

COUNTRY:

BOTSWANA

BROILER INDUSTRY:

YEAR: 2015

Quarter	AVERAGE NETT DAY OLD BROILER CHICK PLACEMENTS PER WEEK (add imports and subtract exports)	AVERAGE WEEKLY BROILER PRODUCTION (Slaughtering)	AVERAGE WEEKLY BROILER BFEEDER END OF LAY CULLS (Live sales)	AVERAGE PRODUCER PRICE NET REALISATION (PER KG)
JAN – MAR	575000	537625	4600	U\$2.01
APR – JUN	550000	506000	4200	U\$2.00
JUL – SEP				
OCT – DEC				
YEAR				

DEFINITION:

Net Sales Value (NSV):

- Invoiced price
- Less Volume discount.
- Less Settlement discount.
- Less Rebates (incl. advertising spent).
- Less any other discounts i.e. direct distribution etc.
- Less Secondary distribution
- Excl vat.

The NSV amount must be net, net income to the business

CURRENCY USED:

US Dollar

COUNTRY REPORT:

RECENT DEVELOPMENTS:

The Government has relaxed the control on the % of feed that can be imported. The level has increased from 30% of ones feed requirements for one month to 50% Red meat prices are high compared to poultry and the BMC is not managing to meet its export levels due to a shortage of animals of the veldt.

This can be mostly attributable to the debilitating effects of the severe drought experienced in Botswana over the last 3 years.

This has not only led to pressure on livestock production but is also having a huge effect on the economy as the Country is under very tight water rationing and business's cannot operate on certain days!

Coupled with the knock on electricity power outages from SA, business are finding times tough.

This is obviously affecting the disposable income within the Country

CONSUMER CONSUMPTION TRENDS:

The consumer still finds the 2kg IQF to be the product of choice.

However due to the low disposable income smaller unit weight portions are now becoming attractive to the consumer.

Having said the above it is amazing how the QSR's are trading well above budget with the exception of KFC who are in financial difficulty in Botswana. I do not believe this is market driven but rather a management issue.

The fresh market seems to remain fairly constant.

Beef and Chicken continue to be the main protein consumed with Goat and Pork being a very low preference choice to the consumer.

CURRENT ISSUES AND CHALLENGES:

As Botswana is a net importer of its entire animal feeds raw materials the Industry is very vulnerable to high prices on raw materials.

This is something the Industry is fully aware of and there is now a concerted effort for producers to source their own raw materials.

There are 2 broiler chick suppliers in the country with their own breeding and hatching facilities – Cobb and Ross.

Borders are blocked to any imports on broiler chicks.

INPUT COSTS:

As mentioned previously input costs remain high.

Broiler rations are higher priced than SA and average selling price of bulk feed per ton is U\$468.

Docs are sold for approximately U\$0.55

Other products such as vaccines, bedding, and cleaning chemicals are all much higher than can be purchased in SA as all these products are imported from SA

DISEASE:

Over the period under review there have been no problems with disease as most producers are cleaning out their facilities well and following vaccination programs.

Coupled with the strict preventative measures by government because of FMD outbreaks in the North there is very little movement of any livestock.

However this is now the time of year for NCD to raise its head!

ANIMAL HEALTH:

Health is good at present.

TRADE DEVELOPMENTS:

Botswana does not export any broiler meat.

However we do import various value added products that cannot be produced locally at present

OTHER:

Recently Rainbow is in the process of acquiring a share in Richmark Poultry, which is owned by Bokomo Botswana and the Brink Group.

EGG INDUSTRY:

YEAR: 2015

Quarter	AVERAGE NUMBER OF POINT OF LAYS PLACED PER WEEK	LAYING FLOCK IN LAY	AVERAGE PRODUCER PRICE PER DOZEN (AVERAGE OF ALL SIZES)
JAN – MAR		450000	U\$1.00
APR – JUN		475000	U\$1.00
JUL – SEP			
OCT – DEC			
YEAR			

CURRENCY USED: US Dollar

COUNTRY REPORT:

RECENT DEVELOPMENTS:

High cost of feed and little movement in the egg price is putting pressure on margins. There has been an increase in producers and in layer hens on the ground. Production levels remain very good through out the Country with average production running at 83.5%.

CONSUMER CONSUMPTION TRENDS:

Consumers' purchasing power has diminished over the period for reasons explained under the broiler report. However there is an increase in demand at present. Smaller pack size being the order of the day

CURRENT ISSUES AND CHALLENGES:

The continued importation of point of lays is a cause for concern. The quality and health status of the birds received leave a great deal to chance and if there is a problem they cannot be returned and there is little recourse on the supplier.

INPUT COSTS:

Costs of both point of lays and feed are a major cause for concern ranging from U\$5.00 to U\$7.00 a bird!

Feed cost is still substantially higher than SA

End of Lay Culls are in the main processed and sold in the retail trade for U\$3.50 each

DISEASE:

Flocks are generally healthy at present. However as Broiler producers this is now the time of year for NCD to raise its head

ANIMAL HEALTH:

As per the broiler report the Country is in a good state due to FMD restrictions

TRADE DEVELOPMENTS:

None at this stage

OTHER:

The large-scale producers are investing in state of the art production facilities at present