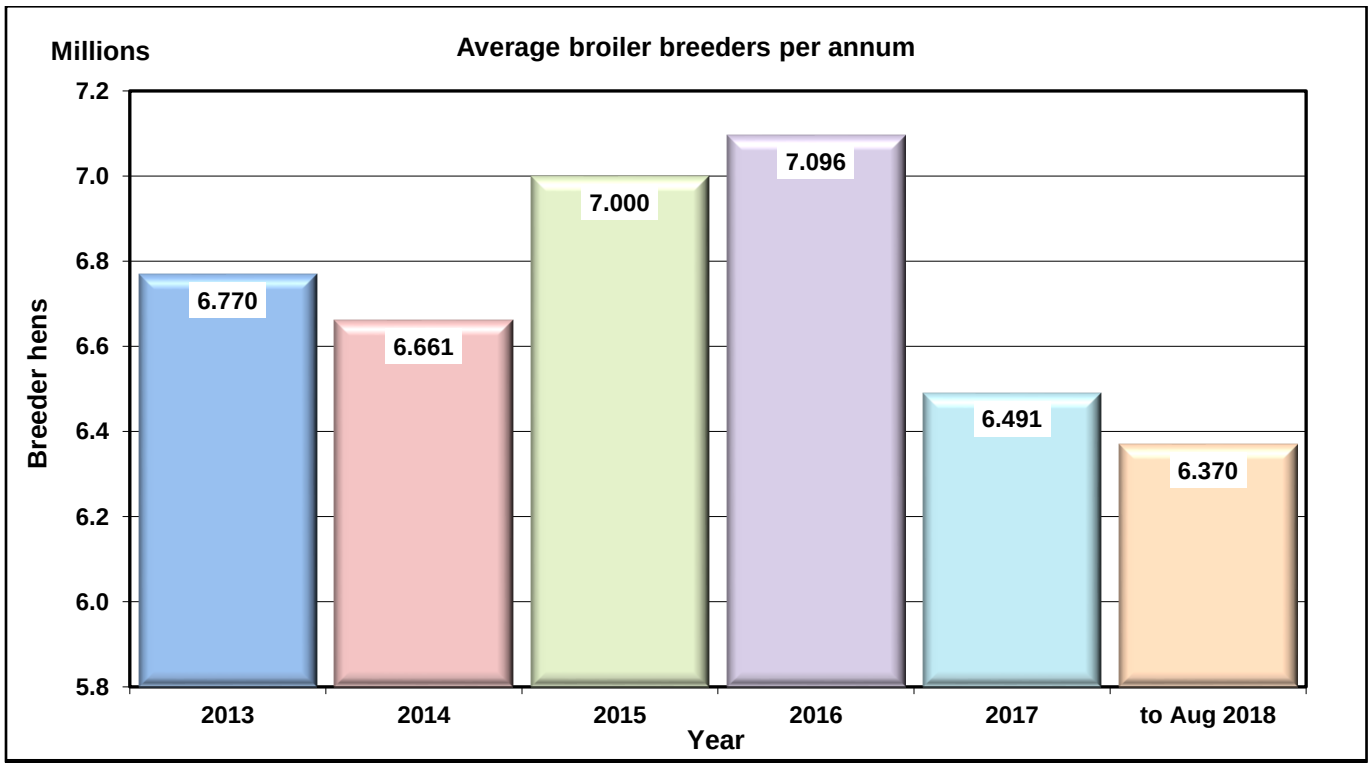
Broiler breeder flock

The average number of breeder hens for the month under review was 6.537 million (Graph 2). This was an increase of 102 300 hens (+1.6%) compared to April 2018, and a decrease of 169 500 hens (-2.5%) compared to May 2017. The average age of the breeder flock was 39.8 weeks.

In August 2018 the breeder flock was expected to comprise 6.524 million hens; a 0.2% decrease on May's figure. The average number of breeder hens for January to August of 2018 was forecasted to be 6.370 million (Graph 3).



GRAPH 2: Monthly broiler breeder flock and average hen age



GRAPH 3: Annual average number of broiler breeder hens

2. BROILER CHICK PLACEMENTS

Actual placement:

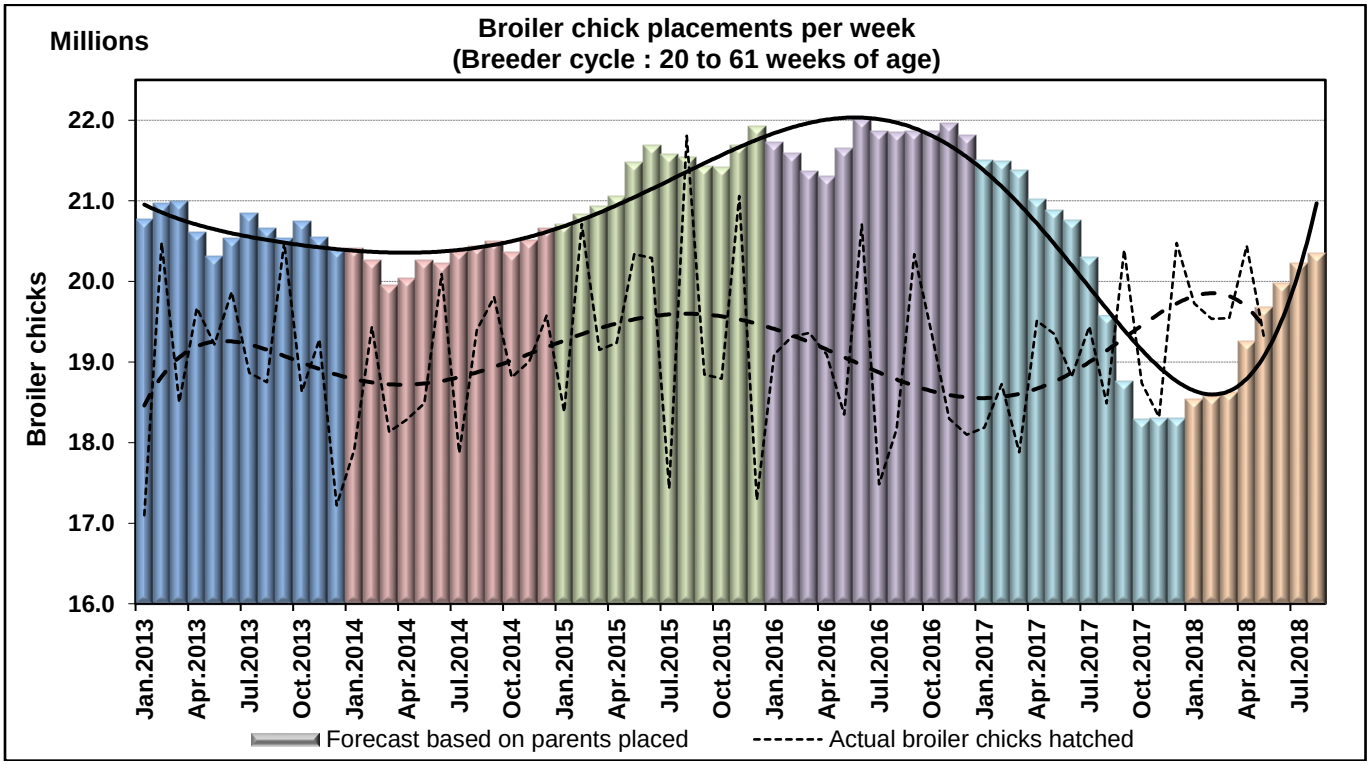
Broiler hatcheries produced 19.294 million day-old chicks per week in May 2018 (Graph 4, dotted line). Compared to April 2018 this was a decrease of 1.148 million chicks (-5.6%). Compared to May 2017 this was a decrease of 56 000 chicks (-0.3%).

In total 86.821 million broiler chicks were hatched during the month under review.

Annual broiler chick placements, from 2013 to 2017, are shown in Graph 5.

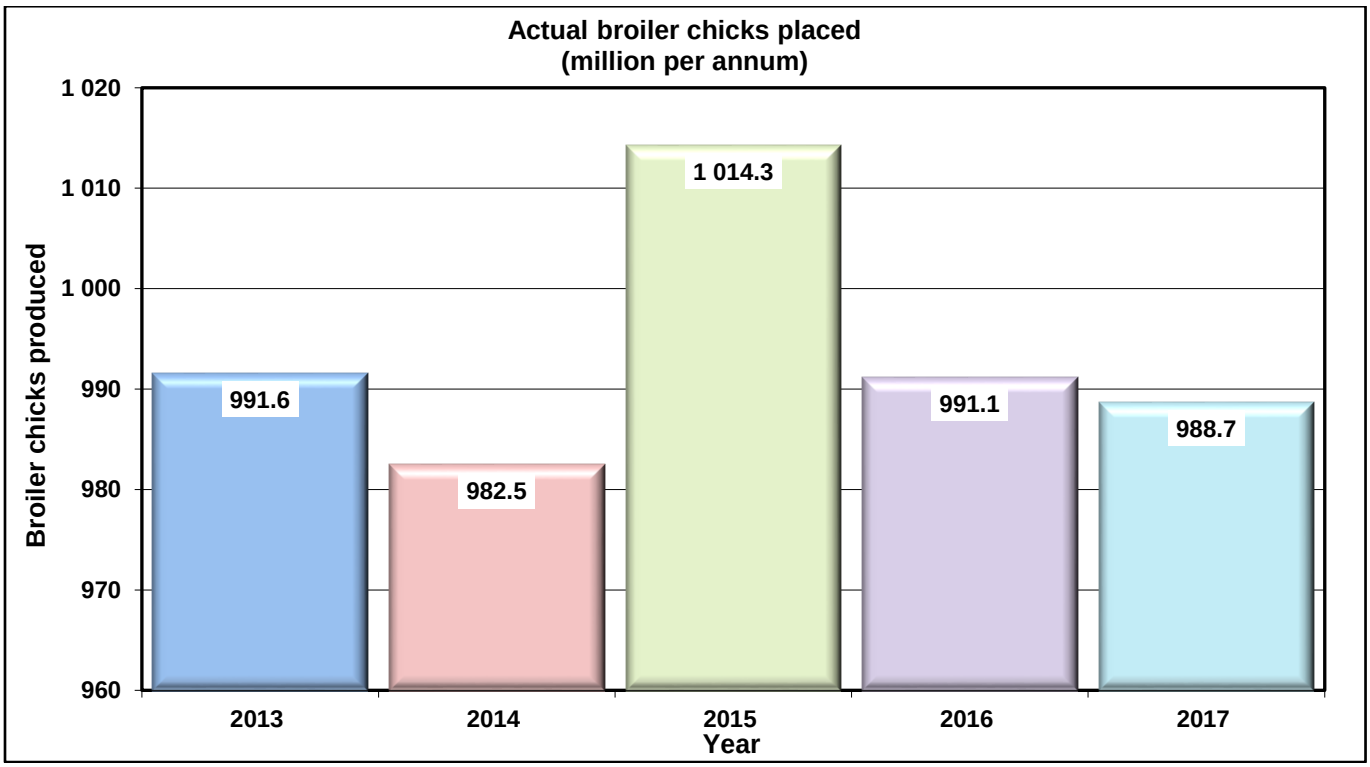
Industry Potential:

Based on the forecasting model, potential production of 19.679 million broiler chicks per week was projected for May 2018. Actual production was 0.386 million chicks (-2.0%) lower than the potential figure (Graph 4).



GRAPH 4: Day-old chick placements per week

Note: Actual placements (the dashed trend line) show to May 2018; potential placements (based on the forecasting model) are given to August 2018.



GRAPH 5: Actual broiler chicks placed per annum

3. BROILER PRODUCTION

Actual production:

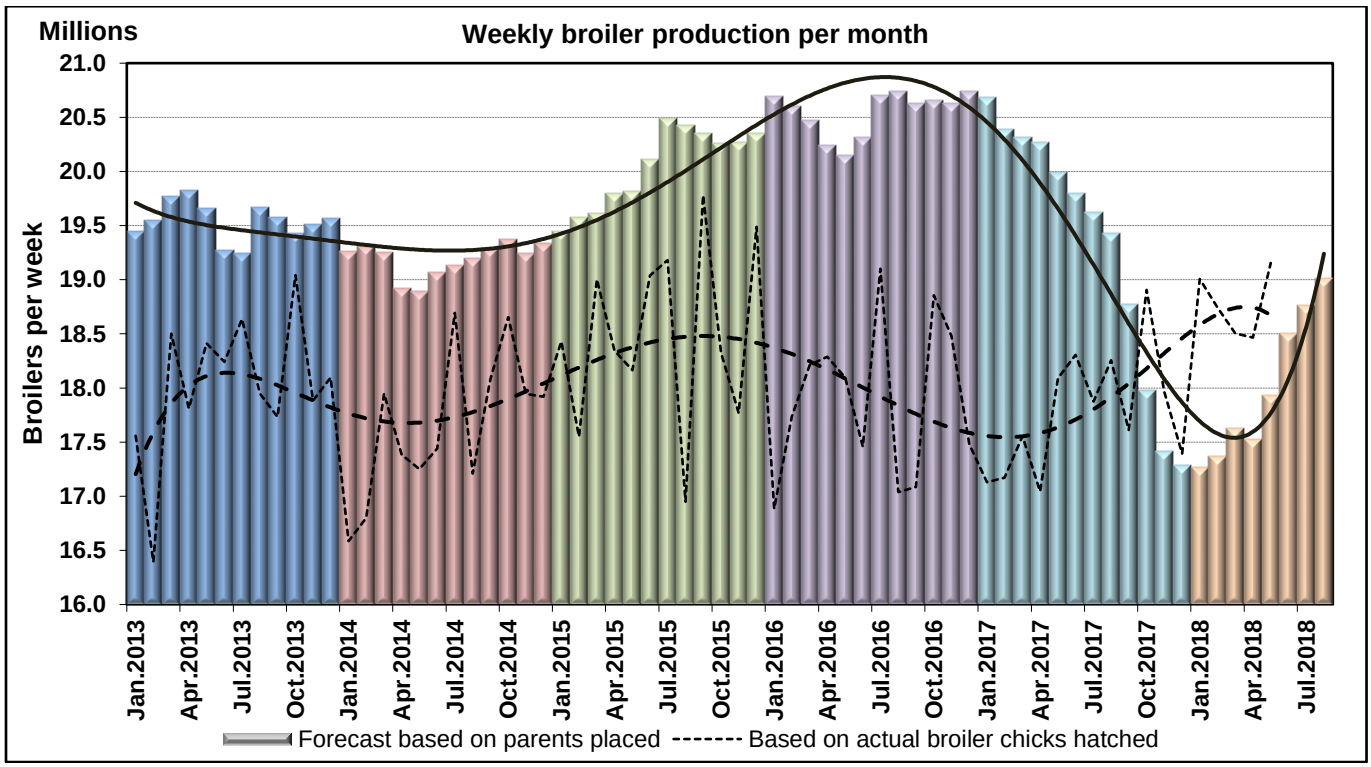
On average, 19.153 million broilers were produced per week in May 2018 (Graph 6). This was 0.687 million birds (+3.7%) more than the previous month and 1.062 million birds (+5.9%) more than the same month of the previous year.

In total 84.820 million broilers were produced for slaughter in the month under review.

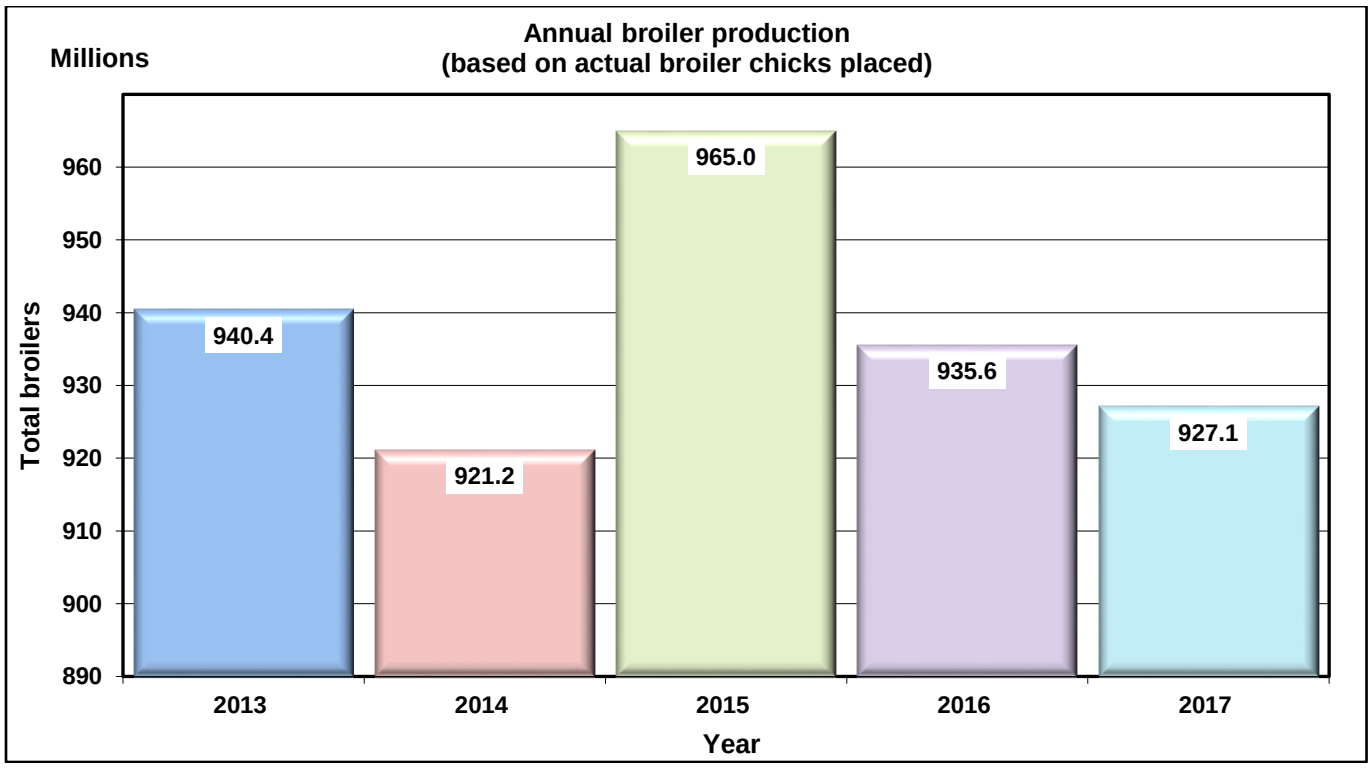
Annual broiler production, from 2013 to 2017, is shown in Graph 7. Annual average production per week for the same period is illustrated in Graph 8.

Industry Potential:

Potentially 17.929 million broilers per week were projected for slaughter in May 2018. Actual production per week was 6.8% more.

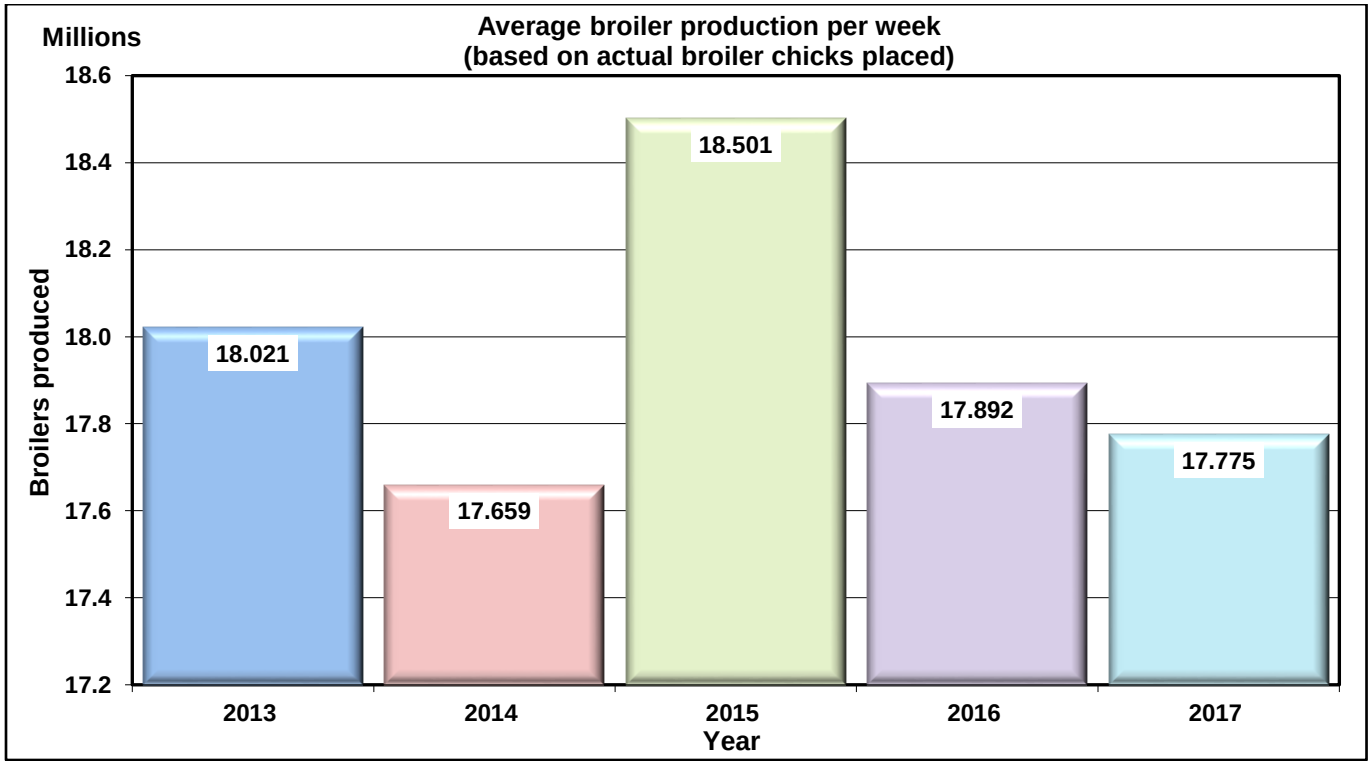


GRAPH 6: Average number of broilers slaughtered per week



GRAPH 7: The total number of broilers slaughtered per annum

Note: Graphs 7 and 8 reflect actual, not potential production, and must therefore be viewed in conjunction with the dashed trend line on Graph 6.



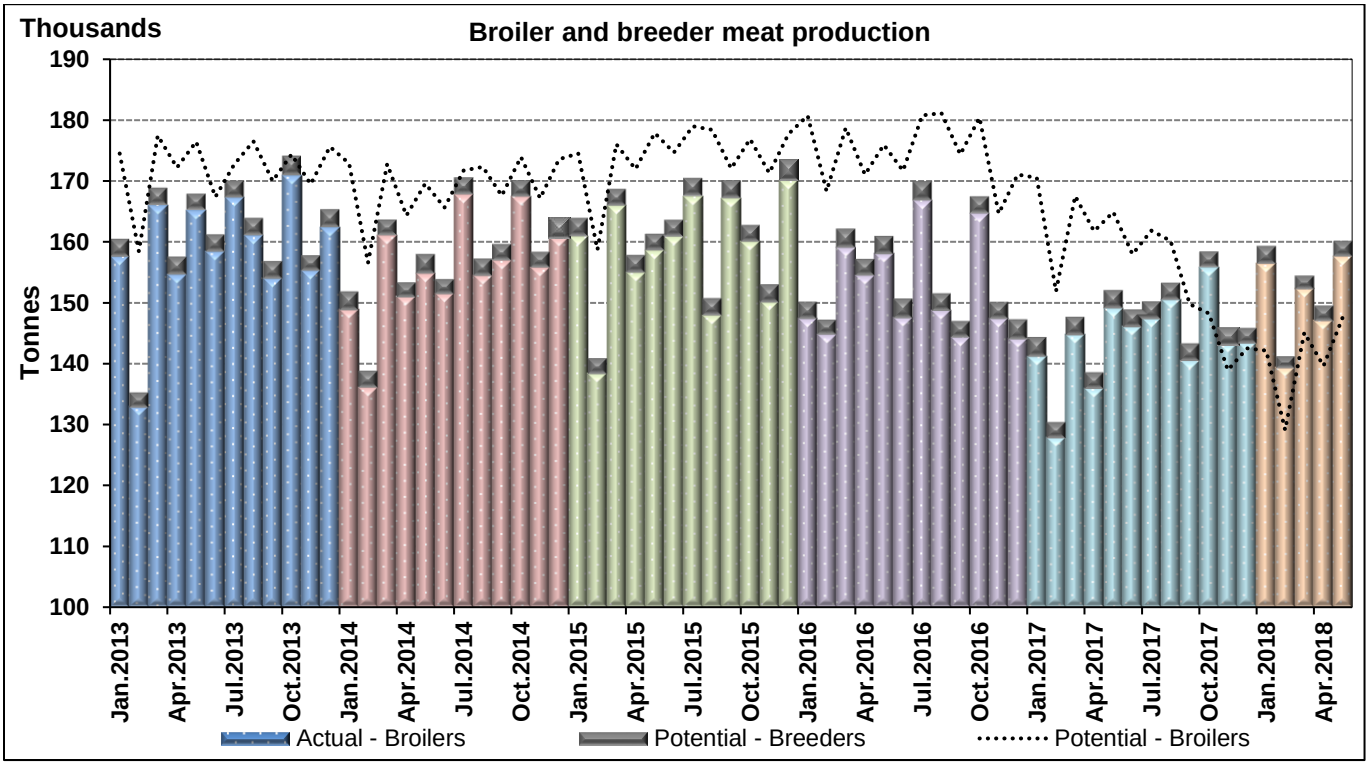
GRAPH 8: Average weekly production per annum

4. BROILER AND BREEDER MEAT PRODUCTION

The forecasting model predicted 2 600 tonnes would result from the culling of breeder hens and cocks in May 2018. This was 30 tonnes (+1.1%) more than April 2018, and 400 tonnes (-14.3%) less than May 2017.

Actual tonnes of broiler meat produced in May 2018 was 157 700. This was 10 600 tonnes (+7.2%) more than April 2018, and 8 500 tonnes (+5.7%) more than May 2017. Actual production was 10 100 tonnes (+6.8%) more than that which was predicted by the forecasting model for May 2018.

Broiler and breeder meat combined resulted in 160 200 tonnes in May 2018. Graph 9 compares potential (dotted line) to actual broiler meat production. All breeder sales are assumed to be live, whilst a broiler slaughter weight of 1.8 kg, revised from 1.85 kg in July 2015, was used. Total broiler meat production includes all saleable offal.



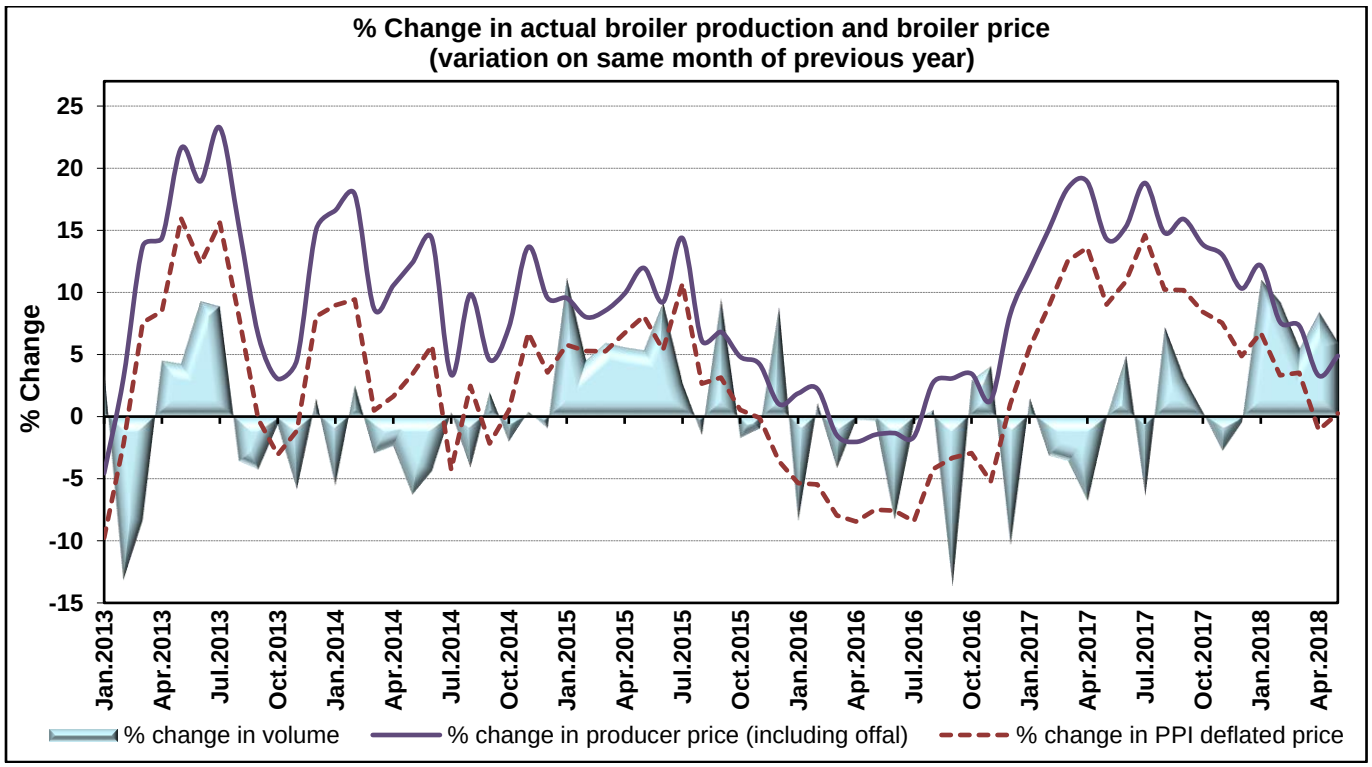
GRAPH 9: Monthly meat production of broilers and breeders

5. BROILER VOLUME AND PRICE

Graph 10 shows the relationships between year-on-year changes in volumes, producer price and the PPI deflated price. A % change > 0 indicates growth in the current month compared to the same month of the previous year.

It must be pointed out that the PPI, as published by STATS SA and used to calculate the deflated price, is an indicator of the general change in production costs in South Africa, not specifically poultry costs.

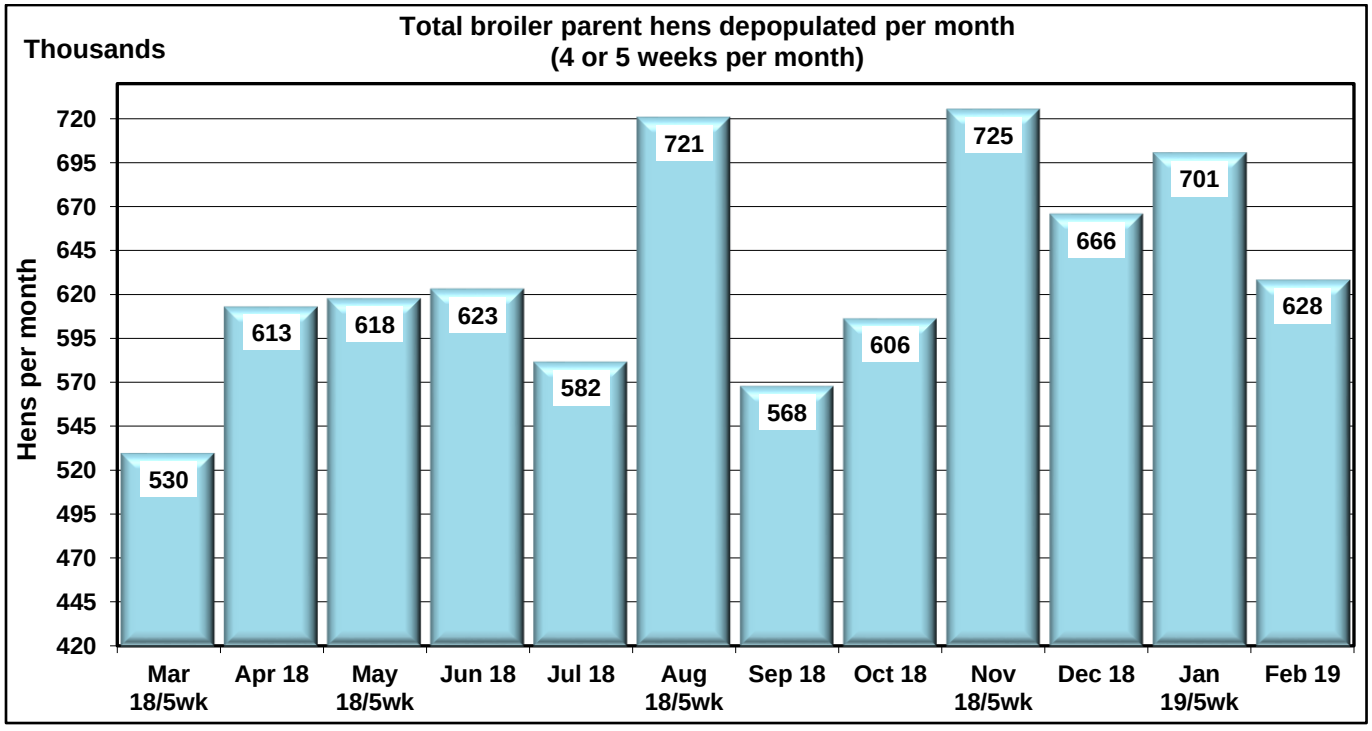
The PPI deflated price (the red dotted line on Graph 10) is a measure of real producer price increases without the effect of inflation.



GRAPH 10: Year on year % change in supply and price

6. DEPOPULATION OF LAYERS

Graph 11 shows the number of broiler breeder hens expected to be culled on a monthly basis. In August 2018, 720 800 old hens were predicted to be depopulated from broiler breeder farms.



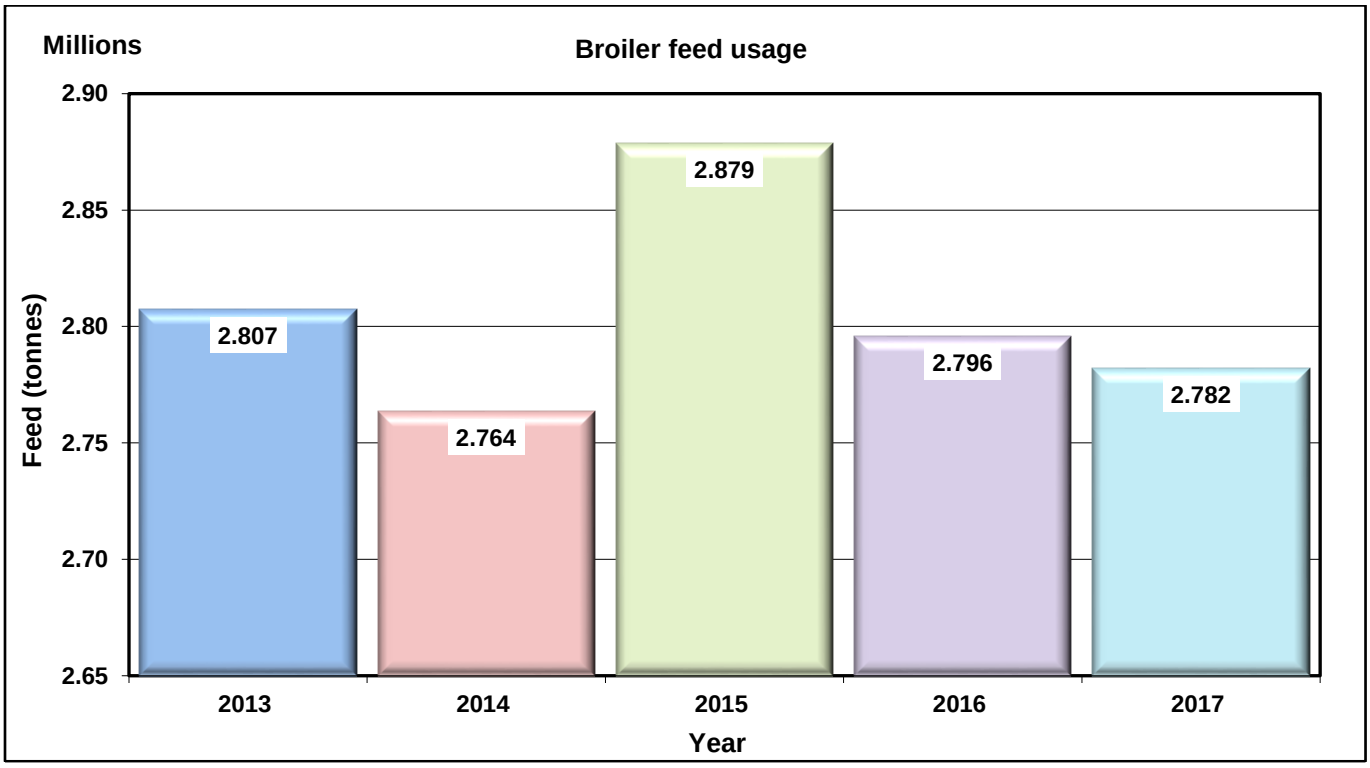
GRAPH 11: Monthly depopulation of broiler parent hens at 61 weeks of age

7. FEED USAGE

The estimated feed tonnages for May 2018 are as follows:

- Broiler breeder rearing: 7 600 tonnes;
- Broiler breeder laying: 34 400 tonnes;
- Broiler: 250 300 tonnes.

Graph 12 shows the estimated annual consumption of broiler feed.



GRAPH 12: Annual feed consumed by broilers

The industry statistics are summarised in the Key Results table below:

BROILER INDUSTRY : KEY RESULTS - May 2018

	Hatch days	Calendar Days	Day-old parent pullets placed		Breeder hens	Actual broiler chicks placed		Actual broilers slaughtered	
Month on Month	**/Month**	**/Month**	**/Month**	**/Week**	**Average**	**/Month**	**/Week**	**/Month**	**/Week**
May 2018	18	31	816 163	181 370	6 536 884	86 820 785	19 293 508	84 819 903	19 152 881
April 2018	17	30	637 449	149 988	6 434 574	86 877 645	20 441 799	79 139 400	18 465 860
Change			178 714	31 382	102 310	-56 860	-1 148 291	5 680 503	687 021
% Change			28.04%	20.92%	1.59%	-0.07%	-5.62%	7.18%	3.72%
Year on Year	**/Month**	**/Month**	**/Month**	**/Week**	**Average**	**/Month**	**/Week**	**/Month**	**/Week**
May 2018	18	31	816 163	181 370	6 536 884	86 820 785	19 293 508	84 819 903	19 152 881
May 2017	18	31	677 821	150 627	6 706 427	87 072 818	19 349 515	80 117 898	18 091 138
Change			138 342	30 743	-169 543	-252 033	-56 007	4 702 005	1 061 743
% Change			20.41%	20.41%	-2.53%	-0.29%	-0.29%	5.87%	5.87%
Full year forecast	**/Year**	**/Year**	**/Year**	**/Week**	**Average**	**/Year**	**/Week**	**/Year**	**/Week**
Jan>Dec 2017	208	365	8 828 675	169 941	6 491 043	988 681 466	19 026 965	927 147 249	17 775 458
Jan>Dec 2016	209	366	9 302 492	178 244	7 095 720	991 136 544	18 971 727	935 572 025	17 891 883
Change			-473 817	-8 303	-604 676	-2 455 078	55 238	-8 424 776	-116 425
% Change			-5.09%	-4.66%	-8.52%	-0.25%	0.29%	-0.90%	-0.65%
YTD forecast	**/Period**	**/Period**	**/Period**	**/Week**	**Average**	**/Period**	**/Week**	**/Period**	**/Week**
Jan>May 2018	87	151	3 594 151	164 781	6 290 891	428 533 032	19 707 131	405 038 398	18 773 930
Jan>May 2017	86	151	3 486 114	162 535	6 868 378	402 315 710	18 730 401	375 439 595	17 397 621
Change			108 037	2 246	-577 486	26 217 322	976 730	29 598 804	1 376 309
% Change			3.10%	1.38%	-8.41%	6.52%	5.21%	7.88%	7.91%

NOTE:

Month or Period: Refers to a calendar month or period

Week: Refers to an average 7 day week of which all 7 days fall within the specified month or period

APPENDIX A

BROILER BREEDER PRODUCTION STANDARDS

2013 STANDARDS

Below, please find the approved 2013 standards as agreed upon at the Chick Producer Organisation Meeting held on 15 August 2013.

PARAMETERS : 2013

Ind.surv.rate : Par.Rearing (20Wk) 0.9440

Ind.surv.rate : Par.Laying (61Wk) 0.9178

	Henday Production						Hen housed Production						
Age (weeks)	ROL %	Total eggs/wk	Hatching Eggs %	Eggs set per hen	Hatch %	Chicks/ Hen	ROL %	Total eggs/wk	Eggs set per hen	Chicks/ Hen	Cum. chicks/ Hen	Survival rate	Mort.rate /week
0													
20												0.9987	0.0013
21												0.9972	0.0014
22	0.08	0.01					0.08	0.01				0.9957	0.0015
23	2.27	0.16					2.26	0.16				0.9943	0.0014
24	16.05	1.12					15.94	1.12				0.9927	0.0016
25	29.21	2.04	42.36%	0.87	73.4%		28.94	2.03	0.86			0.9907	0.0020
26	55.04	3.85	72.33%	2.79	76.9%		54.41	3.81	2.75			0.9885	0.0022
27	73.59	5.15	80.18%	4.13	79.9%		72.56	5.08	4.07			0.9861	0.0024
28	82.28	5.76	84.91%	4.89	83.6%	0.64	80.94	5.67	4.81	0.63	0.63	0.9837	0.0024
29	84.89	5.94	88.91%	5.28	85.7%	2.14	83.30	5.83	5.18	2.12	2.75	0.9813	0.0024
30	85.82	6.01	90.34%	5.43	86.6%	3.30	84.01	5.88	5.31	3.25	6.00	0.9789	0.0024
31	86.07	6.03	91.39%	5.51	87.5%	4.09	84.05	5.88	5.38	4.02	10.02	0.9765	0.0024
32	85.00	5.95	91.85%	5.47	87.8%	4.53	82.81	5.80	5.32	4.44	14.46	0.9742	0.0023
33	83.92	5.87	92.37%	5.43	88.5%	4.70	81.56	5.71	5.27	4.60	19.06	0.9719	0.0023
34	82.30	5.76	92.94%	5.35	88.1%	4.82	79.80	5.59	5.19	4.71	23.77	0.9696	0.0023
35	81.51	5.71	93.27%	5.32	88.4%	4.80	78.85	5.52	5.15	4.67	28.44	0.9673	0.0023
36	80.65	5.65	93.56%	5.28	88.2%	4.80	77.83	5.45	5.10	4.67	33.11	0.9651	0.0022
37	78.75	5.51	93.53%	5.16	87.8%	4.72	75.83	5.31	4.96	4.58	37.68	0.9629	0.0022
38	78.33	5.48	93.47%	5.13	87.0%	4.70	75.26	5.27	4.92	4.55	42.23	0.9607	0.0022
39	77.03	5.39	93.56%	5.05	87.8%	4.66	73.84	5.17	4.84	4.49	46.73	0.9586	0.0021
40	75.64	5.30	93.67%	4.96	87.4%	4.52	72.35	5.06	4.74	4.36	51.08	0.9565	0.0021
41	74.04	5.18	93.70%	4.86	87.2%	4.46	70.67	4.95	4.64	4.28	55.37	0.9544	0.0021
42	73.30	5.13	93.56%	4.80	87.1%	4.43	69.81	4.89	4.57	4.25	59.61	0.9524	0.0020
43	72.06	5.04	93.47%	4.71	86.4%	4.34	68.48	4.79	4.48	4.15	63.76	0.9503	0.0020
44	70.67	4.95	93.66%	4.63	85.6%	4.23	67.02	4.69	4.39	4.04	67.80	0.9484	0.0020
45	69.52	4.87	93.75%	4.56	85.0%	4.18	65.79	4.61	4.32	3.98	71.78	0.9464	0.0020
46	67.81	4.75	93.71%	4.45	84.8%	4.07	64.05	4.48	4.20	3.87	75.65	0.9445	0.0019
47	66.63	4.66	93.82%	4.38	84.0%	3.97	62.80	4.40	4.12	3.76	79.42	0.9426	0.0019
48	65.55	4.59	93.80%	4.30	83.3%	3.88	61.67	4.32	4.05	3.67	83.08	0.9407	0.0019
49	64.36	4.50	93.75%	4.22	82.7%	3.77	60.42	4.23	3.97	3.56	86.65	0.9389	0.0018
50	63.25	4.43	93.90%	4.16	82.7%	3.68	59.27	4.15	3.90	3.46	90.11	0.9371	0.0018
51	61.62	4.31	94.04%	4.06	81.6%	3.59	57.63	4.03	3.79	3.37	93.49	0.9353	0.0018
52	60.19	4.21	94.00%	3.96	80.9%	3.49	56.19	3.93	3.70	3.28	96.76	0.9335	0.0018
53	58.95	4.13	94.05%	3.88	80.5%	3.44	54.93	3.84	3.62	3.22	99.99	0.9317	0.0018
54	57.77	4.04	94.08%	3.80	80.2%	3.31	53.72	3.76	3.54	3.09	103.08	0.9300	0.0018
55	56.46	3.95	94.03%	3.72	79.6%	3.20	52.40	3.67	3.45	2.99	106.07	0.9282	0.0017
56	55.30	3.87	93.99%	3.64	78.6%	3.12	51.23	3.59	3.37	2.91	108.98	0.9265	0.0017
57	54.37	3.81	94.19%	3.58	78.4%	3.05	50.28	3.52	3.31	2.84	111.82	0.9247	0.0017
58	53.08	3.72	94.20%	3.50	77.0%	2.96	48.99	3.43	3.23	2.75	114.56	0.9230	0.0017
59	51.26	3.59	94.22%	3.38	75.7%	2.86	47.23	3.31	3.11	2.65	117.21	0.9212	0.0017
60	49.33	3.45	94.00%	3.25	70.4%	2.81	45.36	3.18	2.98	2.60	119.81	0.9195	0.0017
61	47.85	3.35	94.03%	3.15	68.1%	2.70	43.92	3.07	2.89	2.49	122.30	0.9178	0.0017
62	46.14	3.23	93.89%	3.03	67.0%	2.56	42.27	2.96	2.78	2.36	124.66	0.9160	0.0017
63	44.47	3.11	93.79%	2.92	64.7%	2.28	40.65	2.85	2.67	2.10	126.76	0.9143	0.0017
64	42.79	3.00	93.69%	2.81	62.5%	2.15	39.05	2.73	2.56	1.97	128.73	0.9126	0.0017
65						2.03				1.86	130.59		
66						1.89				1.73	132.31		
67						1.75				1.60	133.92		
100													
60 weeks				**157.87**		**132.78**		**166.08**	**150.62**	**126.76**			**8.05**
61 Weeks		**177.23**		**161.02**		**134.93**		**169.15**	**153.51**	**128.73**			**8.22**
63 weeks													
64 Weeks		**186.57**						**177.69**					

APPENDIX B - WEEKLY SCHEDULE

Weekly schedule for 2017

Week no.	Starting Monday	Reporting month	Weeks/ month
1	02-Jan-17	January	5
2	09-Jan-17	2017	
3	16-Jan-17		
4	23-Jan-17		
5	30-Jan-17		
6	06-Feb-17	February	4
7	13-Feb-17	2017	
8	20-Feb-17		
9	27-Feb-17		
10	06-Mar-17	March	4
11	13-Mar-17	2017	
12	20-Mar-17		
13	27-Mar-17		
14	03-Apr-17	April	4
15	10-Apr-17	2017	
16	17-Apr-17		
17	24-Apr-17		
18	01-May-17	May	5
19	08-May-17	2017	
20	15-May-17		
21	22-May-17		
22	29-May-17		
23	05-Jun-17	June	4
24	12-Jun-17	2017	
25	19-Jun-17		
26	26-Jun-17		
27	03-Jul-17	July	5
28	10-Jul-17	2017	
29	17-Jul-17		
30	24-Jul-17		
31	31-Jul-17		
32	07-Aug-17	August	4
33	14-Aug-17	2017	
34	21-Aug-17		
35	28-Aug-17		
36	04-Sep-17	September	4
37	11-Sep-17	2017	
38	18-Sep-17		
39	25-Sep-17		
40	02-Oct-17	October	5
41	09-Oct-17	2017	
42	16-Oct-17		
43	23-Oct-17		
44	30-Oct-17		
45	06-Nov-17	November	4
46	13-Nov-17	2017	
47	20-Nov-17		
48	27-Nov-17		
49	04-Dec-17	December	4
50	11-Dec-17	2017	
51	18-Dec-17		
52	25-Dec-17		

Weekly schedule for 2018

Week no.	Starting Monday	Reporting month	Weeks/ month
1	01-Jan-18	January	5
2	08-Jan-18	2018	
3	15-Jan-18		
4	22-Jan-18		
5	29-Jan-18		
6	05-Feb-18	February	4
7	12-Feb-18	2018	
8	19-Feb-18		
9	26-Feb-18		
10	05-Mar-18	March	4
11	12-Mar-18	2018	
12	19-Mar-18		
13	26-Mar-18		
14	02-Apr-18	April	5
15	09-Apr-18	2018	
16	16-Apr-18		
17	23-Apr-18		
18	30-Apr-18		
19	07-May-18	May	4
20	14-May-18	2018	
21	21-May-18		
22	28-May-18		
23	04-Jun-18	June	4
24	11-Jun-18	2018	
25	18-Jun-18		
26	25-Jun-18		
27	02-Jul-18	July	5
28	09-Jul-18	2018	
29	16-Jul-18		
30	23-Jul-18		
31	30-Jul-18		
32	06-Aug-18	August	4
33	13-Aug-18	2018	
34	20-Aug-18		
35	27-Aug-18		
36	03-Sep-18	September	4
37	10-Sep-18	2018	
38	17-Sep-18		
39	24-Sep-18		
40	01-Oct-18	October	5
41	08-Oct-18	2018	
42	15-Oct-18		
43	22-Oct-18		
44	29-Oct-18		
45	05-Nov-18	November	4
46	12-Nov-18	2018	
47	19-Nov-18		
48	26-Nov-18		
49	03-Dec-18	December	5
50	10-Dec-18	2018	
51	17-Dec-18		
52	24-Dec-18		
53	31-Dec-18		