INTRODUCTION

NOTE: Unless otherwise stated, all prices exclude VAT.

We thank you for your continued contribution and participation in the subsistence and small commercial farmer survey. The stats reported here are dependent on each producer’s contribution, no matter how big or small, as the accuracy of the stats improves with each new participant. The information reported is three months in arrears to ensure that we comply with regulations set by the Competition Commission.

It must be stated that SAPA is a representative association and is not in a position to assist any producers financially. SAPA’s contribution to the producers is making this valuable information available to you to assist with benchmarking your business against others and planning for the future. Many local and international organisations, banks, government departments, research organisations and investment houses make use of our statistics to make strategic decisions about funding and research priorities based on the information that we supply.

Collection of statistics:

The data presented in this report is obtained from the analysis of the small-scale farmer survey results from July to September 2018. These farmers are largely former DPFO members who have been absorbed into the Egg and Broiler Organisations, following the restructuring at SAPA.

SAPA’s membership representation and size definitions are as follows:

<table>
<thead>
<tr>
<th>Subsistence Farmers</th>
<th>Small Commercial Farmers</th>
<th>Large Commercial Farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broilers</td>
<td>Less than 1 500 per cycle</td>
<td>1 500 - 40 000 per cycle</td>
</tr>
<tr>
<td>Eggs</td>
<td>1 - 499 hens</td>
<td>500 - 50 000 hens</td>
</tr>
</tbody>
</table>

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.
RECOMMENDATIONS FOR 3Q2018

Similarly to the last quarter, many broiler respondents expressed a desire to expand their businesses which is encouraging, however, a few respondents stated their lack of market, the large amount of competitors in their area, yet their desire to expand. It is important that the producers do a thorough investigation of the market in their area before embarking on any business venture and unless a viable market is available, expansion should not be considered.

It is vital to keep records and understand the input costs to avoid pricing your product too low. In the egg producers’ section of this report, the egg retail price and small-scale farmers’ price is given to guide the respondents in making one of the most critical decisions for the business – the value at which to sell the end product. Undoubtedly the input costs will vary from producer to producer, dependent on factors such as distance of farm to feed mill, whether feed is bought direct from the feed mill or from a co-op, or distance from point-of-lay pullet suppliers for example. The selling price will also be affected by supply and demand in the area, i.e. the prevailing market conditions. Large commercial producers experience these same variabilities in costs and selling price, as can be seen by the different retail value of eggs from town to town and province to province. However, it is helpful to know what competitors are being paid for their eggs, and in 3Q2018 the selling price of small-scale farmers ranged from R12.00 to R25.00 per dozen. Those producers achieving a price towards the lower end of the scale should do some market research to find out what other producers in their area are charging, and if it is indeed possible for them to raise their prices at all.

Another area of critical importance is managing feed stock and being aware of what your birds are consuming, not only from a financial perspective, but also as a means to monitor the health of your flocks. If you aren’t aware of what your birds are eating it is impossible to determine if you have a feed theft problem, or if you are experiencing excessive feed wastage, thus needing to keep tighter control of your feed stock. The comments sections are always filled with concern over the high feed cost, and some respondents often say that they lose all their profit due to the large feed bill they are having to pay. Feed represents approximately 60% of the input costs for egg producers and is certainly a commodity that needs to be well managed to avoid having it cut into the profit of the business. Feed intake is calculated in the egg producers’ section and is far below the average commercial recommended feed intake of between 110 to 120 grams per hen per day (g/hd). It is possible that some of the farmers are supplementary feeding, but it is concerning that some may not be aware of what their birds are eating, or are not providing sufficient feed to maintain their potential level of production.

For further suggestions and recommendations please see the conclusion at the bottom of this document.

SUMMARY OF INTERVIEWS DONE

Table 1 summarises the survey results. In total 370 farmers were interviewed, which includes those who reported to have resumed or stopped farming, and those who completed the questionnaire, but it excludes unreachable farmers. The number of farmers who have resumed farming is included in the number of complete questionnaires, as shown in the table below. This report has 43 interviews more (+13.1%) than the previous quarter. The percentage of farmers who stopped farming increased by 47.2% compared to the second quarter. A large majority of these respondents cited the cold weather as the reason for them temporarily stopping farming and an inability to locate stock was also a big contributing factor.

The surveys were conducted amongst producers from all provinces (Table 2), with the largest proportion concentrated in Gauteng (27.4%), Limpopo (27.1%) and KwaZulu-Natal (14.5%). Figure 1 is a map showing the distribution of layer and broiler survey respondents for the third quarter.
Table 1: Survey results for 3Q2018

<table>
<thead>
<tr>
<th>Interview responses</th>
<th>3Q2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Farmers interviewed: 2Q2018</td>
</tr>
<tr>
<td>Broiler farmers</td>
<td>226</td>
</tr>
<tr>
<td>Egg farmers</td>
<td>66</td>
</tr>
<tr>
<td>Broiler contract growers</td>
<td>27</td>
</tr>
<tr>
<td>Broiler hatcheries</td>
<td>4</td>
</tr>
<tr>
<td>Broiler abattoirs</td>
<td>4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>327</strong></td>
</tr>
</tbody>
</table>

*Includes number of farmers who resumed farming

Table 2: The provincial representation of survey respondents

<table>
<thead>
<tr>
<th>Province</th>
<th>No. of complete questionnaires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gauteng</td>
<td>87</td>
</tr>
<tr>
<td>Limpopo</td>
<td>86</td>
</tr>
<tr>
<td>Free State</td>
<td>18</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>31</td>
</tr>
<tr>
<td>North West</td>
<td>14</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>13</td>
</tr>
<tr>
<td>Western Cape</td>
<td>6</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>16</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>46</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>317</strong></td>
</tr>
</tbody>
</table>
Figure 1: Distribution of layer and broiler survey respondents in South Africa

1. Hatcheries

There were three hatchery respondents, one respondent resumed their operation in 3Q, while another suspended their operation from 2Q; the reason given for temporary closure of the facility was a battle to source fertile eggs. All three hatcheries were owned or managed by men. Two hatcheries were located in KwaZulu-Natal and one in the Eastern Cape, as shown in Figure 2.

One hatchery produced day-old broiler chicks and two hatched day-old pullets. All three of the hatcheries produced their own fertile hatching eggs from breeding stock, and one hatchery also bought fertile eggs in. Unfortunately there were insufficient respondents to report on the broiler chick and day-old pullet data separately.
BROILER FARMERS

2. Broiler Producers

Of the 217 broiler farm owners, 145 were women and 72 were men. There were 14 more respondents (+6.9%) this quarter. There were however 39 respondents interviewed that stopped farming, 33.3% of these respondents experience a very high mortality in winter and chose not to place chicks, and a further 20.5% of these were due to the farmers being unable to source day-old chicks. Other reasons given were personal problems, renovation of their structure, insufficient funds to resume farming and a disease problem.

The broiler farms were located in Limpopo (65), Gauteng (53), KwaZulu-Natal (43), Mpumalanga (17), Free State (13), Eastern Cape (12), Northern Cape (6), North West (6) and Western Cape (2), as shown in Figure 3.
Day-old chicks:

The weighted average purchase price of a day-old chick in 3Q2018 was R7.36. In total, 313 300 chicks were placed per cycle on broiler farms during 3Q; an average of 1 440 per farmer. The total number of birds on the farms at the time of the questionnaire was 260 100; an average of 1 200 per farm. These birds were grown in 680 houses which equates to an average of three houses per farm.

The total capacity of the broiler farms was 726 700 birds. Since 260 100 birds were on farms, only 35.8% of the capacity was used. Although members should attempt to use their available facilities more effectively, thereby increasing their output and turnover, large commercial broiler farms are also having to implement cutbacks due to the difficult trading conditions.

The average mortality rate was 7.8% compared to 7.0% in 2Q2018. The suggested target mortality rate to 42 days of age is 4.4%.

Broiler feed:

During 3Q2018, 97.2% of respondents purchased feed in bags, four respondents bought their feed in bulk and two mixed their own feed. The tables and graph below summarise the weighted average cost of bagged broiler feed for the last
four quarters. Some farmers purchased feed in 40kg bags, but for the comparison, those prices are converted to 50kg bags. Prices exclude VAT and transport.

### Table 3: The weighted average cost (R/50kg bag) of broiler feed for the last four quarters

<table>
<thead>
<tr>
<th>Feed</th>
<th>4Q 2017 Cost R/bag</th>
<th>1Q 2018 Cost R/bag</th>
<th>2Q 2018 Cost R/bag</th>
<th>3Q 2018 Cost R/bag</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broiler Starter</td>
<td>289.96</td>
<td>285.49</td>
<td>276.46</td>
<td>273.26</td>
</tr>
<tr>
<td>Broiler Grower</td>
<td>269.83</td>
<td>270.22</td>
<td>261.64</td>
<td>261.95</td>
</tr>
<tr>
<td>Broiler Finisher</td>
<td>263.74</td>
<td>263.20</td>
<td>254.11</td>
<td>253.03</td>
</tr>
</tbody>
</table>

The change in the bagged feed price, for the last four quarters, is illustrated in graph 1:

### Graph 1: The weighted average cost (R/50kg bag) of broiler feed for the last four quarters

In the following table the prices have been converted to R/tonne so that they can be compared to bulk prices:

### Table 4: The weighted average cost (R/tonne) of bagged broiler feed for the last four quarters

<table>
<thead>
<tr>
<th>Feed</th>
<th>4Q 2017 Cost R/tonne</th>
<th>1Q 2018 Cost R/tonne</th>
<th>2Q 2018 Cost R/tonne</th>
<th>3Q 2018 Cost R/tonne</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broiler Starter</td>
<td>5 799.11</td>
<td>5 709.81</td>
<td>5 529.11</td>
<td>5 465.29</td>
</tr>
<tr>
<td>Broiler Grower</td>
<td>5 396.66</td>
<td>5 404.41</td>
<td>5 232.84</td>
<td>5 239.01</td>
</tr>
<tr>
<td>Broiler Finisher</td>
<td>5 274.81</td>
<td>5 263.98</td>
<td>5 082.14</td>
<td>5 060.69</td>
</tr>
</tbody>
</table>
During 3Q2018, 600.9 tonnes of bagged broiler feed was purchased per month, which equates to an average of 57 bags per farmer, at a total value of R2.699 million per month. The feed price decreased on average by 0.5% from 2Q2018 to 3Q2018.

Total bulk feed purchased per month in 3Q2018 was 61.0 tonnes, an average of 15.3 tonnes per farmer. The weighted average price paid per tonne for starter crumbles was R3 952, for grower pellets R3 556, and for finisher pellets R3 496. The total value of bulk feed purchased per month was R40 300.

The average bulk broiler feed price for commercial farmers for 3Q2018 was R5 046/tonne; 4.0% less than the bagged feed price, and 37.6% more than the bulk feed price for small-scale farmers. This shows the advantage of buying feed in bulk.

Broiler sales:

The average cycle length (from placement to placement) was 10 weeks. This was not necessarily for one flock of birds.

The average age at which the live broilers were sold was 5.9 weeks or 41 days. The modern broiler has the potential to reach slaughter weight at 33-35 days of age, depending on the management practices such as type of housing, stocking density, ventilation, biosecurity and feeding. Customers who buy live birds do however prefer to have slightly older, heavier broilers. The sales figures are summarised in table 5.

<table>
<thead>
<tr>
<th>Marketing channel</th>
<th>No. producers*</th>
<th>Quantity</th>
<th>Weighted avg. price</th>
<th>Total value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Live birds</strong></td>
<td>209</td>
<td>337 500</td>
<td>R54.17/bird</td>
<td>R18 283 700</td>
</tr>
<tr>
<td><strong>Abattoir</strong></td>
<td>58</td>
<td>49 000</td>
<td>R30.75/kg, R65.88/bird</td>
<td>R2 806 100</td>
</tr>
</tbody>
</table>

* 50 producers sold both live and processed birds

The average price per live bird was R65.71 versus the weighted average of R54.17/bird shown in the table above. This discrepancy is explained by the fact that farmers selling large quantities of birds did so at a reduced price. The birds were sold direct to the community, or to street vendors, hawkers, pensioners, teachers, caterers, local farmers, supermarkets, restaurants, community projects and hotels, or at informal markets, funerals, government departments, office blocks, hostels, clinics, hospitals, churches, pay points, shopping centres, schools and crèches.

87.3% of the broilers were sold live and 12.7% were slaughtered at abattoirs. The average slaughter fee charged by abattoirs was R5.72 per bird. The average dressed weight was 1.8kg.

Comments:

The most common complaints of respondents for the quarter was difficulty sourcing day-old chicks; the high feed cost; their unstable or poor market (in some cases due to many competitors in their area); the poor condition of their facilities, causing excessive mortalities; inability to locate an abattoir nearby and high mortality, or poor production, due to the cold weather. Further difficulties experienced, or general comments, are given below:

- Require funding to build an appropriate structure, expand or renovate the existing structure;
- Large loss of birds due to disease, and battling to pay increased medication bill due to high number of infected birds;
Poultry buildings require renovation, one respondent lost a number of chicks due to the poor condition of their buildings;

- A large number of farmers were giving birds on credit which invariably results in non or late payment of accounts by clients causing cash flow problems;
- Experiencing problems with theft of stock;
- Making little or no profit, so are unable to afford feed and medication for the birds;
- One subsistence farmer expressed their desire to build an abattoir, whether for their own birds or due to a general demand in their area is unknown;
- Having difficulty sourcing good quality chicks;
- Insufficient equipment to raise the birds;
- One respondent was in the unfortunate predicament that they lost the majority of their market as the pay point that they sold at was relocated;
- Battling to find land for their expansion;
- Not receiving any support from the government;
- Struggling with electricity supply, or no access to electricity at all, one respondent was having to resort to using coal;
- High mortality due to hatchery supplying poor quality chicks;
- Require further training;
- Struggling to find somewhere nearby to buy chicks, medication, feed and sawdust;
- Poor supply of water, one respondent was making insufficient profit as they were having to buy water due to it not being available in their own area; and
- There were multiple complaints about the high cost of, and difficulty finding, reliable transport; this transport was required mostly due to the farmers being unable to source local suppliers, an abattoir nearby or sell their stock in their own area.

3. **Contract Growers**

**Day-old chicks and broiler production:**

There were a total of 27 contract growers interviewed in 3Q2018. The gender split for contract growers was 21 males and six females.

The farms were located in Mpumalanga (9), Limpopo (7), North West (7) and Gauteng (4) provinces (Figure 4).

Day-old chicks were obtained from the principal company’s hatcheries. The 27 respondents placed a total of 3.445 million chicks per cycle during 3Q2018; an average of 127 600 per farmer. The total capacity of the broiler farms was 3.486 million birds; at the time of the questionnaire the farms were stocked to 96.8% of their capacity. The average mortality rate on the contract growers’ farms was 3.1%.

No information was collected on sales volumes or prices. The average feed consumed per bird placed was 2.78 kg/bird. The average age at slaughter was 4.8 weeks (33.9 days) and the contract growers on average stood empty for 13 days.

**Comments:**

Issues noted for the contract growers for 3Q2018 are listed below:

- Struggling to source day-old chicks;
- High mortality rate experienced in winter; and
- A lot of respondents complained of the poor quality chicks that they are receiving.

![Location of contract growers surveyed](image)

**Figure 4:** Location of contract growers surveyed

4. **Abattoirs**

Four abattoirs were interviewed, two were located in the Northern Cape, and one each in the provinces of Gauteng and Western Cape. These abattoirs were owned by two females and two males. Two of the businesses produced their own broilers as well as providing a slaughtering service to outsiders, while the remaining two operated as an abattoir only.

The total number of birds slaughtered per day was 3,850, with an average of 960 per abattoir. The abattoirs operated for an average of four days per week in Q3. The weighted average slaughter fee was R5.24 per bird. All respondents gave their selling price for dressed birds as R/kg; the resulting weighted average was R34.73/kg.

One abattoir owner made particular mention of the shortage of chicks in the market.

The location of the abattoirs is shown in Figure 5.
**EGG FARMERS**

1. **Pullet Rearers**

**Day-old pullets:**

A total of nine pullet rearers from three different provinces responded to the 3Q2018 survey. The farms were located in Gauteng (7), Free State and Limpopo (1 each). The businesses were owned by five females and four males. Three of the pullet rearers kept point-of-lay pullets for their own egg production units.

In total, 36 150 day-old pullets were purchased for the quarter by nine pullet rearers from recognised commercial layer hatcheries and traders. The weighted average price per day-old pullet was R8.32, an 11.9% increase from the previous quarter.

At the time of the questionnaire, a total of 35 100 pullets were being reared. The average number per farmer was 3 900 pullets, although there was a big range between the respondents. The capacity of the rearing facilities was 63 200 pullets, which means that 55.5% of the capacity was used.

Figure 6 shows the distribution of egg farmers (both pullet rearers and egg producers).
Figure 6: Location of egg farmers surveyed

Pullet feed:

All respondents bought their feed in bags. The weighted average price paid per 50kg bag for starter mash was R227.91 and R217.07 for grower mash; only one respondent reported on the developer mash price. The total quantity of bag feed purchased per month during 3Q2018 by pullet rearers was 48.6 tonnes, i.e. an average of 108 bags per farmer per month. The total value of the feed purchases was R216 600 per month.

Point-of-lay sales:

Seven of the respondents sold point-of-lay pullets to outside customers, however three had not yet reached the stage of marketing their point-of-lays. Total sales amounted to 29 400 birds for the quarter. The weighted average selling price was R74.07 per bird.

2. Egg Producers

A total of 57 egg producers took part in the 3Q2018 survey, a 21.3% increase from Q2. Despite this increase, some respondents from Q2 stopped farming; the reasons given for them stopping farming was difficulty sourcing point-of-lay pullets, or a big delay from placing order to point-of-lays arriving on their farm, and one respondent didn’t place due to
the cold weather. The gender count was 32 females and 25 males. The farms were located in Gauteng (22), Limpopo (13), Northern Cape (8), Mpumalanga (5), Free State (4), Western Cape (3), KwaZulu-Natal and North West (1 each).

Point-of-lay hens:

Fifty-three of the egg producers interviewed bought point-of-lays from recognised pullet rearers as well as smaller independent rearers and traders, or they received birds through the Department of Agriculture. Four of the egg producers reared their own pullets. Hens were kept in battery cages on 43 farms, there were 11 free-range farms and three that had both of these housing types.

A total of 207 700 point-of-lays were purchased, with an average of 3 920 per farmer, although there was a large variation between respondents. The weighted average purchase price was R73.55 per point-of-lay pullet. The flock size for the 57 respondents was 201 700 hens which were kept in an average of three houses per farmer. The laying facilities could hold 472 400 hens, which means that they were stocked at 42.7% of their capacity during 3Q2018.

Layer feed:

Forty-six of the respondents bought their feed in 40kg or 50kg bags. In total, 136.8 tonnes of bagged layer feed was purchased per month; approximately 59 bags per farmer with an average feed intake (lower than expected) of 72.9 g/hd. It is possible that these farmers are also supplementing their concentrate feed with organic matter. The weighted average price for laying mash, excluding VAT and transport, was R236.13/50kg bag. In order to convert from a R/50kg bag price to a R/tonne price, the bag price is multiplied by 20 (1 tonne = 1000kg = 20 x 50kg bags):

R236.13 x 20 bags = R4 723/tonne.

Nine of the survey respondents bought in bulk while two mixed their own feed. The respondents buying in bulk purchased 330 tonnes per month at a weighted average price of R3 446/tonne. This equates to an average feed intake (lower than expected) of 89.3 g/hd.

The total value of the layer feed purchases was R1.489 million per month, i.e. R4.467 million per quarter.

The SAPA reported layer feed price for 3Q2018 was R3 249/tonne. This would be for egg producers who are buying large quantities in bulk. Small farmers buying in bulk paid 6.1% more than large producers for their feed. Although the bag and bulk price cannot be directly compared, due to bagging costs, small-scale farmers buying in bags, possibly from a co-op, paid 37.1% more than small-scale farmers buying in bulk, and 45.4% more than commercial farmers buying in bulk. This shows the advantage of buying feed in bulk directly from the supplier.

The change in the layer feed price for the last four quarters for small-scale farmers buying in bags and bulk, and commercial farmers buying in bulk, is illustrated in graph 2. Prices have been converted to R/tonne.
**Graph 2:** The weighted average cost (R/tonne) of layer mash for the last four quarters for small-scale farmers buying in bags and bulk, and commercial farmers buying in bulk

**Egg sales:**

Eggs were sold to the community, supermarkets, hawkers, bakeries, government officials, a co-op, pensioners, restaurants, a guest house and game reserve, and at farms, schools, clinics, garages, informal markets and local spaza shops. The weighted average egg price during 3Q2018 was R17.14/doz, a 10.2% increase from Q2.

The commercial farmers’ producer price was R17.21/dozen, a very small reduction of 0.2% from Q2. The difference between the small-scale farmers’ selling price and the commercial farmers’ egg realisation was –R0.07/doz (-0.4%), a much more desirable difference than the one seen in Q2. Producers selling direct to end users should however be able to realise a higher price than commercial farmers, given that the retail price for 3Q2018 was R29.41/doz large.

Total sales amounted to 93 500 dozen per week, *i.e.* 1.219 million dozen per quarter. The average rate of lay for the 201700 hens was 73.8%; a 1.4% reduction from the previous quarter. The layer farmers should be aiming for 80-85%. The total value of the eggs sold for 3Q2018 was R20.900 million.

**Cull hen sales:**

Old hens continue to be sold live to the community, street vendors and hawkers, and also at informal markets and pay points. In total, 136 700 culls were sold for the quarter (eight producers had not yet reached the stage of culling birds) at a weighted average selling price of R44.49/hen. The weighted average cull price obtained by commercial farmers during 3Q2018 was R28.24. Small farmers got 57.5% more for their culls than larger producers.

**Comments:**

Challenges and general comments from 3Q2018 are detailed below:

- The high cost of feed was a common challenge;
• A large number of respondents battled with an unstable market;
• Another common challenge was a difficulty sourcing point-of-lay pullets;
• One respondent complained of the adverse effect the VAT increase had had on their project;
• Limited access to electricity;
• High cost of transport;
• High cost of water;
• Theft of stock;
• High cost of purchasing point-of-lays;
• High cost of packaging materials;
• Struggling to find reliable transport;
• Reduced production during winter;
• One respondent made particular mention of the negative impact that the increased petrol price had had on their business;
• Require layer flock management training;
• Looking for more land to expand; and
• Disease and high mortality was frequently mentioned.

Despite these difficulties, numerous respondents expressed their desire to expand.
CONCLUSION

Silverpath is making huge strides in improving the data collection procedures to ensure the results are meaningful. Thank you to all small commercial producers who take part in the quarterly surveys. Your comments have been passed on to the SAPA Chairman for discussion at the committee meetings.

The call centre staff members who interview the farmers speak all eleven official languages. Please expect a call from Ireen Lekabe or Olga Leshabane. The cell numbers dedicated to emerging farmers are 079 591 6454 / 079 618 2609, and staff can be contacted from Monday to Friday during office hours; from 08:30 to 16:00. Their email addresses are ireen@silverpath.co.za and olga@silverpath.co.za. Ms Cynthia Ncube heads up Silverpath and can be contacted for assistance at cynthia@silverpath.co.za.

SAPA has the following recommendations for emerging farmers:

- Before investing in any equipment, the local market must be researched to determine whether there is indeed a demand for the product you are planning to sell.
- If there is a demand for your proposed product, determine what price it is currently being sold for in your area. Try to request assistance from a fellow producer or extension officer in your area to find out where the nearest place is to buy your day-old chicks for example, medication and feed. If you are in a very remote location you need to factor in the extra transport costs, with feed being the greatest input cost. It is best to try and calculate a per bird or per hen cost to see whether your costs become greater than the price you can sell your product at.
- If possible, join other producers in your area to buy feed and birds in bulk to try and negotiate a better rate and split the high transport cost.
- It is important that you work closely with the extension officers in your area, they have been trained to support emerging farmers. If you are unsure of which extension officer is operating in your area, contact SAPA and we will give you the relevant contact details.
- Record keeping is one of the most important farm practices. You can never improve unless you know how your farm is performing. A good place to start is by recording all the information that our staff members request from you. These are the variables that need to be monitored on your farm. If you are requiring funds for expansion, financial institutions will be unwilling to finance you unless you can prove how your farm is performing, another reason it is crucial to keep up to date with your records.

Contact SAPA on 011 795 9920 to find out what the benefits are to becoming a SAPA member, for further information on poultry equipment or medication, and availability of day-old chicks. Contact your local Department of Agriculture or extension officer for veterinary services or Letsema and Farmers Support.
APPENDIX A  Statistical Terms and examples

Statistical methods can be used to summarise or describe a collection of data; this is called descriptive statistics. In our case the collection of data is the stats that we collect from emerging broiler, egg, chick producer farmers, hatcheries and abattoirs. Below please find an example of calculating a weighted average:

A farmer sells 50 chickens live at R55 per chicken to a hawker. His neighbour sells 10 chickens live at R65 per chicken to the same hawker.

The average price that the chickens were sold at was:

\[(R55 + R65) / 2\]
\[= R120 / 2\]
\[= R60 per chicken\]

The weighted average price that the chickens were sold at was:

\[(R55 \times 50) + (R65 \times 10) \text{ divided by } 50 + 10\]
\[= R2750 + R650 \text{ divided by } 60\]
\[= R3400 / 60\]
\[= R56.67\]

This means in effect that the price of the 50 birds carries more weight than the 10 birds when determining the average price.

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