

BROILER INDUSTRY PRODUCTION REPORT: NOVEMBER 2017

- *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.

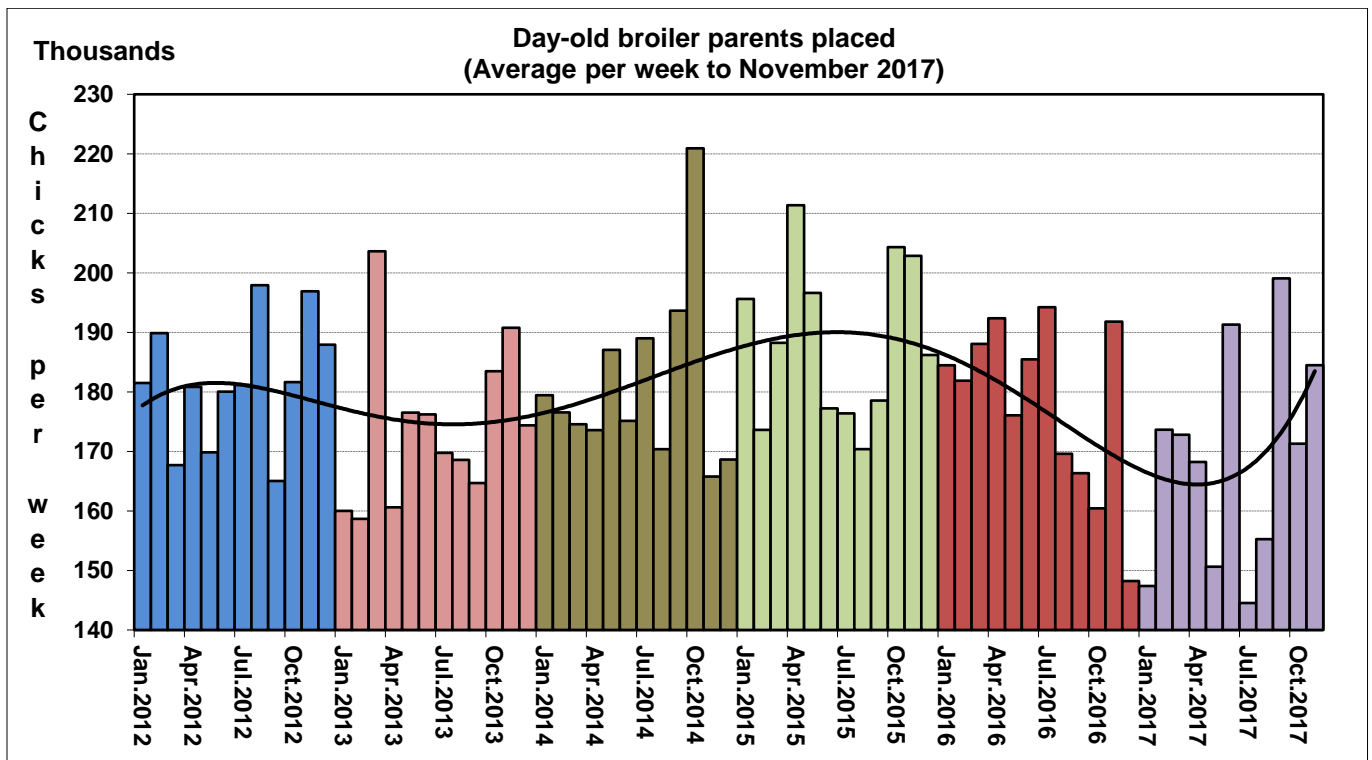
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1. BROILER BREEDERS

Day-old parent pullets placed

An average of 184 500 day-old parent pullets was placed per week in November 2017 (Graph 1). This was an increase of 13 200 parent pullets (+7.7%) compared to the previous month and a decrease of 7 300 parent pullets (-3.8%) compared to the same month of the previous year.

In total 784 000 day-old parent pullets were placed in November 2017; this was a month-on-month increase of 13 200 parent pullets (+1.7%) and a year-on-year decrease of 31 100 parent pullets (-3.8%).

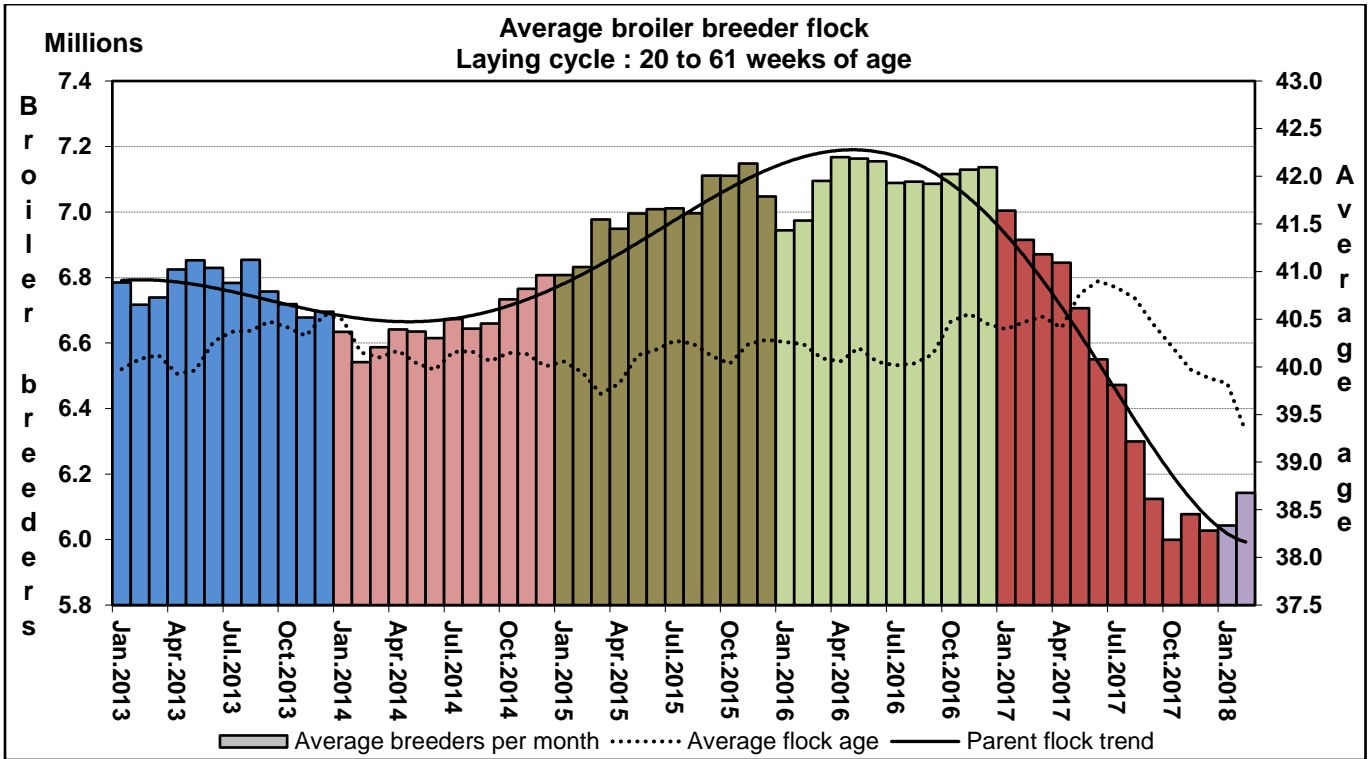


GRAPH 1: Day-old broiler female parents placed

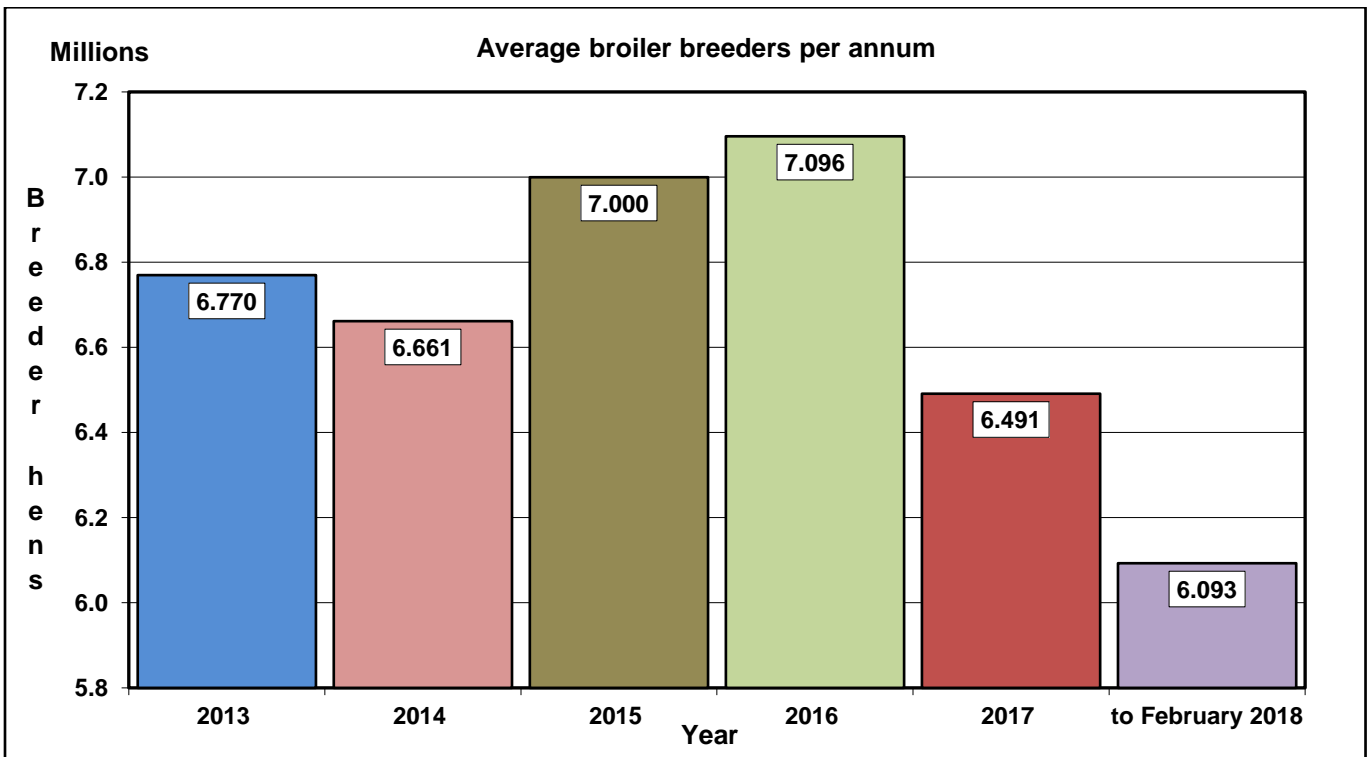
Broiler breeder flock

The average number of breeder hens for the month under review was 6.078 million (Graph 2). This was an increase of 78 200 hens (+1.3%) compared to October 2017, and a decrease of 1.052 million hens (-14.8%) compared to November 2016. The average age of the breeder flock was 40.0 weeks.

By February 2018 the breeder flock is expected to comprise 6.143 million hens; a 1.1% increase on November's figure. The average number of breeder hens for January to February of 2018 is forecasted to be 6.093 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:

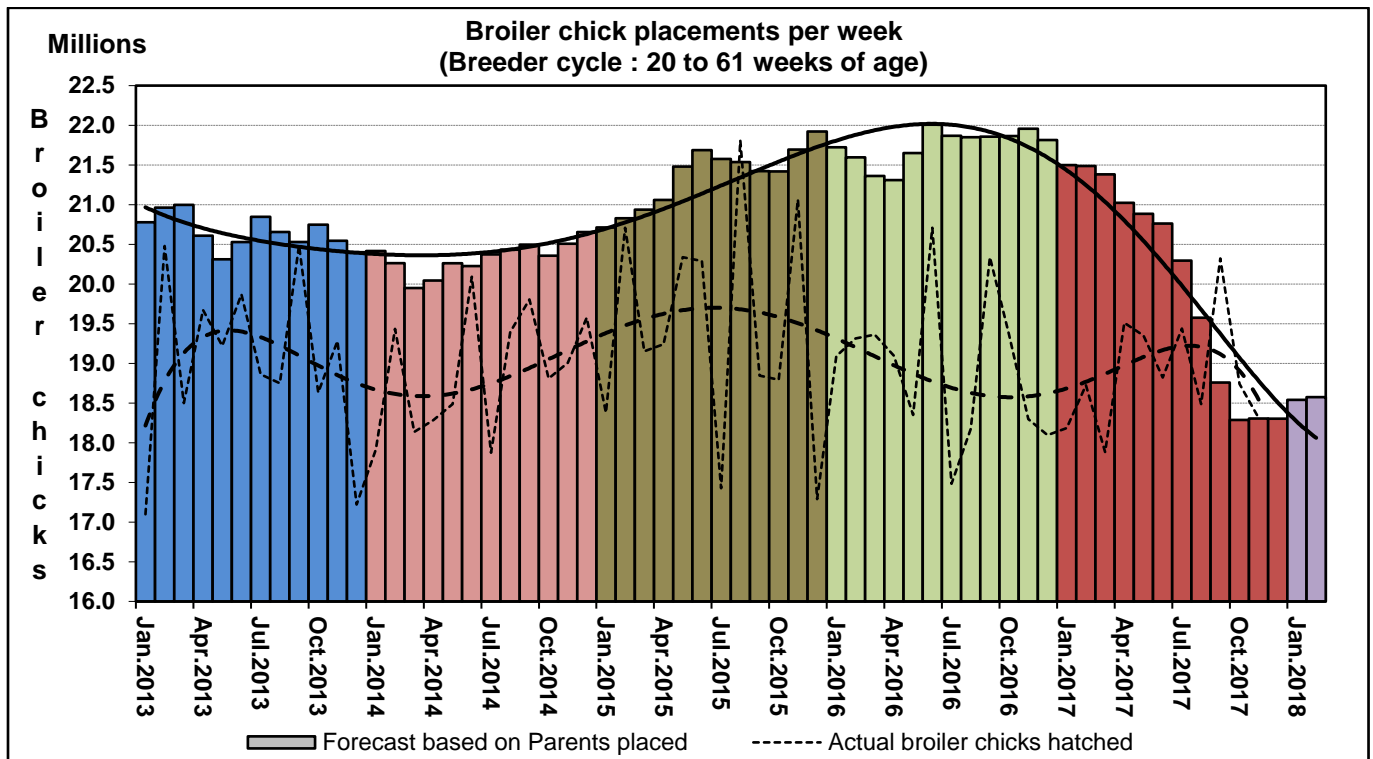
Broiler hatcheries produced 18.313 million day-old chicks per week in November 2017 (Graph 4, dotted line). Compared to October 2017 this was a decrease of 0.426 million chicks (-2.3%). Compared to November 2016 this was an increase of 0.016 million chicks (+0.1%).

In total 77.829 million broiler chicks were hatched during the month under review.

Annual broiler chick placements, from 2012 to 2016, are shown in Graph 5.

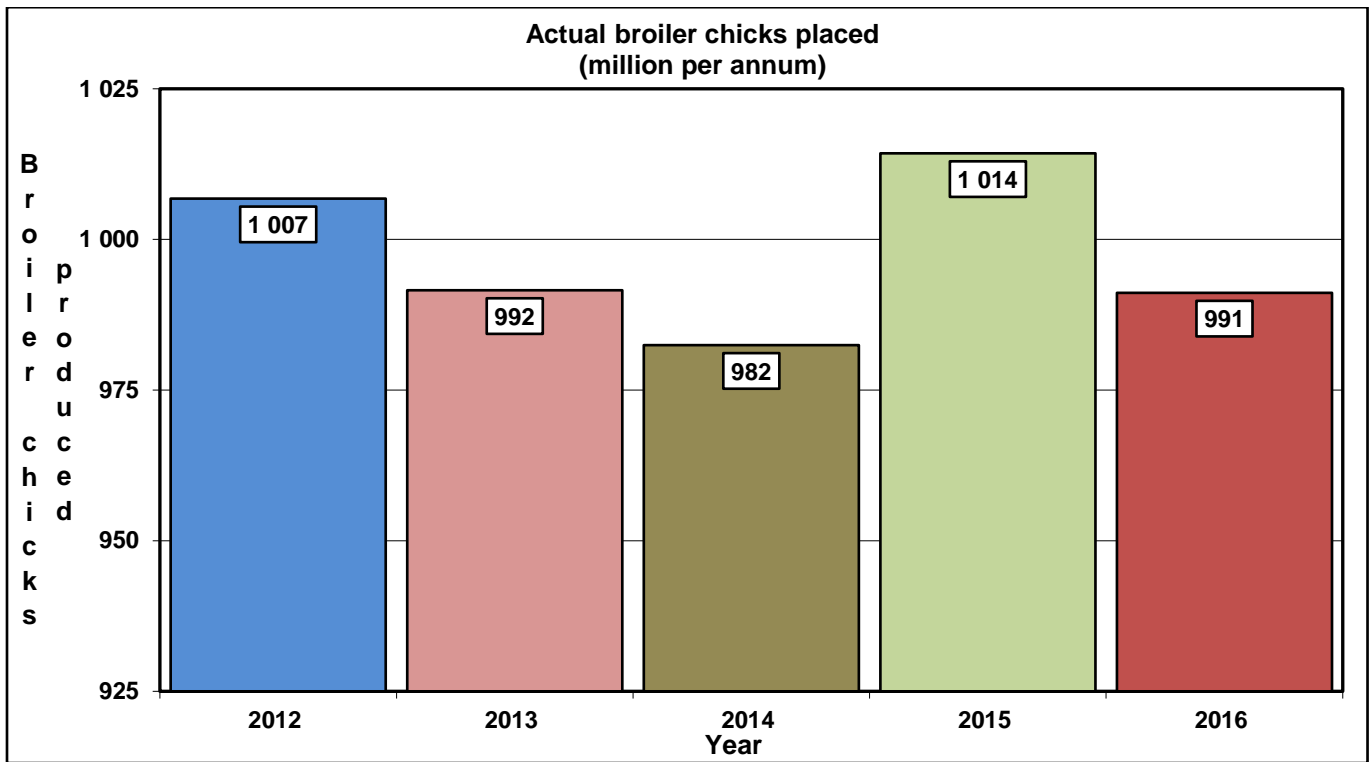
Industry Potential:

Based on the forecasting model, potential production of 18.305 million broiler chicks per week was projected for November 2017. Actual production was 8 100 chicks (+0.04%) higher than the potential figure (Graph 4).



GRAPH 4: Day-old chick placements per week

Note: Actual placements (the dashed trend line) show to November 2017; potential placements (based on the forecasting model) are given to February 2018.



GRAPH 5: Actual broiler chicks placed per annum

3. BROILER PRODUCTION

Actual production:

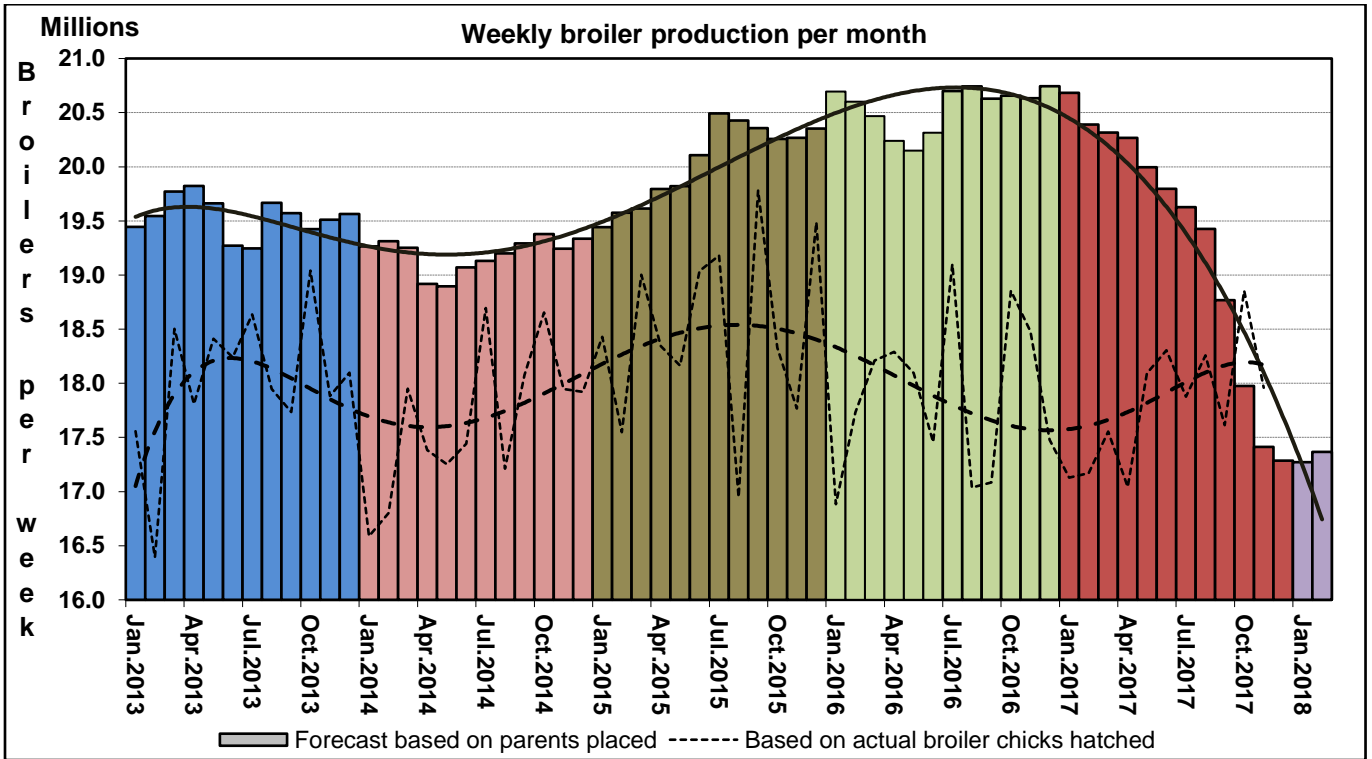
On average, 17.958 million broilers were produced per week in November 2017 (Graph 6). This was 0.897 million birds (-4.8%) less than the previous month and 0.522 million birds (-2.8%) less than the same month of the previous year.

In total 76.962 million broilers were produced for slaughter in the month under review.

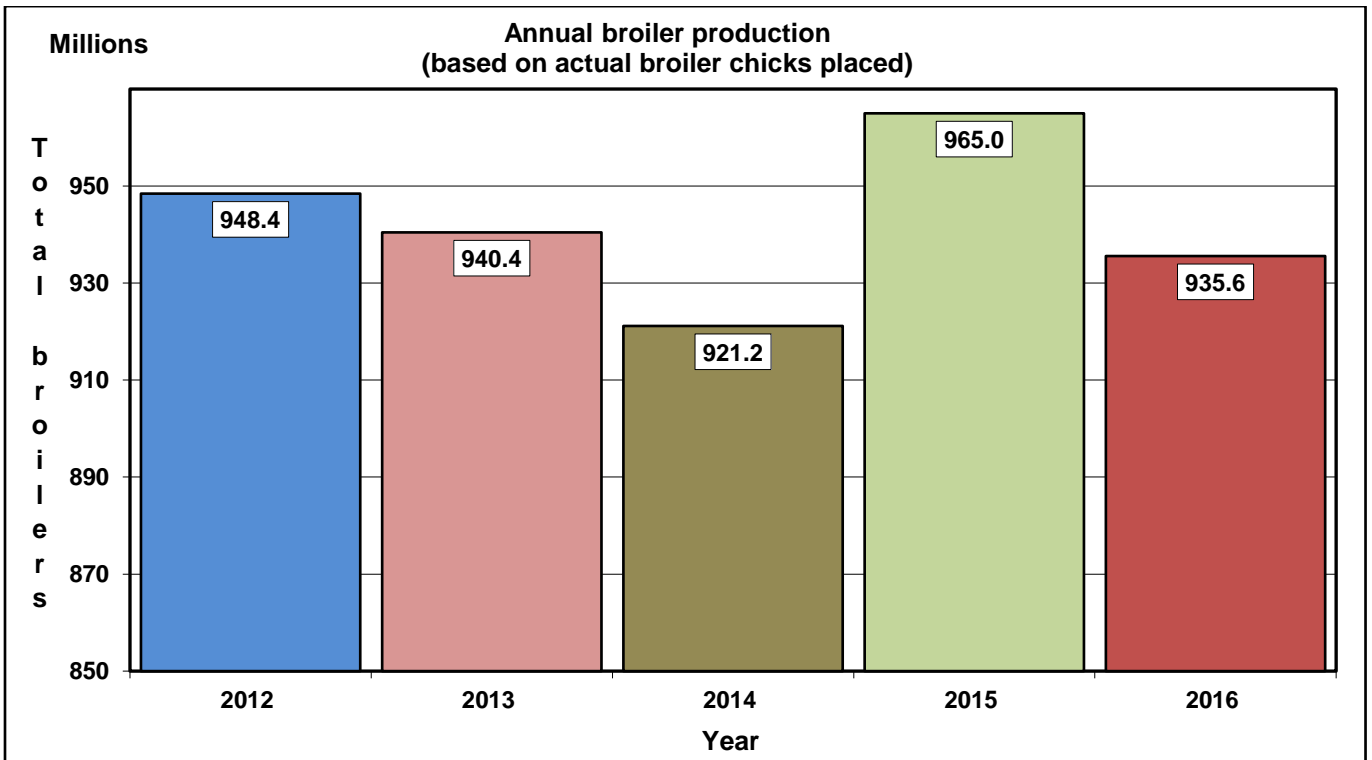
Annual broiler production, from 2012 to 2016, is shown in Graph 7. Annual average production per week for the same period is illustrated in Graph 8.

Industry Potential:

Potentially 17.412 million broilers per week were projected for slaughter in November 2017. Actual production per week was 3.1% more.

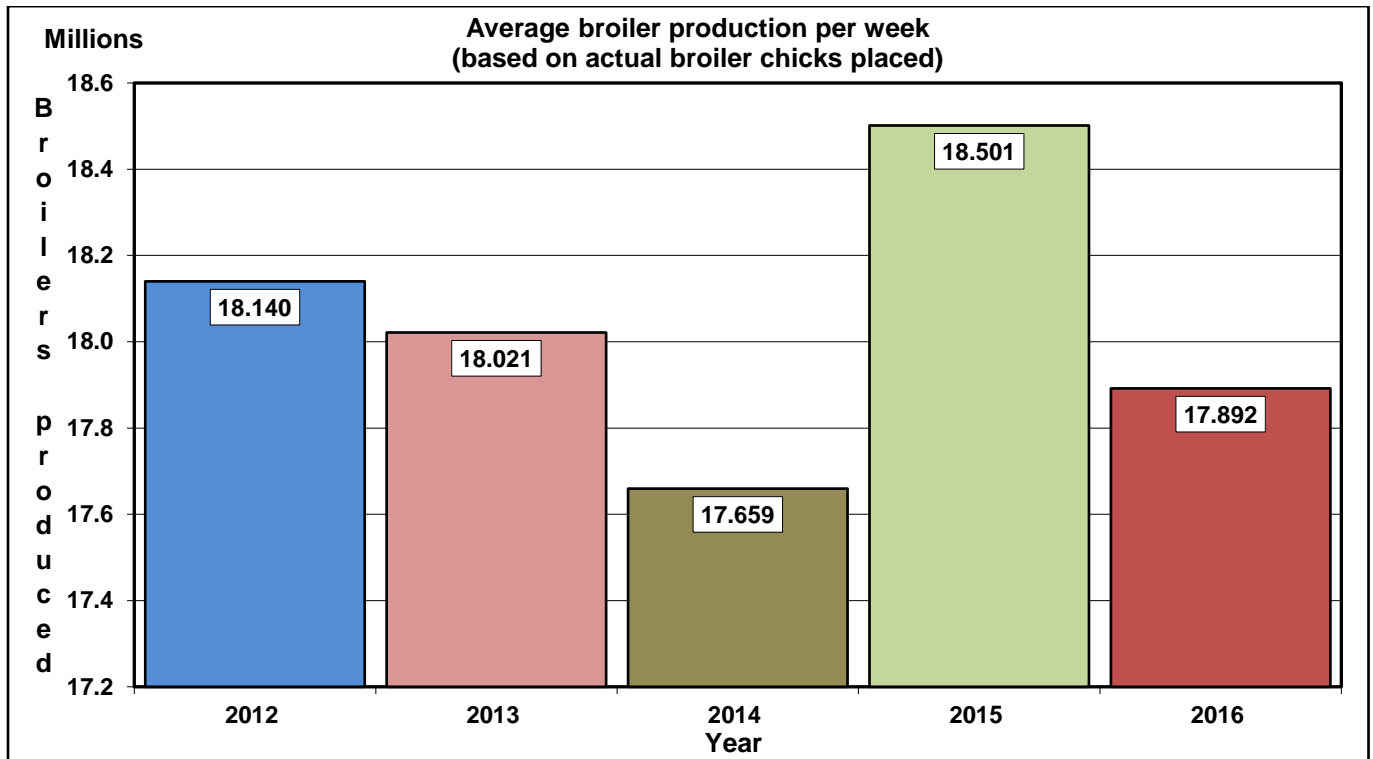


GRAPH 6: Average number of broilers slaughtered per week



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.



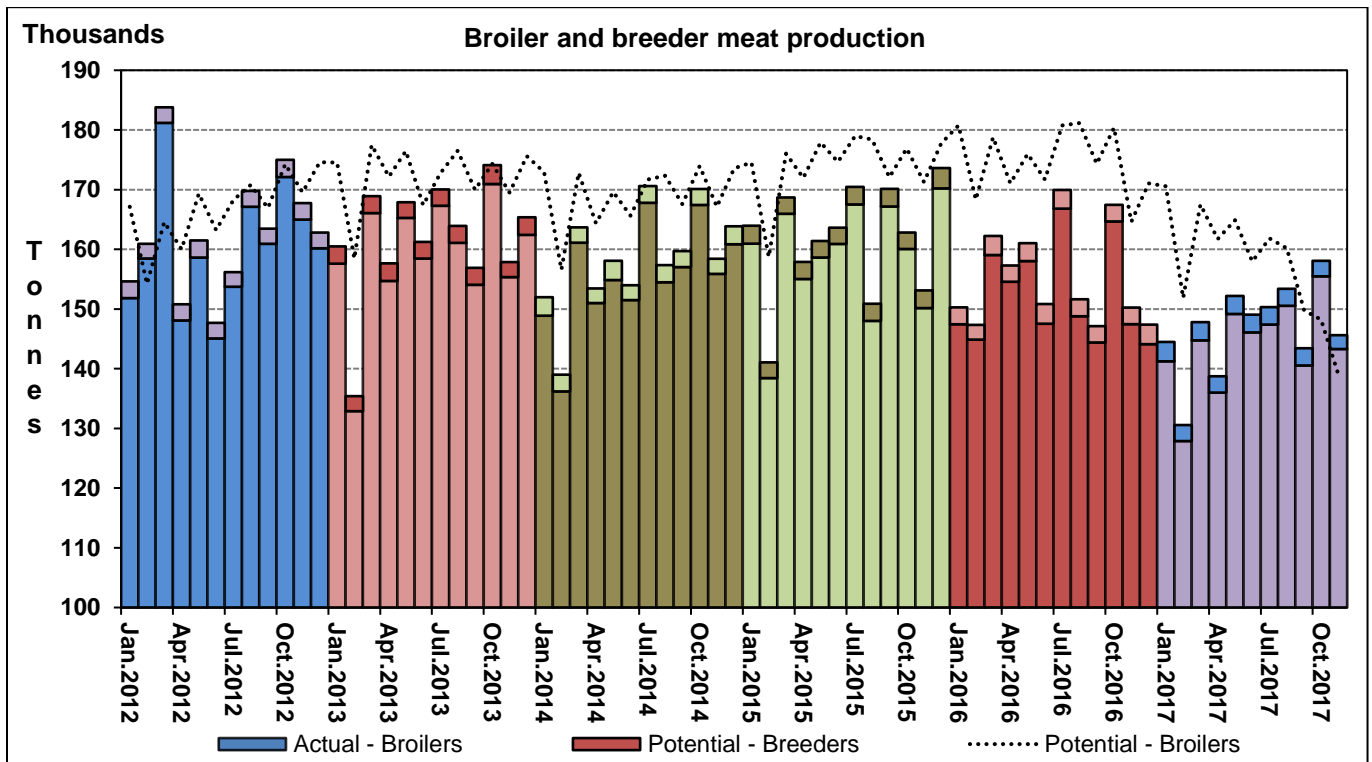
GRAPH 8: Average weekly production per annum

4. BROILER AND BREEDER MEAT PRODUCTION

The forecasting model predicted 2 320 tonnes would result from the culling of breeder hens and cocks in November 2017. This was 280 tonnes (-10.7%) less than October 2017, and 460 tonnes (-16.6%) less than November 2016.

Actual tonnes of broiler meat produced in November 2017 was 143 300. This was 12 200 tonnes (-7.8%) less than October 2017, and 4 200 tonnes (-2.8%) less than November 2016. Actual production was 4 400 tonnes (+3.1%) more than that which was predicted by the forecasting model for November 2017.

Broiler and breeder meat combined resulted in 145 600 tonnes in November 2017. Graph 9 illustrates the minor contribution of the parent stock to overall meat production, and compares potential (dotted line) to actual broiler 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.



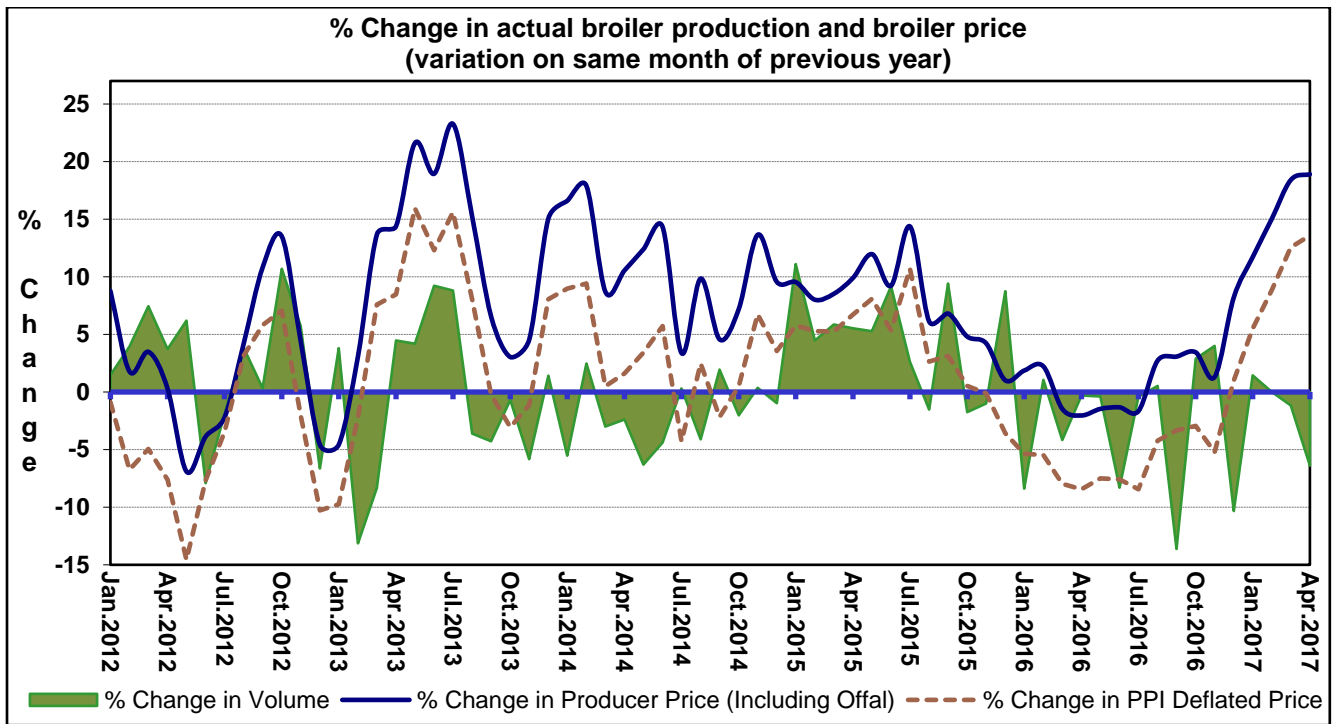
GRAPH 9: Monthly meat production of broilers and breeders

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. Insufficient producer price data has been collected since April 2017, hence this section of the report has not been updated.

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.

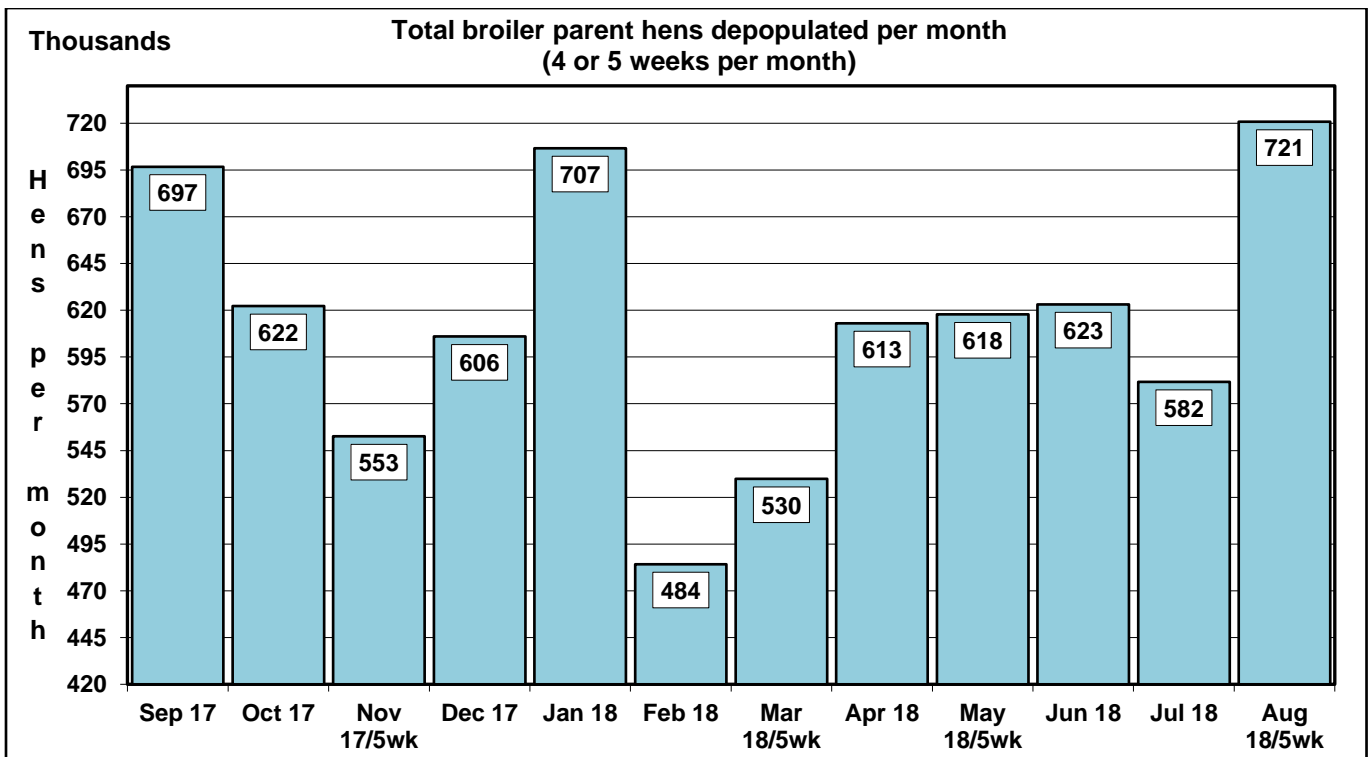
The PPI deflated price (the brown dotted line on Graph 10) is a measure of real producer price increases without the effect of inflation.



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 February 2018, 484 200 old hens will be depopulated from broiler breeder farms.



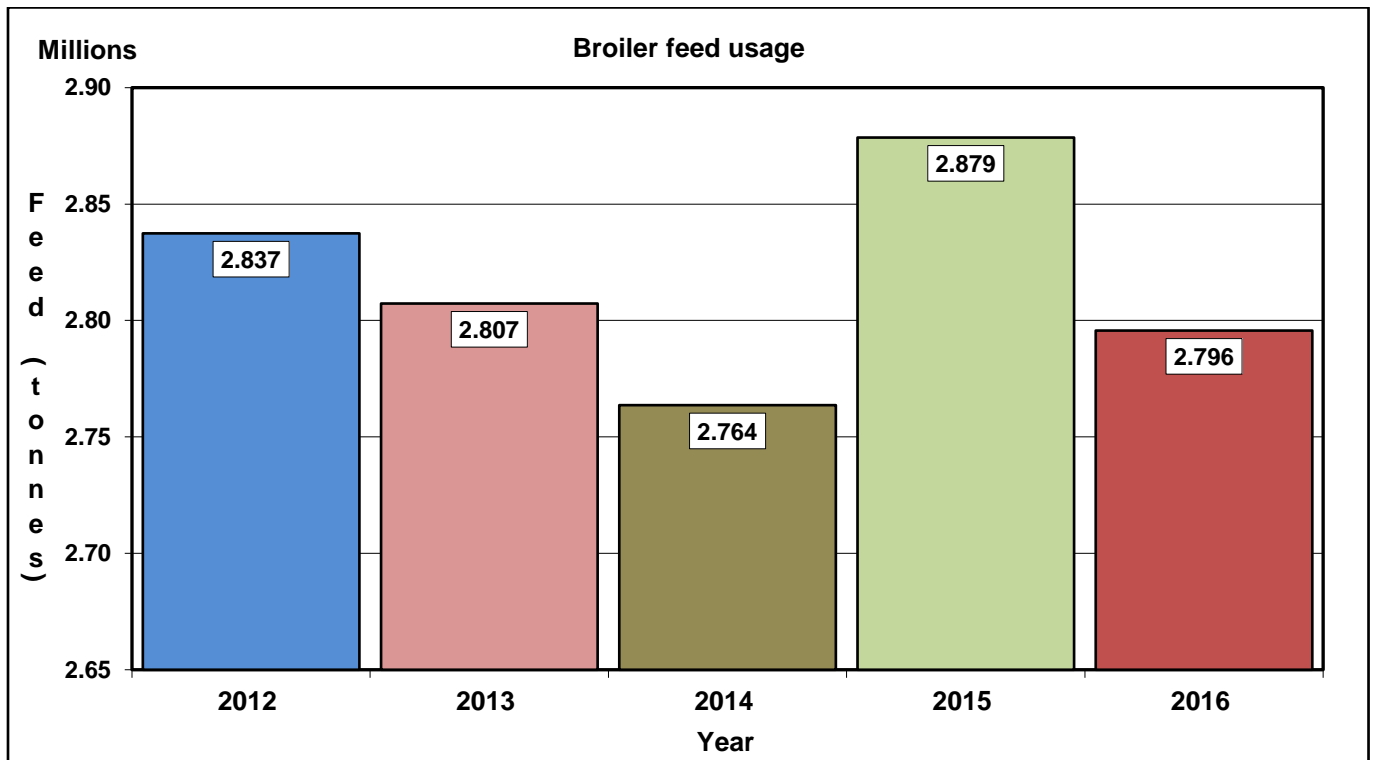
GRAPH 11: Monthly depopulation of broiler parent hens at 61 weeks of age

7. FEED USAGE

The estimated feed tonnages for November 2017 are as follows:

- Broiler breeder rearing: 7 666 tonnes;
- Broiler breeder laying: 30 868 tonnes;
- Broiler: 225 303 tonnes.

Graph 12 shows the estimated annual consumption of broiler feed.



GRAPH 12: Annual feed consumed by broilers

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

BROILER INDUSTRY : KEY RESULTS - November 2017

	Hatch days	Calendar Days	Day-old Parent pullets placed		Breeder hens	Actual Broiler Chicks placed		Broilers Slaughtered (based on actual chicks)	
Month on Month	/Month	/Month	/Month	/Week	Average	/Month	/Week	/Month	/Week
November 2017	17	30	784 047	184 482	6 077 555	77 828 750	18 312 647	76 961 948	17 957 788
October 2017	18	31	770 828	171 295	5 999 379	84 325 593	18 739 021	83 501 232	18 855 117
Change			13 219	13 187	78 177	-6 496 843	-426 374	-6 539 284	-897 329
% Change			1.71%	7.70%	1.30%	-7.70%	-2.28%	-7.83%	-4.76%
Year on Year	/Month	/Month	/Month	/Week	Average	/Month	/Week	/Month	/Week
November 2017	17	30	784 047	184 482	6 077 555	77 828 750	18 312 647	76 961 948	17 957 788
November 2016	17	30	815 153	191 801	7 129 462	77 762 876	18 297 147	79 198 336	18 479 612
Change			-31 106	-7 319	-1 051 906	65 874	15 500	-2 236 388	-521 824
% Change			-3.82%	-3.82%	-14.75%	0.08%	0.08%	-2.82%	-2.82%
Full year forecast	/Year	/Year	/Year	/Week	Average	/Year	/Week	/Year	/Week
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
Jan>Dec 2015	209	365	9 849 436	188 448	6 999 563	1 014 292 266	19 443 892	964 994 269	18 501 438
Change			-546 944	-10 204	96 157	-23 155 722	-472 165	-29 422 244	-609 555
% Change			-5.55%	-5.41%	1.37%	-2.28%	-2.43%	-3.05%	-3.29%
YTD forecast	/Period	/Period	/Period	/Week	Average	/Period	/Week	/Period	/Week
Jan>Nov 2017	191	334	8 060 790	168 965	6 533 190	901 347 136	18 888 566	849 853 277	17 804 702
Jan>Nov 2016	191	335	8 635 504	180 973	7 091 988	909 701 226	19 051 272	858 173 674	17 929 595
Change			-574 714	-12 009	-558 798	-8 354 090	-162 705	-8 320 397	-124 893
% Change			-6.66%	-6.64%	-7.88%	-0.92%	-0.85%	-0.97%	-0.70%

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

Age (weeks)	Henday Production						Hen housed Production					Survival rate	Mort.rate /week
	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		
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											130.59		
66											132.31		
67											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		