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Poultry Bulletin

ISSUE 16 OCTOBER / NOVEMBER 2023



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Shakshuka - the perfect egg brunch

Winter is finally over, after hanging around way past its sell-by date, and we cannot be more relieved. It has been a taxing winter on many fronts, not least of which has been the new strain of HPAI, H7N6, which has joined the better-known H5N1 strain to batter the industry without mercy. We've seen losses of as much as 20% in the national production capacity of the egg sector, leading to temporary shortages of eggs in the most heavily affected provinces of Gauteng and Mpumalanga.

However, with this issue we celebrate World Egg Day on 13 October, and we are hopeful that by then the spectre of bird flu will have retreated as the weather warms up. We also hope that the industry's urgent talks with government and other stakeholders will bear fruit so that vaccination against HPAI can become part of producers' arsenal in this war.

We dedicate this issue to our resilient egg industry, and amid the valuable information we gathered you'll even find an alternative "history" of how the fried egg became the breakfast of champions.

Our theme of sustainability feels very relevant in challenging times such as these. Close scrutiny of all our practices becomes essential when every move counts, as building and maintaining a sustainable business takes care and consideration.

We hope you find inspiration in these pages.

Melinda
 @melshaw001
 @poultrybulletin

Photographs: Nick Boulton, Shutterstock. Illustration: Jason Bronkhorst

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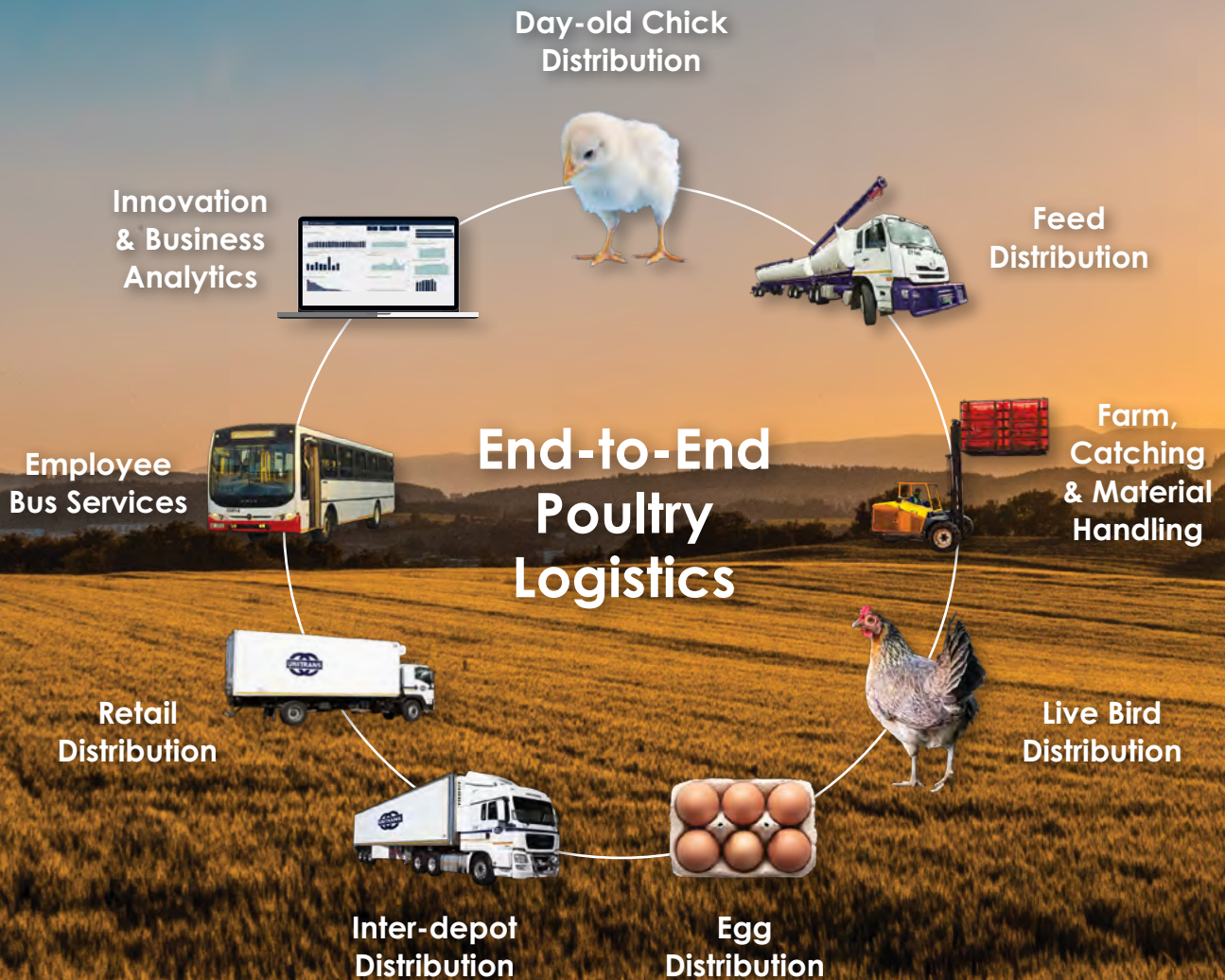
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At last, steps to end illegal imports

The implementation of antidumping duties against Brazil, Poland, Spain, Ireland and Denmark in August marks the first time that measures are in place against nine countries that dump chicken on our shores. And despite the year-long delay, the poultry industry welcomes the implementation.

This industry, which consistently provides South Africans with the most affordable animal protein, has its work cut out to stay afloat in a hostile environment. A combination of high input costs and poor municipal infrastructure and service delivery is exacerbated by a market suffering from high levels of imported frozen poultry that supplant local production. Since October 2022, imports have increased from 17 000 tons per month to 46 000 tons in March 2023. And while the large producers report alarming decreases in headline earnings, the real bloodbath has been among small-scale farmers, hundreds of whom have stopped farming because they can't afford to carry on.

These duties will no doubt have a positive impact by protecting the investments made by companies to expand production as per the masterplan, and creating a climate for further investment. We expect that they will stimulate economic growth and could lead to job creation throughout the entire poultry value chain.

In the year that we waited for the implementation, the industry started backsliding, and any further delay would have been catastrophic. In the end, it would be the consumer who would be hardest hit if the poultry industry suffered irreversible damage that affected the country's food security.

As the producers of South Africa's most affordable protein, we take our responsibility seriously and the consumer is always top of mind. Importers like to claim that duties will make chicken "unaffordable", but they never passed on the savings of dumping to the consumer. In some cases the dumping margin was as high as 265% – which means that importers were buying frozen chicken at prices almost 300 times less than what it would sell for in its



country of origin, and pushing it into the market at the same price as local chicken. No bets taken on where the profits went, but it certainly was not reflected in bargains on the supermarket shelf.

We conducted research to find out whether the duties were likely to increase retail prices significantly, and the findings by Genesis Analytics proved that these fears were unfounded. Chicken prices, they found, were instead dependent on market conditions, kept in check by organic factors such as competition between retailers. In addition, the duties only apply to frozen bone-in chicken portions and not all chicken offerings.

Meanwhile, the cost drivers in the industry will remain raw-material prices (70% of production costs) and load-shedding, which adds on another 10%. These very real costs that producers absorb every day won't be offset by the impact of the antidumping duties. Not even close. 📌

Izaak Breitenbach

General manager, Broiler Organisation



LETTERS

We want to hear from you... email letters to editor@poultrybulletin.co.za



After – Twin Chicks' new broiler house



Serabele now has enough space for 1 800 broilers



Before – this was the old house



New investors for cover star

After our *Poultry Bulletin* feature ("Motivation, discipline and girl power", June/July 2023) – and my cover! – things have been moving fast for Twin Chicks. I'm thrilled to share that we have new investors on board who are enabling us to expand! The National Movement of Rural Women (NMRW) is a nonprofit organisation that assists with turning rural community projects into small business enterprises. We heard of them through another farmer whom they assisted, and they have been monitoring our business for the last year, asking all the pertinent questions about our market, and our business model. We indicated that we needed another chicken house to be able to expand, and after we

secured the three quotations they required from us, NMRW signed off on the funding, which covers the construction of the new chicken house, 1 500 broiler chicks and feed. Construction is complete and we are now painting and installing feeders, and hope to accept delivery of our first batch of 1 500 chicks soon! The new house can accommodate 1 800 birds, which allows for a bit of future growth, and we are already planning to follow the exact same procedure to include layers. We always tell people to use what they have to get what they want – it is exactly what we have done and if it works for us, it can work for you too!

Mpho Serabele

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Eggs and the agriculture and agro-processing masterplan

By **Dr Sifiso Ntombela**



The egg industry is a critical player in the agricultural sector in terms of employment creation and the provision of affordable and nutritional animal proteins for food security. South Africa produces about 553 000 tons of eggs per annum and only 1.6% of this is exported to neighbouring countries such as Mozambique and the member states of the Southern African Customs Union (SACU).

What makes the egg industry

unique is the diversity of farmers and the markets it supplies.

In South Africa, egg farmers directly supply both the formal and informal markets, ensuring the rural economy is supported and kept sustainable. The industry is made up of large-scale farmers who operate on the commercial level and small-scale and subsistence farmers, some of whom operate on a noncommercial basis. The recognition of all farmers is reflected in SAPA's appetite to accept as members even those farmers who have as few as 100 layers on their farm.

Given its importance, the egg industry is one of the strategic agricultural value chains prioritised by the agriculture and agro-processing masterplan (AAMP). The AAMP could benefit the egg industry in four crucial areas, namely by providing access to land for previously disadvantaged farmers; expanding export opportunities by creating a mechanism to promote exports; improving biosecurity control including upscaling the availability of vaccines; and finally by providing affordable finance, in particular for farmers seeking to diversify their energy sources.

Quantifying the opportunities

In terms of land, the Department of Agriculture, Land Reform and Rural Development has acquired more than 5.2 million hectares of land through the land-reform programme.

Economists such as Professor Johann Kirsten and Wandile Sihlobo argue that in addition to land-reform farms, some black South Africans have acquired farms through private means and require support to maintain the productivity of their farms. It is important that the egg industry, through SAPA, form partnerships with the government to identify the farms that are suitable for egg production and provide them with the necessary support in terms of technical knowledge, access to quality genetics and linkages to the markets.

In terms of the export opportunities, the growth in local production



already outpaces domestic consumption, implying any additional output from new farmers could flood the market. The SACU and other African markets under the auspices of the African Continental Free Trade Agreement present an opportunity to expand South Africa's egg exports. The egg industry should work closely with the government, in particular the National Agricultural Marketing Council (NAMC), to develop a private-public funded egg export programme that is underpinned by consumer-education campaigns and diplomatic relations with other African countries.

Regarding the incentives for installing alternative electricity sources and diversifying from the national grid, the minister of agriculture has set up a task team through the AAMP to find solutions for the sector. One of the recommendations of the

'The AAMP will benefit the egg industry in four key areas, one of which is to help with affordable financing'

task team was to establish a special fund to incentivise farmers to install alternative electricity capacity on their farms, so they could mitigate the effects of the loadshedding and reduce greenhouse-gas emissions. On 29 August 2023, the Minister launched the Agro-Energy Fund with the Land Bank and the poultry industry is one of the priority sectors recognised for funding.

These are some of the green shoots that the AAMP can bring to grow the egg industry in an inclusive manner

and expand production through exports and an effective land-reform programme. It is important that the industry leaders prioritise the AAMP implementation structures such as the egg-industry value-chain and production scheme to ensure all egg-value-chain players are informed about the benefits of the AAMP.

This will also create a coordinated approach to engage with the government on strategic, policy and operational issues that impact the competitiveness and sustainability of the egg industry. 📌

Dr Sifiso Ntombela is the special advisor to the minister of agriculture, land reform and rural development. He is also the vice-president of the Agricultural Economics Association of South Africa. Contact him via SifisoNto@dalrrd.gov.za or @Ntombela_SM (X/Twitter)

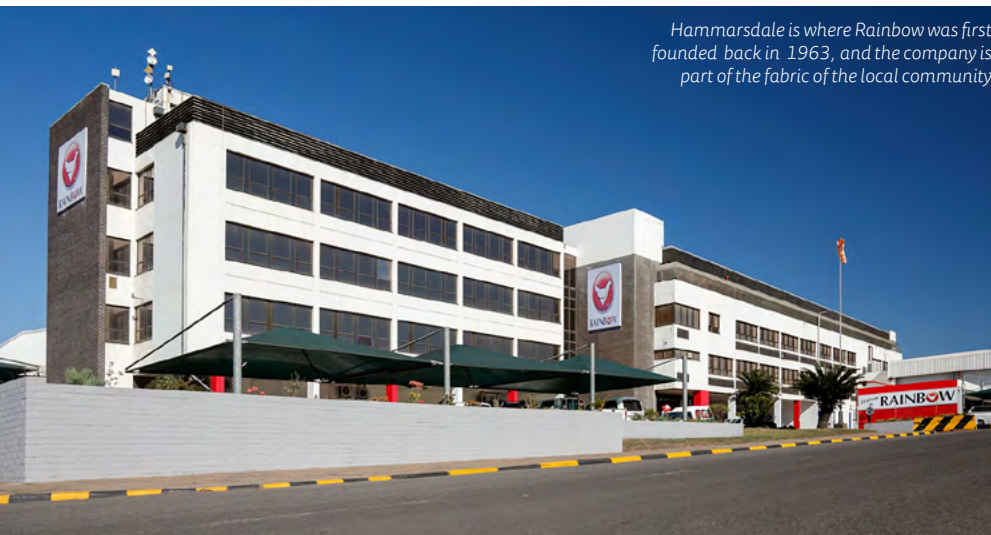


NEWS IN BRIEF

A big day in Hammarsdale, good news about financing, and more

Compiled by **Charmain Lines**

Hammarisdale reclaims its former glory – and more



Hammarisdale is where Rainbow was first founded back in 1963, and the company is part of the fabric of the local community



It was a happy occasion indeed when Rainbow recently hosted a celebration to mark the return to full production of its Hammarsdale, KZN, processing plant, as well as the 60th anniversary of its first processing facility.

In attendance were ministers Ebrahim Patel (the dtic) and Thoko Didiza (DALRRD), legendary storyteller and author Dr Gcina Mhlope, Izaak Breitenbach of SAPA, several provincial and local government officials, a number of representatives of Remgro, and Rainbow employees and leadership.

Returning the plant to full production entailed the construction of 120 incremental new broiler houses, enhancements to the hatchery, the installation of air-cooling systems and equipment at the processing facility,

and the construction of state-of-the-art gyro-type and box freezers. Rainbow invested R220 million and its contract growers an additional R400 million.

Back in 2017 when production at Hammarsdale was halved, about 1 350 employees were retrenched. Some 750 jobs have already been reinstated with a further 100 planned between now and June 2024. Among the newly employed are people who lost their jobs six years ago.

Marthinus Stander, MD of Rainbow, opened proceedings with a speech in which he thanked his executive team “who dreamed big enough” and Remgro as the shareholder that “stood by us, shoulder to shoulder, to bring the shift back”. “This is our part in executing the masterplan,

and it signals our intention to reclaim Rainbow’s industry leadership position,” he said.

In his keynote address, Minister Patel emphasised the role the poultry masterplan played in the Hammarsdale expansion, and the vital importance of a sustainable local economy and GDP growth. Minister Didiza, herself a Hammarsdale “homegirl”, shared some early memories of the role Rainbow played in the community in a speech that inspired and delighted.

“This excellent event showcased what Rainbow’s management, people and culture are all about,” said Breitenbach on the day. “By extension, it also projected the tenacity, innovation and community spirit of the poultry industry as a whole.” 📷



Marthinus Stander (left) welcomes dignitaries including ministers Ebrahim Patel and Thoko Didiza (centre) to the event





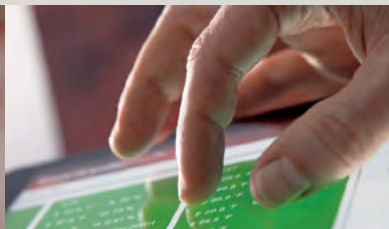
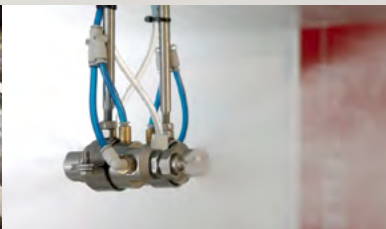
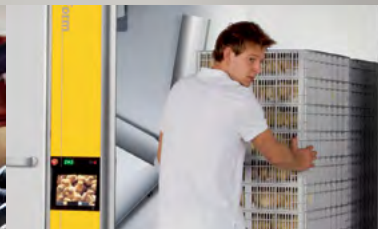
People on the move



The Animal Feed Manufacturers Association (AFMA) has appointed Liesl Breytenbach as its new executive director as of 1 August 2023. Breytenbach holds an MSc in agriculture from Stellenbosch University and started her career in the animal-feed industry in 2004 as a formulator at Meadow Feeds in Gqeberha.

She relocated to Pretoria in 2009 where she joined Afgri Animal Feed as an operational nutritionist and later expanded her experience within the company to troubleshooting and customer service as a technical advisor in the poultry division.

Breytenbach has been with AFMA since 2011 – initially as a technical assistant, but she was promoted four years later to the management team as technical and regulatory manager. She served as interim executive director since January this year.  



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Read all about it

Economist, researcher and lecturer Wandile Sihlobo – also a great friend of the South African poultry industry and regular contributor to *Poultry Bulletin* – recently published his second book.

Titled *A Country of Two Agricultures*, the book explores why, 30 years after democracy, South Africa remains a country where a subsistence, primarily noncommercial, black farming segment exists alongside a predominantly commercial and white farming sector that is well-resourced and has access to domestic and international trade networks.

Focusing less on history and more on the present and the future, Sihlobo explains why these disparities have persisted in the democratic era and what it will take to overcome them. He offers insights into the role of agriculture in the South African economy and provides views rooted in the experiences of farming communities on the ground and right through the value chain.



Sihlobo introduces his new book to key agriculture stakeholders at the offices of Agbiz in Pretoria

Importantly, the book offers the government, the private sector and anyone interested in growing the South African economy, tools to grapple with this duality. It also proposes a framework for bolstering the black farming segment for growth, competitiveness and, ultimately, food security. 📖



WIN!

We are giving away a copy of *A Country of Two Agricultures* signed by the author. To enter, email the name of the author to editor@poultrybulletin.co.za to reach us by 5 December 2023.

Apply now for a slice of the Agro-Energy Fund



The previous issue of *Poultry Bulletin* reported on the Agro-Energy Fund that Minister Thoko Didiza had announced in her 2023/24 budget speech. We can now inform readers that the fund is open for business and farmers can apply on the Land Bank website.

A partnered effort by DALRRD and the Land Bank, the R1.21 billion fund provides financing for farmers to find alternative energy solutions. The blended financial instrument combines grants and loans. Small-scale farmers can receive a 70% grant and a 30% loan, with the grant set at

a maximum of R500 000. For medium-scale farmers the split is 50-50 with the 50% loan capped at R1 million. Large-scale and mega commercial producers are eligible for a 30% grant and a 70% loan capped at R1.5 million.

In terms of the fund's regulations, poultry is a prioritised sector, along with dairy farming, piggeries, all irrigated commodities and on-farm processing.

For more information and to apply, go to landbank.co.za, select the "Products & Services" tab and click on "Agro-Energy Fund". 📖

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To promote clean, sustainable energy, Sovereign has initiated a **solar-power project**. They already use solar power at two farms and are partnering with Repower Africa to install more solar photovoltaic (PV) energy systems at three additional sites. These installations will provide over 4MW of solar power to their manufacturing processes, which has an environmental benefit equivalent to planting 83 000 trees annually. Sovereign plans to add another 4.7MW of solar power across multiple sites in the coming year.

In addition to reducing fossil fuel use, Sovereign aims to save water by investing in a state-of-the-art **water treatment and recovery plant** with the help of Talbot, experts in sustainable water solutions. This facility will clean and recycle



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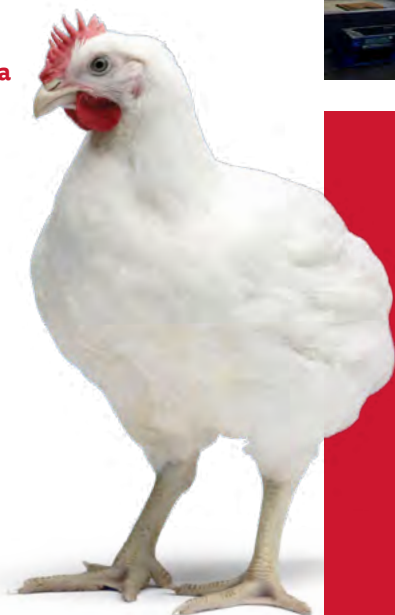
wastewater for Sovereign's processing plant in Kariega, reducing strain on water supply and providing 25 million litres of water per month to the local community.

To ensure efficient resource use, Sovereign has opted for a **servitised solution** through energy partners for upgrading and maintaining refrigeration plants at two key facilities. This cooling as a service solution saves on capital expenditure, guarantees uptime and efficiency, and recycles waste heat back into the factories' heating systems for energy and cost savings.

These sustainable upgrades not only reduce Sovereign's carbon footprint but also enhance the company's long-term business model by lowering resource expenditure and ensuring consistent production even when faced with infrastructure failures or loadshedding.

Sovereign's commitment to sustainability and self-sufficiency has garnered investor confidence, as exhibited by the **multiplier agreement** it recently signed with Cobb Europe. Sovereign will expand the distribution into other countries, showcasing its expertise and forward-thinking attitude. 🌱

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Overall, Sovereign's investment in renewable and stable resources reflects its dedication to environmental protection and sustainable practices, making it a resilient poultry producer delivering top-quality products

THE STATE OF THE EGG NATION

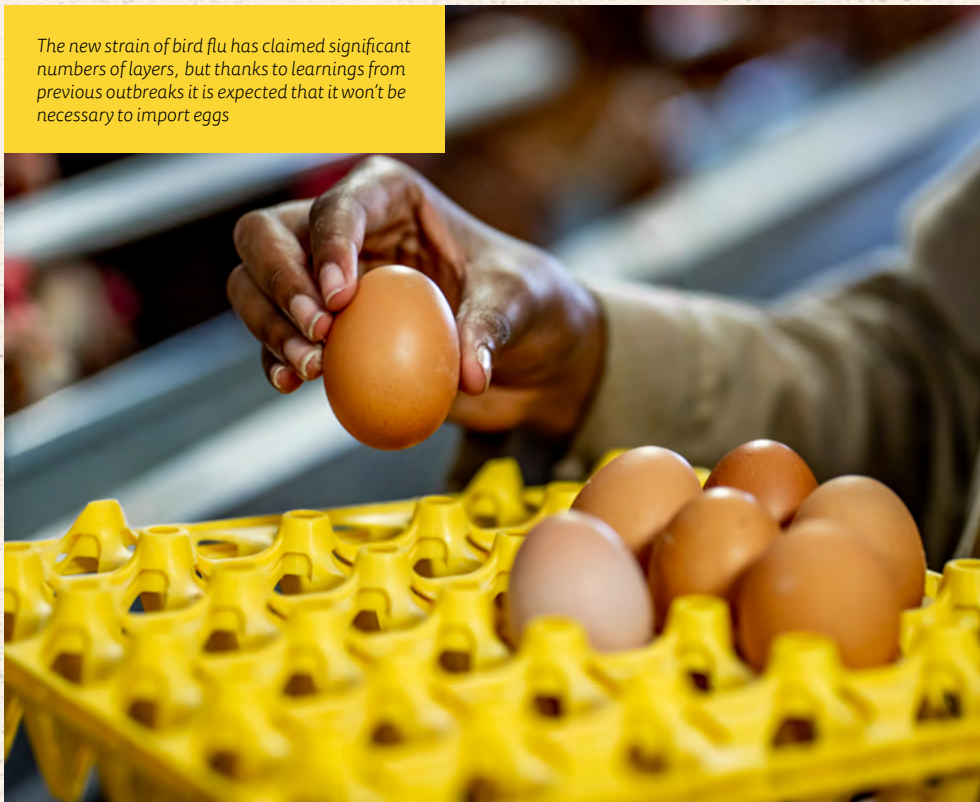
The second Friday in October is World Egg Day. This year it falls on Friday the 13th, but instead of being worried about black cats crossing our path or the perils of walking under ladders, *Poultry Bulletin* marks the day by taking the pulse of the local egg industry with Dr Abongile Balarane, general manager of SAPA's Egg Organisation
By **Charmain Lines**

How is South Africa's egg industry doing at the moment?

Our national flock of around 27 million hens produce about 22 million cases, or 7,8 billion eggs, per year. Our local efficiencies and production practices compare favourably with those of international producers, and we have the added advantage of an active cull trade that maintains a well-functioning market for end-of-lay hens.

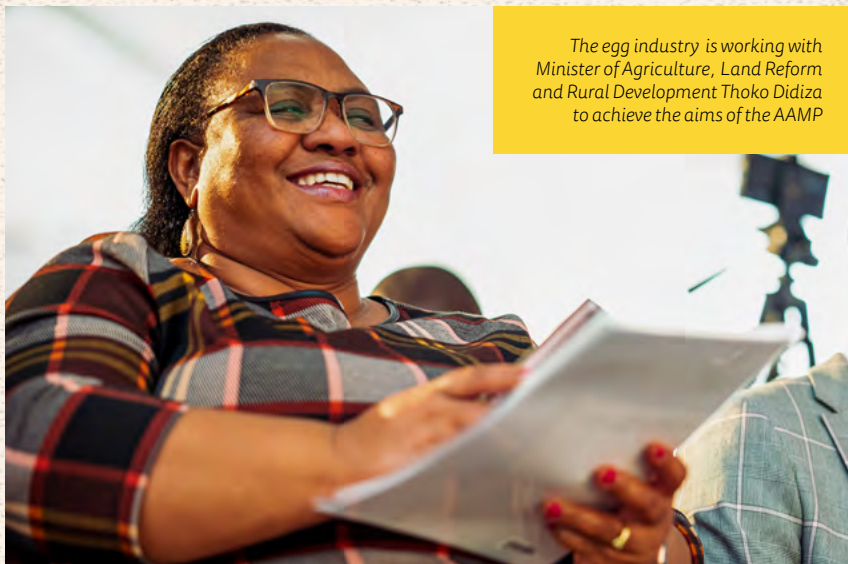
Currently, the industry is stressed due to the HPAI outbreak that shows little sign of abating. The culprit this year is H7N6, a new strain that surprised the industry. We've lost a significant number of layers but, unlike what happened in 2021/22, we don't expect that it will be necessary to import eggs. This is thanks to the experience we have gained in tightening our biosecurity measures during outbreaks and restocking affected farms to continue supplying our consumers.

The new strain of bird flu has claimed significant numbers of layers, but thanks to learnings from previous outbreaks it is expected that it won't be necessary to import eggs





Above: Dr Abongile Balarane, GM of SAPA's Egg Organisation
Right: Thanks to local farmers such as Tawfeeq Brinkhuis sufficient eggs are currently produced for local demand



The egg industry is working with Minister of Agriculture, Land Reform and Rural Development Thoko Didiza to achieve the aims of the AAMP

How significant is DALRRD's agriculture and agro-processing masterplan (AAMP) for the future of the egg industry?

The AAMP was signed on 15 May 2022 by the Minister of Agriculture, Land Reform and Rural Development, Thoko Didiza. Its vision is to build a growing, equitable, inclusive, competitive, job-creating, low carbon-emission and sustainable agriculture and agro-processing sector. All of this will be achieved by leveraging the capacity, talent, resources and capital of the private sector as well as other social partners.

In response to the AAMP vision, the egg industry has agreed to, firstly, help increase the per-capita consumption of eggs in South Africa from 148 to 220 eggs per year by 2030, which will bring us in line with most other developing nations.

Secondly, we will help black farmers who qualify to attain



ownership of commercial farms that are offered for sale on the market. We estimate that currently black farmers control less than 10% of the egg industry; our target is to increase that to at least 20% by 2030.

Thirdly, we are paving the way to increase egg exports and to help create market opportunities locally and abroad for farmers. Currently, South Africa produces sufficient eggs for the local market, hence there are zero fresh-egg imports. But the market is

dynamic, so what sometimes happens is that egg demand drops, leaving us with an oversupply. In those instances, we would like to be in a position where we export a certain quantity of eggs into the SADC region and when demand recovers here, those quantities are redirected back into the local market.

For us, much of the value of the masterplan lies in the extent to which it has already improved the working relationship and understanding

between the government and the industry. This has really bolstered our position in terms of the ongoing pressure from animal-welfare lobbyists to ban caged egg production.

What are some of the initiatives that have already flowed from the AAMP?

We have started a school campaign to get children used to the idea of eating eggs at least once a week. The project started in August and is being rolled out in several township schools under the umbrella of the government nutrition scheme. We supply eggs to those schools to be included in meals on Thursdays. The aim is to create an egg-consumption culture by showing kids that eggs can be eaten at any time of the day with pap and other food.

'We are aiming to create a culture of egg consumption by showing children that eggs can be eaten at any time of the day with pap and other food'

We have also committed to partner with the government to establish egg depots or pack stations in malls and shopping outlets, especially in townships and rural areas. The first project – a pack station on the Gauteng West Rand jointly funded by government and the private sector – is currently under construction. It should be launched by the end of this year or early 2024.

Coming back to the thorny issue of traditional commercial versus cage-free egg production: what is the state of play?

The results of a study done by the National Agricultural Marketing Council (see sidebar opposite) showed that South Africa is one of the BRICS countries that are not yet ready for





a complete shift from caged to fully cage-free production systems. The economic, social and employment losses far outweigh the benefits of such a shift.

How does the industry handle the cage-free lobby?

We deal with the lobbyists on the basis of the realities of our country. Food security has to be a priority in South Africa given our high levels of poverty and unemployment, and the slow economic growth rate. We are not against cage-free production, but the reality is that there is not enough consumer demand to justify a wholesale shift. I have no doubt that once the demand is there, producers will meet it.

What industry issues keep you awake at night?

Feed prices and HPAI are our industry's main nightmares, followed by the disruption of loadshedding and the cost it adds to production, mainly in the form of fuel to run generators.

Finally, what gives you hope for the egg industry?

Ours is a unique and interesting industry, as I discovered when I joined SAPA from the grains and oilseeds space. One of the most exciting and hopeful aspects of this sector is the potential of the egg masterplan, if well implemented, to reposition it into a better space. The plan offers a win-win outcome through many opportunities to drive inclusive growth. It allows space for both commercial and smallholder farmers to participate fully so that, together, we can supply South African consumers with more than enough eggs: one of the most affordable and versatile sources of animal protein available. 📄



WHAT THE NAMC FOUND

The NAMC is a state-owned entity that advises the minister of DALRRD. During 2020, it commissioned research into the viability of the South African egg industry and what the implications would be of a full migration to cage-free egg production.

The results of the study indicate that:

- a direct investment of **R4,93 billion** is necessary to switch South Africa to a cage-free system.
- if passed on to the consumer, the cost of the switch spread over five years will add between **R5,70 and R6** to the price of a dozen of eggs.
- this **20,6%** increase will likely lead to a decrease in consumption of **20,6% x 1,75% = 36%**. All things being equal, this indicates that the industry could shrink with **36%** in this scenario.
- it is estimated that the GDP of the egg industry will decline by **21%**, capital expenditure by **27%** and direct employment by **12%** if the switch is made.
- state revenue of around **R1,1 billion** will be lost with cage-free production.

The study concluded that all existing production systems (cage, barn and free-range) must remain and consumers should be allowed to choose the egg-production option that best suits their preferences and purchasing power.

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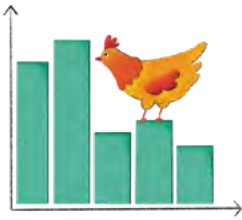
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MEMBERS' NOTICEBOARD

A roundup of the most recent communications SAPA distributed to its members

Compiled by **Michael Acott**

Why a tariff restructure is essential

Broiler GM **Izaak Breitenbach** informs members about SAPA's call for a revision of the tariff structure

Izaak Breitenbach explains the details of the tariff review that SAPA has requested



Now that the delayed antidumping duties are at last in place, SAPA will keep pressing for the revision of the import-tariff structure as it relates to chicken.

The revision has been in the pipeline for a long time. It was included in the 2019 poultry masterplan, and Minister Ebrahim Patel requested an investigation by the International Trade Administration Commission (ITAC). He has had their report and recommendations for more than a year, but nothing has been published.

SAPA has three main hopes from the tariff review.

Firstly, we have asked for import codes to be reduced from eight

digits to seven digits. This would be an important step in curtailing the declaration of imported chicken under the wrong tariff heading. Misdeclaration could result in high-tariff products such as bone-in chicken being imported as products which attract much lower tariffs.

Secondly, we have asked for the ad valorem (percentage-based) duties to be retained. These are applied as a percentage of the import price, as opposed to specific (rand/kg) tariffs. The R9.40/kg specific duty on US imports has been very effective, but we also want the percentage-based duties to stay.

Thirdly, we would like to see the

introduction of a reference price, or floor price, for chicken imports. This would combat the under-declaration of imports, where a consignment could be declared at a lower value than is actually the case.

A successful tariff restructuring would round off SAPA's campaign to end dumped and illegal chicken imports. We have succeeded in getting antidumping duties against nine countries that have been found to have dumped chicken here. Now we need the tariff restructuring to complete the job. 



▲
SAPA believes that a reference price for chicken imports would combat under-declaration of imported poultry products



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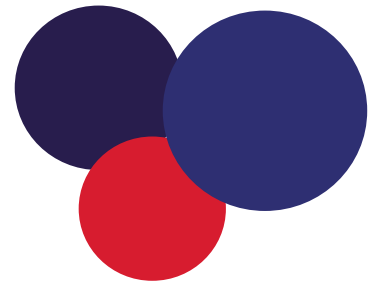
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MEMBERS' NOTICEBOARD

Where South Africa's chickens roost

In the first quarter of this year South Africa had some 160 million chickens on 1 003 broiler and egg farms.

The statistics are contained in SAPA's first quarterly provincial distribution report for 2023. The stats are based on information received during SAPA's avian-influenza survey.

The survey showed that there were 128.1 million chickens on 725 broiler farms, and 32.8 million birds on 278 egg-industry farms.

North West province is home to most birds (35.7 million), followed by Mpumalanga (31.6 million) and the Western Cape (21.5 million). North West also has the most broiler birds (30.2 million), while Gauteng has the most egg farmers (8 million).

The largest capacity category for broilers is the 155 producers with a capacity of between 200 000 and

300 000 birds. In the egg industry, it is the 57 producers with a capacity between 100 000 and 200 000. 📄

Provincial distribution of chickens in SA

Source: SAPA

Province	Broiler industry		Egg industry		Total	
	birds	%	birds	%	birds	%
E. Cape	7 884 715	6.2	1 160 509	3.5	9 045 224	5.6
Free State	15 111 830	11.8	4 907 599	14.9	20 019 429	12.4
Gauteng	13 531 290	10.6	8 044 439	24.5	21 575 729	13.4
KwaZulu-Natal	10 546 664	8.2	3 802 289	11.6	14 348 953	8.9
Limpopo	4 441 744	3.5	2 178 148	6.6	6 619 892	4.1
Mpumalanga	29 744 352	23.2	1 945 242	5.9	31 689 594	19.7
North West	30 220 162	23.6	5 491 190	16.7	35 711 352	22.2
N. Cape	266 500	0.2	96 300	0.3	362 800	0.2
W. Cape	16 366 079	12.8	5 220 540	15.9	21 586 619	13.4
Total	128 113 336	100.0	32 846 256	100.0	160 959 592	100.0



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HPAI vaccinations are getting closer

Survey on avian flu shows industry is keenly awaiting a solution

Progress is being made in the search for an effective vaccination against highly pathogenic avian influenza (HPAI). Small-scale trials are underway in the Netherlands, and France plans to vaccinate ducks later this year.

In South Africa, discussions are underway between the poultry industry and the government. The Department of Agriculture, Land Reform and Rural Development (DALRRD) has agreed to fast track vaccine testing.

However, no government has yet authorised vaccines for use in large-scale chicken operations, and SAPA's AI survey for the first quarter of 2023 says it will take some time before South Africa has agreement on the way forward.

"Actual vaccination against HPAI is still a way off but coming closer," the report says. The industry is keen on a solution that will prevent the culling of millions of healthy birds during a bird-flu outbreak, but it is well aware of the impact that vaccinations might have on international poultry trade.

The small-scale trial in the Netherlands showed that some vaccines are highly effective in controlling HPAI. They prevented mortality in vaccinated birds and the spread of the virus in the same isolation units.



"If this data translates into field situations, it means that HPAI can be effectively controlled in vaccinated flocks and that these flocks then do not pose a threat to nearby unvaccinated flocks in the event that they are challenged, even if they are not culled after being challenged," the report says.

In South Africa, the poultry industry position on HPAI vaccination was presented to the director of veterinary services, together with a technical position on HPAI vaccination prepared by the Poultry Vets' Group.

"It is anticipated that South Africa will develop a position on HPAI vaccination as well as guidelines for HPAI vaccine approval in coming months," the report says. [f](#)





MEMBERS' NOTICEBOARD

Loadshedding hits small-scale farmers

High feed costs and loadshedding are troubling small-scale poultry farmers as much as, or more than they are problems for large commercial operations. Small-scale farmers also have difficulty accessing finance to continue or expand their businesses.

SAPA conducts regular surveys among its members who are subsistence or small-scale commercial farmers. It details successes, difficulties and prices from small-business broiler and egg farmers, hatcheries and abattoirs across the country.

The results are published every six months. SAPA makes the information available so that these farmers can benchmark their business against others, understand the problems and plan for the future.

The survey for the first half of 2023 involved a total of 582 subsistence and small-scale commercial poultry farmers. Of the 69 who had stopped farming, most intended to resume operations. Loadshedding was among the first reasons cited for business failure, along with feed costs, financing and weather issues. 📄



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A million live chickens sold in the cull trade

Reconciliation of trader statistics

Province	Chickens at start	Chickens bought	Chickens sold	Chickens remaining	Number of deaths
Eastern Cape	0	241 165	239 200	0	1 965
Free State	0	35 335	34 924	237	174
Gauteng	22 585	586 222	603 752	404	4 651
KwaZulu-Natal	1 218	235 313	236 117	51	363
Limpopo	0	18 625	18 078	29	518
Mpumalanga	0	6 687	6 553	0	134
North West	0	33 030	32 686	151	193
Northern Cape	0	0	0	0	0
Western Cape	1 473	41 644	38 910	3 469	738
Total	25 276	1 198 021	1 210 220	4 341	8 736

Source: SAPA

Nearly 1.2 million live chickens were bought by cull traders and sold into informal markets in the first three months of 2023.

Details were provided in SAPA's cull-trade report for the first quarter of the year.

The cull trade involves the sale by poultry producers of laying hens and broiler breeders that have reached the end of their production cycles. They are sold live off the farms into the informal economy. These transactions create many jobs in townships and rural areas and also contribute significantly to food security.

As the movement of live birds poses a risk for the spread of avian influenza (bird flu), the trade has been regulated since 2017, when South Africa had its first bird flu outbreak. Producers and traders have to be registered, and sales are recorded.

Most of the live sales in the first quarter took place in Gauteng (603 000), followed by Eastern Cape (239 000) and KwaZulu-Natal (236 000). On a municipal basis, Polokwane had the greatest number of traders (527), followed by Johannesburg (101), Ekurhuleni (86) and Rustenburg (82).

The data suggests that live birds are mainly sold within the province of purchase and are not transported across provincial borders.

The cull-trade database can help traceability in the event of a bird-flu outbreak. This bolsters efforts by the government and the poultry industry to limit the spread of viruses and to effectively contain outbreaks of avian influenza.

SAPA encourages all poultry producers and cull traders to comply with the protocols regulating the

movement of live birds, particularly those in the provinces of Free State, Mpumalanga, North West and Western Cape because of their large poultry populations. "The recent confirmation of the first winter outbreaks of HPAI in the Western Cape should galvanise all participants into action," the report said. 📌





MEMBERS' NOTICEBOARD

Chicken consumption down on last year

South Africa's chicken production and consumption dropped over the first five months of this year, compared to 2022, while chicken imports increased over the same period.

SAPA's latest broiler production report shows that chicken consumption reached a four-year high in May

2022 at 200 000 tons. It has declined since then, and was 181 400 tons in May this year. Of this total, 149 150 tons was domestic production and 36 550 tons was chicken imports.

In the first five months of 2023, South Africans ate 914 600 tons of chicken, down from 937 300 tons the previous year. Domestic production

up to May 2023 declined from 759 600 tons in 2022 to 735 500 tons in 2023. Imports, however, were higher over the first five months, rising from 196 100 tons in 2022 to 198 800 tons this year.

Chicken production rose from 2020 to 2022 while consumption declined over the same period. 📉

Year	Production	% change	Consumption*	% change	Imports	% of production	% of consumption
2019	1 704 195		2 165 282		511 317	30.0	23.6
2020	1 768 744	3.8	2 179 353	0.6	460 708	26.0	21.1
2021	1 801 237	1.8	2 159 066	-0.9	406 826	22.6	18.8
2022	1 838 945	2.1	2 149 110	-0.5	360 252	19.6	16.8
to May 2023	735 541		914 645		198 849	27.0	21.7

Source: SAPA

◀ Domestic production, consumption and imports of chicken meat (tons)

*Consumption = production (incl culls) + imports - exports

LOHMANN BROWN EFFICIENCY

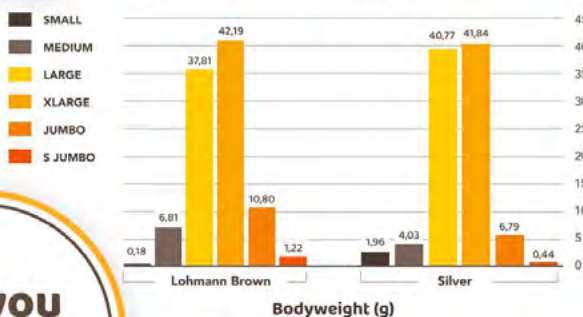


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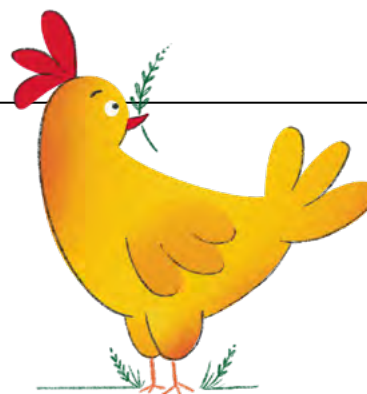
R9.60 SAVINGS PER BIRD

3-4% Feed conversion efficiency/dozen vs competitors during production cycle = R9.60 saving/bird on feed.

Cull price difference (Silver vs Brown bird) must be R10/bird more to experience loss at culling.



Steady rise in producer prices



The producer price of chicken rose by 6.9% in the year to May 2023, averaging R31.23/kg. The price of fresh chicken averaged R39.73/kg, an increase of 8.3% over May 2022, while frozen chicken averaged R29.78/kg in May, up 6% over the year.

The producer price of individually quick frozen (IQF) chicken portions averaged R30.09/kg, and frozen sundries (livers, heads, feet and so on) averaged R15.07/kg in May.

SAPA's broiler producer price report for May showed that fresh chicken had a market share of 14.6% that month, with frozen chicken dominating at 85.4%.

Over the first five months of the year, frozen chicken was up 4.4% over 2022, with fresh chicken up 9.5% and the total average showing an increase of 5.3% over the period.

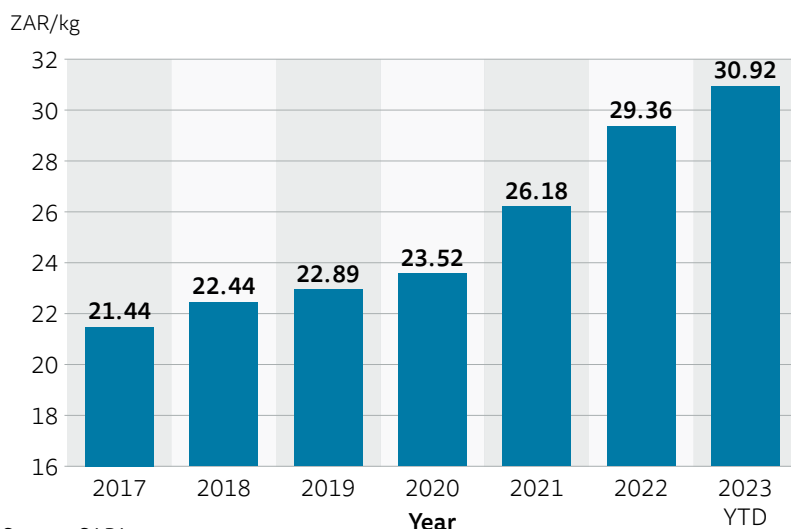
The monthly feed-price indicator showed that while feed prices dropped on a monthly basis, they were up over the first five months of the year, and were higher than the previous year.

Broiler feed was 5.7% lower than in April, at R8 042/t while breeder feed had dropped 3.8% to R7 673/t. Compared to May 2022, broiler feed was down 1.9%, while breeder feed had increased by 7.9%.

Over the first five months of 2023,

While feed prices have been dropping monthly, they were up over the first five months of the year, and higher than last year


Annual producer price for total broiler sales realisation



Source: SAPA

broiler feed averaged R8 896/t, up 7.5% on 2022, while breeder feed was R7 922/t, an increase of 11.7% over the same period in 2022.

The market-share analysis showed that retailers took 40.8% of the chicken produced in the first quarter of 2023. Wholesalers took 37.2%, the food-service industry 18.8% and institutions 1.2%. Exports accounted for only 0.4% of production in the first quarter.

Most of the chicken produced in the first quarter of the year was sold as frozen products, with IQF dominating at 42.8%. Over the 2022 year, IQF averaged 43.6% of the chicken sold. 





It is Galliova Awards time!

World Egg Day is celebrated on 13 October, and this is also the month during which the winners of the 34th annual Galliova Food and Health Writers' Awards will be announced.

Sponsored by SAPA's egg and broiler producers, the Galliova Awards celebrate excellence in food and health writing. The awards are open to writers in the South African food and health media, both print and online, including influencers and food bloggers. This year's winners will be announced on 20 October 2023 at a luncheon event to be held in Cape Town.

A total of eight awards comprising cash prizes valued at R214 000 will be presented this year. A first prize and runner up will be awarded for all categories, except the overall Galliova Champion where there is only one winner. This year sees the introduction of a new category, the Galliova Egg Hero, for content aimed at budget-conscious South Africans with limited disposable income.

According to the judges, the new category sets an upper limit on the cost of ingredients – R50 for a recipe that serves two and R100 for one that serves four – to reflect the media's response to the changing needs of South African consumers in these cash-strapped times.

"The Galliova Egg Hero will be a media practitioner (including those on social media) who makes the most of the very qualities that make eggs such a popular and versatile food among South Africans, even in tough economic times," said the judges.

This year's categories are Galliova



Food Writer, Galliova Food Stylist, Galliova Health Writer, Galliova Egg Champion, Galliova Chicken Champion, Galliova Digital Content Creator, Galliova Egg Hero (each with a first prize and a runner up), and the overall Galliova Champion, who will be chosen from the winners of the other seven categories.

The winners will be featured in the next issue of *Poultry Bulletin*. 📄



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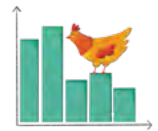
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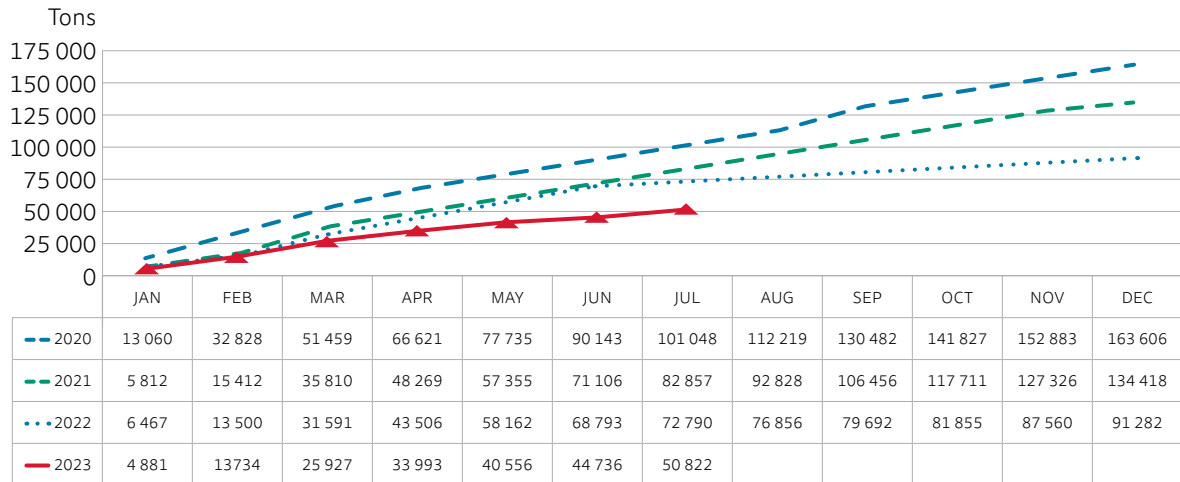
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Brazil ups bone-in imports ahead of new tariffs

Accumulated tonnage: frozen bone-in portion imports



Source: SAPA

Imports of bone-in chicken portions from Brazil increased in July 2023, ahead of the delayed imposition of antidumping duties in August.

SAPA's imports report for July shows that bone-in shipments from Brazil that month totalled 3 306 tons, more than double the previous month's 1 335 tons. Brazil also overtook the United States as the largest supplier that month – because of its substantial quota free of antidumping duties, the US has become the primary source of bone-in chicken imports into South Africa.

Dumped bone-in portions such as leg quarters are the imports that do the most damage to the South African poultry industry, because they compete with locally produced packs of individually quick frozen (IQF) chicken portions.

All of the antidumping duties secured by SAPA on behalf of the

industry have applied to frozen bone-in portions.

In the first seven months of 2023, 55% of bone-in imports came from the US, 34% from Brazil and 7,2% from Argentina before it was subjected to a bird-flu ban.

The good news for South African chicken farmers is that, despite an increase in July, bone-in imports for the year to July were substantially below previous years. The accumulated total for the first seven months was 50 822 tons, half of the 101 048 tons in the same period in 2020.

On the other hand, imports of mechanically deboned meat (MDM) and offal over the first seven months were the highest since 2020, despite volume declines in July. Imports of offal and MDM have been climbing all year, steadily outstripping previous years.

Because of bird-flu outbreaks in

the European Union and in much of the US, Brazil supplied 88% of South Africa's chicken imports, including MDM, in July. If Brazil suffers an outbreak in commercial poultry flocks, South Africa will ban chicken products from that country. 🇷🇵



Call for participation in training programme

SAPA is calling on members to volunteer their assistance in the Gauteng Department of Agriculture, Rural Development & Environment's (GDARDE's) implementation of its extension advisor programme. According to SAPA's Christopher Mason GDARDE approached the association with a request for participation last year. The memo of understanding has now been signed, and the programme is ready to kick off.

The aim of the initiative is to upskill three GDARDE extension advisors with the in-depth knowledge of egg and broiler operations required for their dealings with the farmers they are called on to assist. Over the next three years the three appointed officials will spend two weeks per

month, every month, immersed in poultry-industry learning, by way of first-hand exposure to all aspects of broiler and egg production.


This is where SAPA members come in. Says Mason, "It will benefit the industry as a whole if the government extension officers who advise farmers on sustainable practices can acquire first-hand expert knowledge of the workings of all aspects of our industry, so that they can add maximum value. I want to urge our members to put up their hands for this invaluable service."

Due to concerns around biosecurity and HPAI the process will exclude physical farm visits, with an initial focus on non-farm activities such as further processing, logistics and exposure to the supplier segments of



the industry. The participating officers will sign nondisclosure agreements to ensure confidentiality, assures Mason.

The extension advisors operate exclusively in Gauteng, so only producers who are operational in this province can participate.

If you are able to get involved, or would like to know more about what is required to host, contact Mason on christopher@sapoultry.co.za or (011) 795 9920. 

Photograph: Elaine Banister Photography



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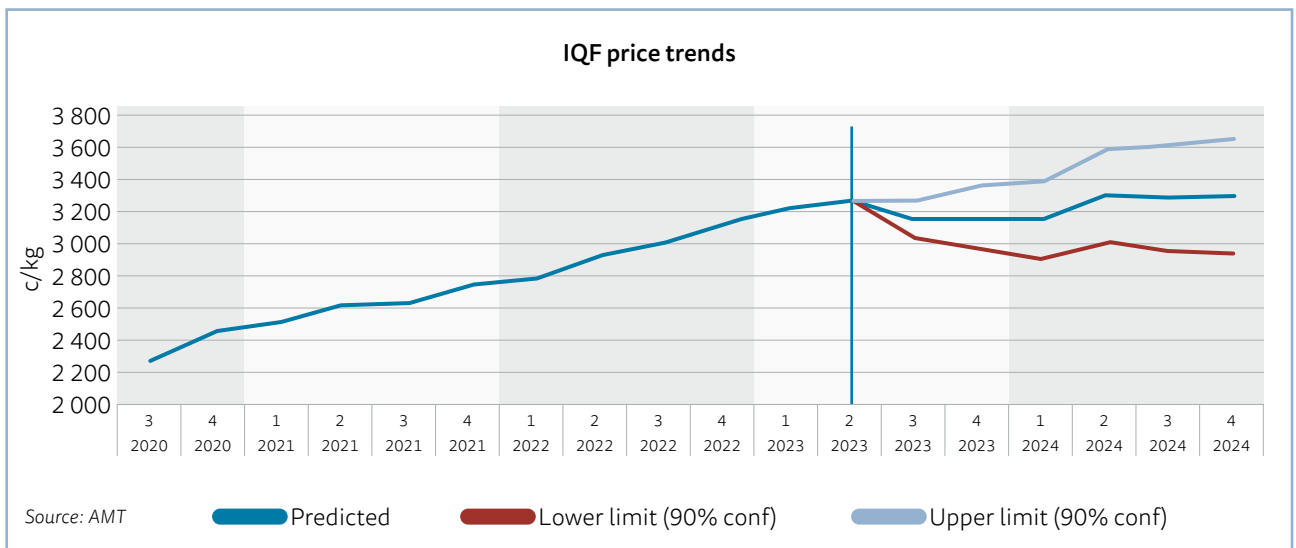
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Chicken prices could dip, says AMT



After rising for the past year, chicken producer prices were likely to drop in the third quarter of 2023, according to the quarterly livestock report for June from AMT, an agricultural trend-analysis company. Beef, lamb and pork prices were all likely to rise over the same period, it said.

AMT said three chicken products – fresh, frozen and individually quick frozen (IQF) portions – sold for higher prices in June on both a quarterly and an annual basis. All three could trend downwards in the third quarter.

A longer-term prediction, to the end of 2024, shows IQF prices dipping until the second quarter of next year, then rising above current producer prices for the rest of that year.

Fresh chicken prices are expected to rise to more or less the current level by mid-2024, while frozen chicken

prices are predicted to remain below current levels for all of 2024.

AMT reported that the producer price of frozen chicken in the quarter to June 2023 averaged R34.31/kg. This was 1.9% above the previous quarter and 11.49% higher than the previous year.

The price of fresh chicken also averaged R34.31/kg – 1.59% above the previous quarter and 8.96% above the previous year.

The producer price of IQF chicken was R32.70 – 1.72% higher than the previous quarter and a rise of 12.01% over the second quarter of 2022. 📊

AMT forecasts a downwards trend in producer prices for fresh and frozen chicken, and IQF portions alike



Gut health: an arsenal against pathogens

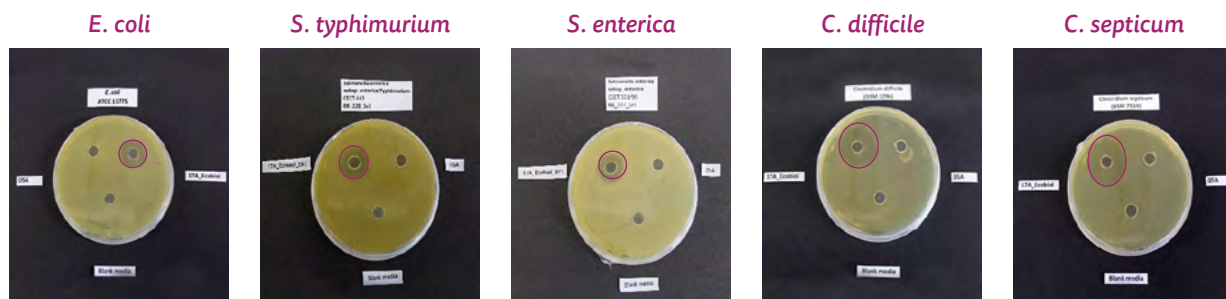
Can we control harmful gut pathogens with probiotics? Natasha Davison takes a look into the potentials of Ecobiol®



Poultry producers face a number of challenges that compromise profitability. One of the biggest of these is the presence of enteric pathogens such as *Salmonella*, *Escherichia coli* and *Clostridium perfringens*. These organisms place immense pressure on the gut by causing inflammation, disease and subsequently poor growth performance in chickens.

Antibiotics have long been employed to control the levels of such pathogens, but as the use of these drugs becomes more controlled, or when antibiotics need to be removed from the feed during the withdrawal phase, alternative means of control are becoming increasingly important.

Figure 1: The inhibition of several important enteric pathogens exhibited by Ecobiol®



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Ecobiol® as a solution to control enteric pathogens

Ecobiol® is a single-strain probiotic containing *Bacillus amyloliquefaciens* CECT 5940, and supports the maintenance of an intestinal microbial balance in poultry that is compatible with the commonly used coccidiostats, antibiotic growth promoters (AGPs) and organic acids. Ecobiol® has been shown to reduce pathogenic microflora in the intestines of broiler chickens as well as improve broiler performance.

A number of unique modes of action is responsible for Ecobiol®'s success. These include secondary metabolite production, lactic-acid production, immune modulation and quorum quenching to effectively inhibit harmful bacteria in the gut, thereby preventing their over-proliferation and disease. Figures 1 and 2 demonstrate how Ecobiol® inhibits *E. coli*, *Salmonella typhimurium*, *Salmonella enterica*, *Clostridium difficile*, *Clostridium septicum* and *Clostridium perfringens* compared to another *Bacillus*-based probiotic.

Salmonella can be a complicated pathogen to control and because it can cause food-borne illness in humans, it's closely monitored in poultry production. There also exists the concern of vertical transmission into eggs in layer and broiler breeder birds, and for this reason, it is crucial to protect poultry against this bacteria. Evonik conducted an in vitro test to assess the inhibition of a number of significant strains of *Salmonella*.

Following on from the in vitro work, Evonik conducted an in vivo test where the shedding of *Salmonella enteritidis* was monitored after the infection of 20% of broiler chicks per treatment at five days of age. The chicks were either given a control diet or one supplemented by Ecobiol®. Beyond

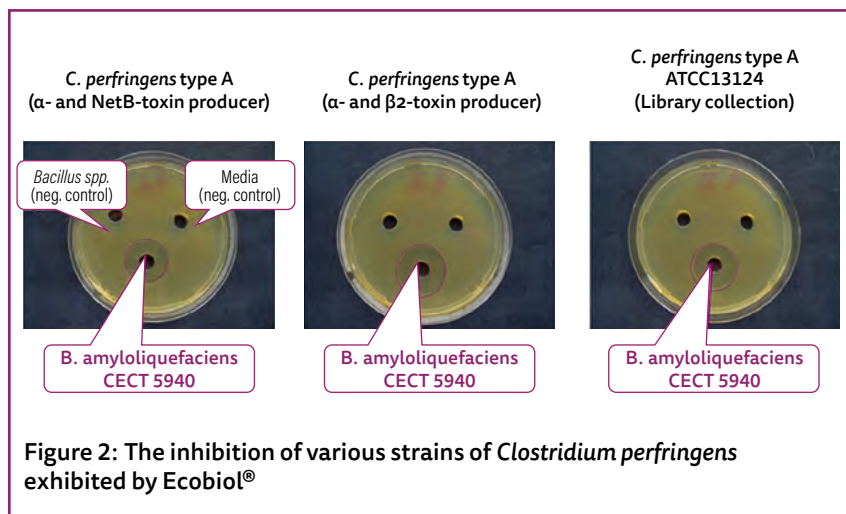


Figure 2: The inhibition of various strains of *Clostridium perfringens* exhibited by Ecobiol®

the age of 20 days, only the birds supplemented with Ecobiol® were able to consistently and significantly reduce shedding of *Salmonella enteritidis*. As Figure 3 shows Ecobiol® was able to inhibit *Salmonella* successfully.

As the challenge of pathogens continues to rise with the withdrawal of antibiotics, or when their presence is not effectively controlled with vaccination alone, alternatives need to be

considered. Ecobiol® has consistently demonstrated its effectiveness against pathogenic bacteria and can be used as an effective strategy to reduce harmful bacteria in the gut as part of a holistic gut-health programme. 📄

References available on request.
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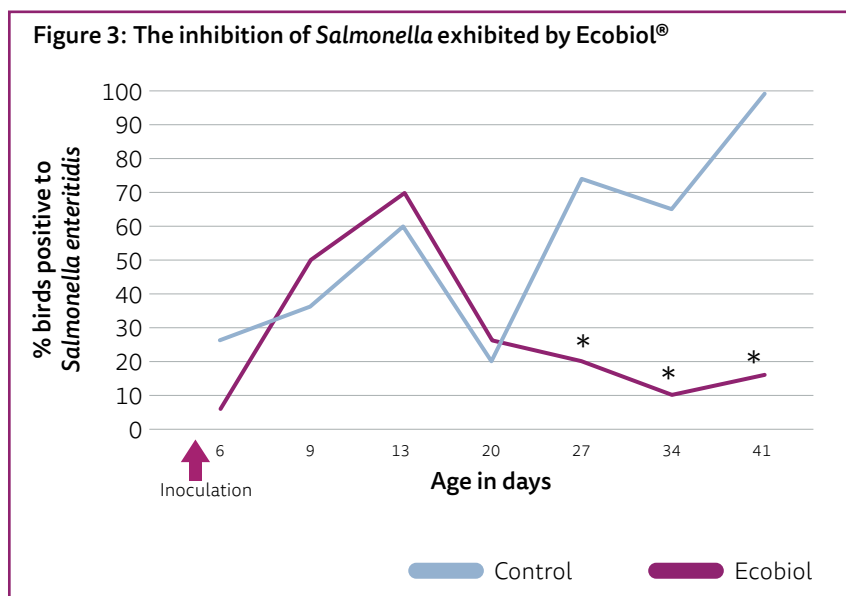
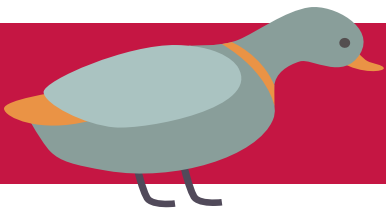
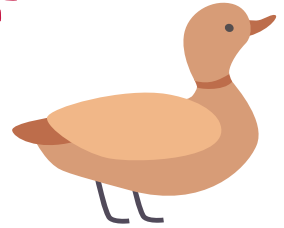


Figure 3: The inhibition of *Salmonella* exhibited by Ecobiol®



FOR THE LOVE OF DUCKS



They quack, they waddle and they swim, and while duck meat is sought-after in some quarters it is not a mainstream commodity in the poultry market. However, one farmer in KZN has carved out a profitable niche for himself. By **Diane McCarthy**

There are between 25 000 and 30 000 birds on Caldham Ducks farm at any given time, and they are raised completely free range



Photographs: supplied, illustrations: Shutterstock



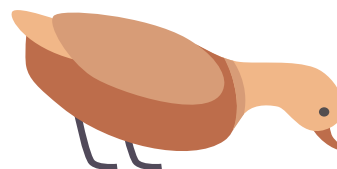
POULTRY PEOPLE



Phumlani Mbokazi and his business partner still has their eye on the export market, and hope to eventually produce high enough volumes to export to China



Around 70% of the output is earmarked for the fine-dining restaurant trade



Duck farming might be a niche market at the moment, but Phumlani HR Mbokazi has big plans for the future. Together with his partner Stuart Naysmith, Mbokazi runs a duck-farming operation, Caldham Ducks, in Camperdown, close to Pietermaritzburg in KwaZulu-Natal.

In 2017 Mbokazi and Naysmith were in the ICT business together, providing fibre and signalling cables sourced from China. While trying unsuccessfully to source copper cables from China, Naysmith identified an export opportunity for ducks and persuaded Mbokazi to change careers and join him in a new enterprise – the export of duck meat.

Mbokazi didn't need too much persuading. "We knew getting into exports was not going to be an easy endeavour. The volumes our potential new customers were asking for were huge, but we said, let's just start and see how it unfolds."

After researching the local market, they realised there was a sizeable number of duck eaters right on their doorstep. "Our market is



here in South Africa and it's a growing market. We have individual customers of Chinese and Taiwanese descent as well as high-end restaurants that purchase large quantities. Currently, about 70% of our product goes to the fine-dining restaurant trade, 15% to the local Chinese, Taiwanese and Indian communities and the rest goes to the pet-food industry."

Neither partner has given up on the dream of exporting to China. Caldham has recently expanded with the purchase of a second farm nearby and the partners are in the process of getting it up to export standards. "We would like to scale up and produce a minimum of 100 000 to 120 000 birds a month. There's a growing market for duck meat, both locally and internationally."

Currently, Caldham has a flock of 25 000 to 30 000 ducks on the farm at any given time. The majority are Pekins, but they also have Muscovy, Rouen, Hook Bill and mallard ducks on the farm.

They process an average of 1 000 birds a day. A duck takes seven to eight weeks to reach

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full maturity and be ready for slaughter, but sometimes they slaughter at six weeks. "Some of our restaurant customers prefer a smaller bird," Mbokazi explains. "They want a smaller fillet as per their menu requirements, and then we slaughter a little earlier." Caldhome does its own slaughtering, processing and packaging on site; only logistics are outsourced.

All of Caldhome's ducks are free range, and the partners pride themselves on this. "It resonates with us," says Mbokazi. "We do have duck houses, but we open them up every day and the ducks are free to roam. The only time they are inside is at night or if it is raining." Each duck house has a swim pond, because, he says, "free-range ducks need to be treated a bit like pets, and they do need to swim".

Ducks are more resistant to disease than chickens and the farm has never had a case of avian flu, but they are fully aware of the dangers, and biosecurity is top of mind. The ducks intermingle with wild birds when outside, but inside, each duck house has its own dedicated worker who disinfects thoroughly before entering the premises.

When considering sustainability, duck farming is a good option. Every part of the duck has



Pekin ducks make up the biggest percentage of the ducks on the farm



To accommodate ducks' need to swim, every duck house on the farm has a swim pond. Ducks are more resistant to disease than chickens

economic value, so there is no waste.

To complete the sustainability circle, Caldhome is currently testing the used litter from the duck-house floor – they use sawdust sourced from a local mill – to see whether it can be marketed as garden compost. That would create yet another income stream for the company.

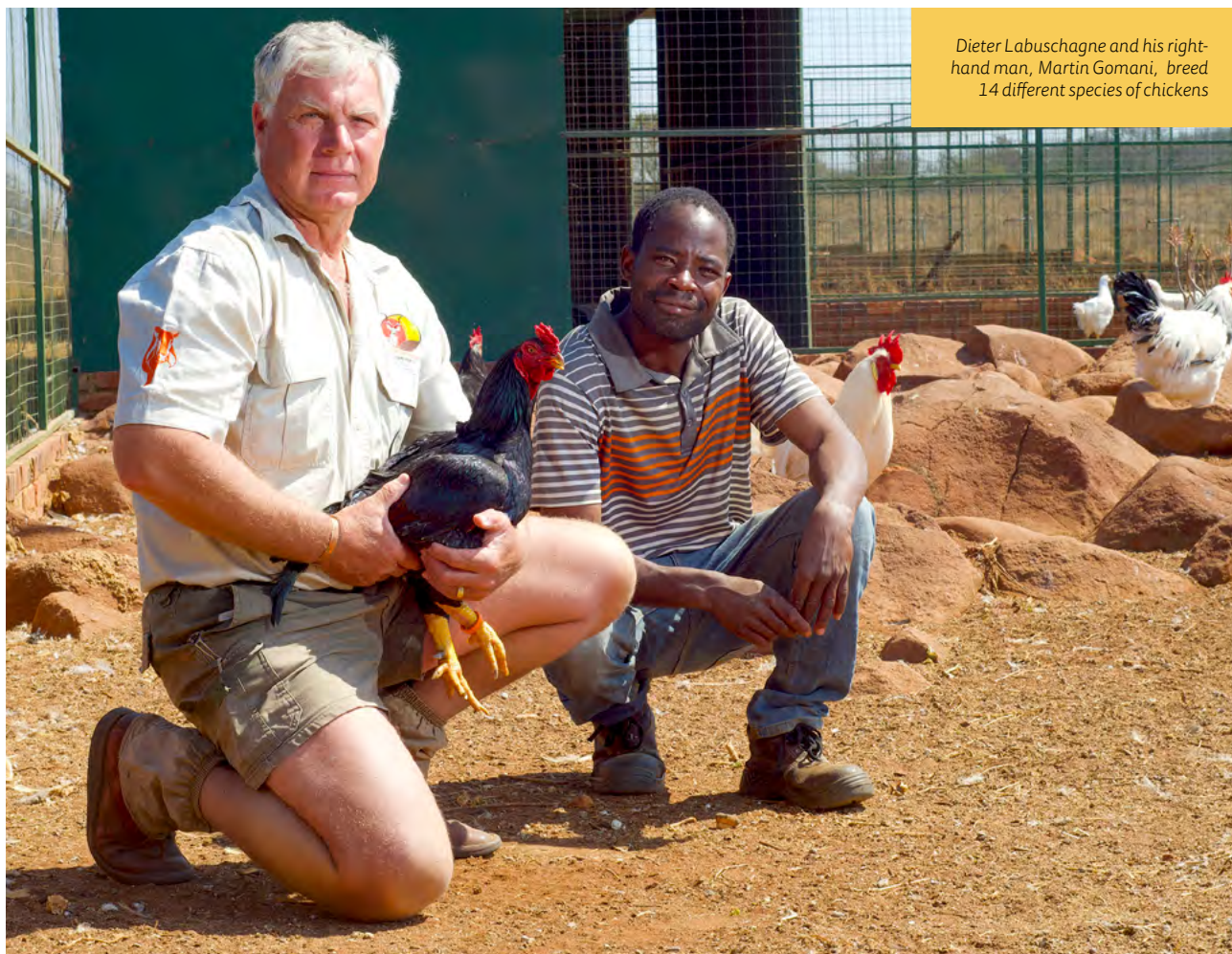
Does Mbokazi miss his old ICT life? Not a bit of it. He loves what he does and talks about it with the fervour of a convert. "Farming is life. You deal with soil, you deal with nutrients, you deal with water, climate, the cycle of the seasons. You see them, you observe them, you know about it. It doesn't happen in many other professions, but it does happen in farming." 📷

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ANYTHING THAT HAS FEATHERS

Today hobby chicken breeders are a fringe part of the industry, but back in 1903 when SAPA started, it was as an organisation for “poultry fanciers”. **Jedrie Harmse** met one such hobby breeder who wins prizes for his exotic birds



Dieter Labuschagne and his right-hand man, Martin Gomani, breed 14 different species of chickens

Photographs: Jedrie Harmse, illustrations: Shutterstock



“Whether it is a parrot, a budgie, a duck or a goose, I love anything that has feathers, with chickens at the top of my list,” says Dieter Labuschagne, a hobby chicken breeder whose Indian Game cock won Best Bird on Show in the SASPO 2023 National Championships that were held in Bloemfontein in July.

Although this is only a hobby to Labuschagne, it is also a passion and, therefore, he takes it rather seriously. “This bird (the national champion) competed against nearly 2 700 of the finest poultry specimens in the country. I keep this hobby mainly for the pleasure the birds give me, but I’m also competitive and winning is part of the fun.”

Every year, fanciers from across the nation gather to showcase their finest, competing for the prestigious title of Grand Champion. Labuschagne’s Indian Game cock was awarded this coveted title after also claiming the titles Breed Champion and Hard Feather Champion.

Labuschagne retired from commercial farming a while ago, after selling his farms on the eastern Highveld where he produced, as he calls it, “*pap en vleis*” (maize and cattle). He bought a smallholding on the Highveld near Bronkhorstspruit in 2019 where he now breeds 14 different chicken species “just because I like it”. He moved the chicken coops from the farm and named the enterprise Livorne, which is the Italian word for Leghorn.

“I grew up on a farm, and my interest in chickens started at a very young age. I guess it’s also an African thing, this emotional bond we have with chickens. There probably isn’t a single farm or smallholding in South Africa without at least one chicken coop.”

Labuschagne also passionately advocates the value of keeping chickens, whether on a farm, smallholding, or in a yard in a city or township. “Ordinary people don’t realise the household advantages that chickens bring. They will keep your lawn and flowerbeds free of an array of pests and fertilise your garden as they go about their business. They are also very willing and able waste managers – we feed our chickens all kinds of scraps from the kitchen.

“And as the best ‘thank you for keeping us’, they produce eggs — the most amazing food



Who’s a champion? The Indian Game cock that won Labuschagne the Best Bird on Show award

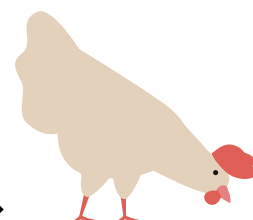


Winning medals is reward enough for a competitive hobby farmer

parcel you can get, rich in nutrients, including proteins, vitamins and minerals.”

Labuschagne’s hobby is an extensive enterprise, consisting of 85 chicken coops where he produces around 600 to 700 chicks of various breeds per year. His only employee is the trusted “chicken man”, Martin Gomani. A rigorous selection process keeps the flock within breed standards. “We have the typical challenges of a commercial poultry producer. We (fanciers) are equally exposed to bird flu and other poultry diseases and have to be vigilant in maintaining flock health.

“We take great care to produce chickens of





POULTRY PEOPLE

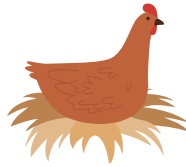


Labuschagne takes great care to produce birds of high enough quality to compete at the levels of breed standards

high enough quality to compete to the levels of each breed's standards. On a financial level, you need to keep a close eye on the 'business'. We are not focused on the bottom line and expenses can easily slaughter your hobby," he says. "I try to at least cover feed cost by selling offspring."

Apart from fellow fanciers who buy breeding stock, the only other market is "informal" buyers who mostly buy hens for household egg production. He doesn't follow any official marketing strategy as the promotion of his stock mostly happens through word of mouth.

Although Labuschagne currently also has game interests near Marken in Limpopo, he hopes to keep breeding and exhibiting chickens till the day he lays down his head. "I love my birds – their value to me is purely aesthetic because they are so pleasing to look at. And they have so much 'houding' (attitude) – just look at this winner!" 📷



CONTACT DETAILS

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Flock health is as important for hobby farmers as for commercial producers, so they remain vigilant to maintain biosecurity



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NOT ALL ANTIBIOTICS ARE THE SAME

Switching from no antibiotics ever (NAE) to no antibiotics important to human medicine (NAIHM)

In an about turn, Tyson Foods, the largest broiler producer in the USA, announced in July this year that they will be switching from no antibiotics ever (NAE) to no antibiotics important to human medicine (NAIHM) in all fresh, frozen and ready-made products. The move is expected to be completed by the end of 2023. The decision to transition, as reported in *WattPoultry*, was based on “sound science and an evolving understanding of the best practices impacting our customers, consumers and the animals in our care.”

The antibiotic resistance crisis, attributed to antibiotic overuse, inappropriate prescribing, lack of availability of new antibiotics and extensive agricultural use is of concern to global human and animal health. Antibiotics in poultry are commonly used for the treatment of disease and disease prevention. Subtherapeutic levels of antibiotic growth promoters (AGPs) have been widely used in broiler feeds to promote optimal weight gain and feed efficiency. However, government legislation, consumer pressure or export regulations have resulted in significant reductions in antibiotic use in poultry. This is demonstrated graphically below in the case of the US.

There are variations of antibiotic-free production (ABF) around the world. In the US, ionophores are classified as antibiotics and cannot be used in NAE production. Even so, over half of the US broiler industry has adopted the NAE system, regulated by the US Department of Agriculture, by 2022. In Europe, ionophores are included in NAE programmes which would help to alleviate mortality from coccidiosis and necrotic enteritis.

Observations from the field regarding ABF production show that maintaining performance (average daily gain, feed conversion ratio) and broiler health and welfare is a significant challenge. Multiple interventions are required in the entire production system to decrease bacterial load. Decreasing stocking density and increasing downtime between cycles are management strategies that would need to be adopted but they result in lower income for the producer. Intense focus would need to be placed on biosecurity, frequent disposal of mortalities, improved housing infrastructure, optimum ventilation and environmental control, effective vaccination programmes and water quality. At the breeder level, it would be imperative to reduce floor eggs and maintain nest cleanliness.

According to Oviedo-Rondón’s keynote lecture at the European Symposium on Poultry Nutrition in June, diet formulation, feedstuff quality, additive selection and feed manufacturing need to be optimised in order to maximise gizzard and intestinal development, stimulate a healthy microbiome, minimise contamination and infection and maintain gut physiology. In terms of replacing AGPs with feed additives, there isn’t a single silver bullet, and the addition of feed additives comes at a significant cost. Plant extracts, essential oils and polyphenols are included in ABF production to modulate gut microbiota and have anti-inflammatory properties. Butyric acid, mycotoxin binders assist with mucosal integrity. Probiotics can be used to seed the gut in pre-starter and starter diets while the inclusion of emulsifiers, lipotropic and

bile salts may aid in the protection of liver function.

The documented negative aspects of production without antibiotics begs the question if a blanket ban on ABs is necessary, as not all antibiotics are the same. Antimicrobials have been categorised by importance to human health by the World Health Organisation based on whether they are the sole therapy available to treat infection and/or if they are used to treat infection caused by bacteria from non-human sources which may acquire resistance genes. Critically important antibiotics include gentamycin and tylosin. Contained in the list of highly important antibiotics are virginiamycin and tetracycline.

Antimicrobials deemed to be non-medically important to human health are listed in **Table 1**. These antimicrobials that may be used in NAIHM production include ionophores to control coccidiosis and associated necrotic enteritis as well as antibiotics to inhibit sub-clinical infection.

The complexity of NAE and the resultant bird welfare issues raise concerns about the sustainability of antibiotic-free poultry production. The inclusion of non-medically important antibiotics and ionophores addresses both the antibiotic resistance issue and has the potential to significantly improve bird health, performance and lower the cost of production.

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Leigh Bowker
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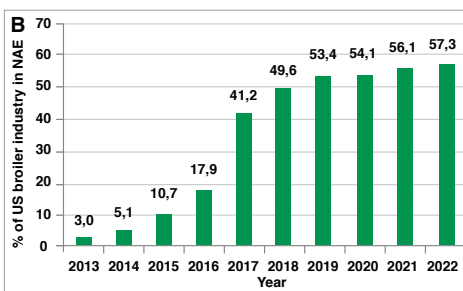
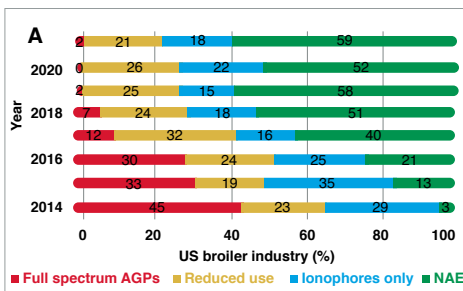


Figure 1A Distribution of the US broiler industry according to marketing programme with either full use of all antibiotic growth-promoters (AGPs), reduced use, use of only ionophores or Non-Antibiotics Ever (NAE), (Source: Rennie Associates Inc., May 2022). **B**. Percentage of the US broiler industry production raising under NAE programmes (Source: AgriStats Inc. 6510 Mutual Dr, Fort Wayne, IN 46825).

Antimicrobial Class	Example of drug products used in food animals
Aminocoumarins	novobiocin
Arsenical	roxarsone, nitarosone
Bicyclomycin	bicozamycin
Ortobosomycins	avilamycin ²
Phosphoglycolipids	bambermycin (=flavomycin)
Ionophores (including polyesters)	lasalocid, monensin, narasin, salinomycin
Quinoxalines	carbadox, olaquinoxid

Table 1. Antimicrobial classes currently not used in humans

GREEN INITIATIVES



The team that runs the Worcester rendering plant like a well-oiled machine: Alridge Visagie (process leader), Yolisa Kontiswe, Danfred Januarie, Baxolele Mnyaka, Reynier Oosthuizen (process manager), Andile Fudumele, Theresa Conradie (QA monitor) and (in front) Francois Arendse

TURNING PROCESSING WASTE INTO GOLD

Byproducts and waste are a reality for all processing plants. Rainbow's Worcester plant not only processes its waste; it converts it into high-value products that significantly boost the plant's bottom line
By **Charmain Lines**

In South Africa there is a market for almost every part of a chicken. Even so, processing plants still have to deal with feathers, blood, bone and meat offcuts that cannot be included in consumer products. Rendering plants, where these waste products are processed, are a critical part of the processing value chain. Not only do they solve a waste problem, but they also help to reduce food waste, return water to the environment, upcycle

The air-handling plant



The high quality of the products has also created a funnel of prospective customers, all clamouring for what used to be the plant's least desirable outputs

animal leftovers into safe ingredients for hundreds of products, and increase the environmental sustainability of animal agriculture.

Integrated or dedicated rendering plants are a feature of poultry-processing plants across the world. Not all rendering plants, however, are created equal – as is proven by the Rainbow plant in Worcester.

That was then...

The Worcester processing plant was built and commissioned in the early 1970s and its original rendering plant was a product of those times. The biological waste from the processing plant was simply cooked together to produce a poultry byproduct (PBY) meal that was used in chicken feed. The process was simple and effective, but resulted in cooking smells that could be quite unpleasant.

As the area became more densely populated, the odour problem became a bigger problem, as more people complained about the smell. "You couldn't blame them," says rendering process manager Reynier Oosthuizen.

"One particularly enraged gentleman even suggested that we move the whole operation!"

Moving the plant was clearly not an option, and because Rainbow wanted to maintain good relationships with all its neighbours, it started investigating solutions. "We found technology that would allow us to process our animal waste into three high-quality products, namely, feather meal, meat meal and oil, for which we could get good prices in the market," says Oosthuizen. The result was a project that turned Worcester's antiquated rendering plant into one of the finest in the country.

...this is now

The technology in the plant is among the best in the world, as is its performance. It also delivers on all the intended fronts: even inside the plant itself there is almost no odour and the revenue it generates has helped ensure the plant's profitability in recent times when high input costs and loadshedding ravaged the bottom line.

"All our meat and feather meal are used to manufacture premium

animal feed," says Oosthuizen. The high quality of these products has also created a funnel of prospective customers, all clamouring to buy what used to be the least-desirable outputs of the Worcester processing plant.

The feather-meal process starts with all the feathers that are removed in the processing plant being pumped to the rendering plant. Excess water is removed, and the feathers are cooked to a pulp that is fed into a drier to be transformed into feather meal.

A liquid *Salmonella* inhibitor is added, along with an antioxidant to control gram-negative pathogens and to protect the product against autoxidation. A vibrating screen removes any lumps and the sifted meal is collected in a hopper from where it is poured into 50kg and 550kg bags. Just before bagging, a combination liquid moisture optimiser and antimicrobial preservative is added.

The finished product is tested daily at the onsite SANAS-approved lab for *Salmonella*, *E. coli*, *Clostridium* and *Enterobacteriaceae*. Product is also

GREEN INITIATIVES

sent to an independent lab on a regular basis for, among others, a 48-hour Pepsin digestibility test.

In 2020, a continuous feather hydrolyser replaced the two batch cookers that were used before, in order to improve the quality and protein content of the finished product.

To make the meat meal and oil, all the viscera and downgraded portions are pumped from the processing to the rendering plant. Excess water is screened out and the product is cooked into a meat soup in two batch cookers. The soup is fed into a three-phase decanter where it is split into meat pulp, poultry oil and wastewater.

The meat pulp goes into a drier where it is dried into poultry-meat meal that then follows the same process as the feather meal in terms of disease-prevention additives, bagging and testing.

The poultry oil goes through a centrifuge to spin off any remaining water, before it is pumped into storage tanks ready to be collected in bulk loads.

The wastewater is pumped to a wastewater dam in which all runoff



The hydrolyser

'Whenever new equipment is installed, experts come to the site to train our operators and fitters, and this information is incorporated into our annual refresher training'

from the processing and rendering plant is collected. From there it goes to the onsite waste-to-value plant where a biogas digester converts it into gas to run the generators that supply electricity on site.

Technology, no matter how advanced, does not run itself, notes Oosthuizen. "Whenever new equipment is installed, experts come to site to train our operators and fitters. From this training we create a standard operating procedure document that is used in annual refresher training."

And the smell?

That the rendering process produces unpleasant odours is an inescapable fact. However, the air-handling system that was installed in 2017 as part of

the conversion project successfully addresses the problem.

All the air in the building, as well as the steam coming from the cookers and driers, goes through a pH-controlled conditioning scrubber, then through a biofilter and lastly through a pH-controlled advanced oxidation scrubber, where ozone and UV are added before the air is released into the atmosphere.

"In accordance with the conditions of our air-emissions licence (AEL), we monitor our system 24 hours a day on a SCADA system," says Oosthuizen. "Not only are we operating within the parameters set by the Cape Winelands District Municipality and the National Environment Management: Air Quality Act (NEMAQA), but there has been a 95% drop in valid odour complaints since 2018." 📄



The cooker area

RAINBOW WORCESTER FAST FACTS

- **Monthly processing:**
 - 545 tons of feathers
 - 570 tons of meat
- **Monthly production:**
 - 170 tons of feather meal
 - 130 tons of meat meal
 - 85 tons of oil
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- Certified to export animal-feed ingredients.



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EAGLES PRIDE REBUILDS AFTER FIRE

The fire at a Kuipers Group hatchery in July highlighted the service-delivery shortcomings in the town of Koster, but also poultry people's amazing capacity for teamwork and support when the chips are down. By **Charmain Lines**

The hatchery handles around 600 000 chicks per week – luckily all the hatchlings had been dispatched when the fire broke out



Photographs: supplied, and Shutterstock

Work is already well underway

to rebuild the Eagles Pride hatchery at Koster in the North West after it suffered damage of over R100 million in a fire on 29 July this year. The replacement hatchery equipment that was ordered should arrive in South Africa by the end of November and if all goes according to plan, the facility will be back up to full capacity by mid-2024.

A security guard noticed smoke coming from one of the buildings at around 06:30 on that fateful morning and raised the alarm. "The day staff had just come on shift, and we evacuated all employees from both the hatcheries on site," says Charles Le Maitré, CEO of Kuipers Group, the company that owns Eagles Pride. Two employees sustained minor injuries later during the day while moving debris, but luckily neither needed medical treatment.

The emergency services were called, but the hands of the local municipality's fire department were tied as all its fire trucks were away being serviced at the time. Help had to come from Rustenburg, almost two hours away...

In the meantime, the hatchery's own firefighting teams were responding to the fire and the company sent more people and equipment from its other facilities in the area. The Rustenburg fire department arrived at around 08:30, but by then the damage was done and the fire almost burnt out. "The crew was extremely professional but most of the damage would have been prevented had the trucks in Koster – which is less than a 10-minute drive from our site – been operational," notes Le Maitré.

Thanks to the quick thinking of management and employees on site, the passage that linked the site's two hatcheries and office block was demolished to prevent the fire from



The egg room and packaging room of the hatchery suffered the most fire damage

spreading to the second hatchery. The egg room and packaging room of the hatchery where the fire started were severely damaged, adding the loss of packaging material and fertilised eggs to the bill, and had to be demolished.

During a site visit on the day, the SPCA confirmed there were no day-old chicks on the property during the fire, and no livestock were injured or killed. All the chicks that hatched during Friday night had left the site by 05:00 that Saturday morning to be delivered to customers, at least 90 minutes before the fire was noticed.

"Without our staff and the support we received from our neighbours, farmers and people from as far away

as Lindleyspoort and Swartruggens, the damage would have been much worse. We are extremely grateful to everybody who came out to help us," says Le Maitré.

The exact cause and origin of the fire is still being investigated, but all signs point towards an electrical surge.

Eagles Pride provides day-old broiler chickens to several independent, large-scale broiler producers, as well as to chick distributors who supply the smaller-scale and informal broiler markets in North West, Gauteng, the Free State, Mpumalanga and Limpopo.

Before the fire, the Koster facility hatched on average 600 000 chicks per week. "Koster is where a sizeable part of our total chick production happens and losing that capacity certainly had an impact," explains Le Maitré. "But fortunately we could divert supplies from some of our other hatcheries and several other industry role players have offered to help out in the short to medium term. Our industry is highly competitive but it's heartwarming to experience how we pull together in times of need."

None of the Koster facility's 278 people are in danger of losing their jobs, although some are working at other hatcheries and facilities in the Kuipers Group while the hatchery is being rebuilt. 📷



CEO Charles le Maitré: "Our industry is very competitive but it's heartwarming to see how we pull together in times of need"

GETTING THE BALANCE RIGHT

How healthy is your business and how do others keep theirs sustainable? Three different perspectives to consider

By **Charmain Lines** and **Christopher Mason**

WHY AN EIA IS ESSENTIAL



Photographs: supplied, Shutterstock

Esther Mampane, snr environmental-impact officer, Westleigh Environmental Services

Sustainability means maintaining a healthy balance between the use of natural resources and socioeconomic development. When it comes to broiler and egg production, the goal is healthy food that is produced in a safe and environmentally friendly manner.

As an environmental-impact professional, it is my job to advise and support farmers on all matters of natural-resources management, sustainable agriculture and environmental compliance. I usually do this

in the context of an environmental-impact assessment (EIA).

An EIA is a legislative process that an applicant must undertake when applying for environmental authorisation for activities that are listed in the National Environmental Management Act and the EIA Regulations. It can only be executed by a registered EIA practitioner.

An EIA investigates, evaluates and measures the level and type of impacts (negative and positive) that an activity – such as a chicken farm – may have on the environment during construction and when in operation. The practitioner looks at the geographical and ecological properties of the farm, including its soil, water, air, plant and animal life and any heritage and cultural factors. We also assess the need and desirability of the activity and its socioeconomic benefits.

There are two types of EIA processes. The basic assessment is for land uses that have a smaller environmental impact, while a scoping- and-environmental-impact report applies to activities that will have a bigger impact.

Collecting soil samples to test for contaminants during an environmental-impact assessment



'An EIA is a lifetime investment in your business as you cannot get funding without it. It is also a selfless act of love'


All EIA processes include a public-participation element that allows local communities and authorities, neighbouring landowners and all other interested and affected parties to give their views.

All the information gathered in the EIA process is captured in a report that the competent authority, usually the provincial department of environmental affairs, uses to decide whether to grant or refuse the application. Once a decision is reached, the interested and affected parties have 20 days to appeal.

The EIA process delivers an important benefit to the landowner in the form of an environmental-management programme, which

is a how-to guide on mitigating negative environmental impacts. It usually covers good housekeeping and biosecurity measures, water and energy conservation, waste management and biodiversity protection.

My advice to all farmers is to see an EIA as more than just compliance with regulatory requirements. On the one hand, it is a lifetime investment in your business as you cannot get funding without it. On the other, it is a selfless act of love.

By doing what's best for our precious natural environment today, we are ensuring a future for our children and their children. 



SUSTAINABILITY IN PRACTICE

Andisiwe Mgozeli, acting plant production manager, Daybreak's Delmas processing facility



I joined Daybreak Farms as a 23-year-old intern in 2013 after winning a place in the entrepreneur development programme that the national department of agriculture was hosting in conjunction with the University of Stellenbosch Business School. I was placed with Daybreak, then still known as Afgri Poultry, for the work exposure part of the programme, and at the end of my contract I was offered the position of quality-assurance coordinator.

In 2015 I was promoted to quality-assurance supervisor and became acting plant production manager in September last year. I love how challenging the chicken industry is. One doesn't stop learning in this business. Every minute counts and the adrenaline rush is fulfilling. It also makes me happy that chicken offers something for every household because it is affordable.


Sustainability is very important for the business and by that I mean that everyone in the organisation must understand and drive the company strategy. When employees are involved in shaping policies, when you win their hearts and minds, they will be more willing to participate and achieve the goals we set. Succession planning also ensures sustainability, especially when a business is growing.

In the plant I manage, environmental sustainability is a priority. A team of water champions works closely with

'We are researching ways to use renewable energy sources'

plumbers to measure and find ways to reduce water usage, and they also monitor taps and water lines in the plant to ensure leaks are immediately fixed. The wastewater treatment plant and water-recycling plant enable the business to reuse water and further reduce wastage.

Biological waste from the processing plant is processed in its rendering plant so it can be used in the feed mill, while light sensors in the offices and LED lights in all buildings reduce electricity use. All waste materials are separated for recycling, and reducing paper usage is an ongoing focus area.

We have formed a team that is researching ways in which we can use renewable and alternative energy sources, and continuously have conversations with the employees about sustainability and practical things they can do at work and at home to reduce their environmental impact. 



Mgozeli believes in having ongoing conversations about sustainability with her team



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“I have been working closely with Broiler Farmers for the past 14-years and within the Agri-industry for 23-years”

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Your World is our World

HOW VIABLE IS YOUR FARM?

**Christopher Mason,
sustainability and
development manager,
SA Poultry Association**

A sustainable business is one that's viable, that has the ability to sustain its operations and generate profits over the long term. When advising farmers, we explain that sustainability boils down to their strategy to reduce the negative environmental impact resulting from their operations.

Various critical factors come into play when considering a farm's business viability and those include market demand, the competitive landscape, the farmer's financial resources, their operational efficiency, scalability and adaptability to changing market conditions.

A farmer might ask why this is important for them, and my answer is always that by assessing your farm's viability you identify the potential for growth as well as the likelihood that you will make a sustainable profit.

This is an exercise that should be planned for and scheduled at least annually. The day-to-day running of the farm and all the variable factors affecting the daily operations are demanding and often cause distractions. It is so easy for strategy to fall by the wayside unless you build in time to review and analyse your business environment regularly.

The first step is to assess the market's demand for your product or service. Understanding your customers' needs is the starting point. Once you have established that there



'Creating a marketing strategy is key if you are to become and remain viable and to ensure financial stability'

is a demand for the product that you deliver – whether it is meat, live birds or table eggs – your next step is to identify the competitive advantage that will differentiate your product from that of your competitors. It might be your pricing, or it may be quality, or even service levels.

You will need to consider the size of your potential market and whether it can accommodate new production. Ask yourself who your competitors are, and whether the market will allow you room to grow.

Next you have to focus on the financial viability of your farm, and here you need to consider how you

generate income, how you manage your costs and your cash flow, and whether you are making a profit.

A healthy business is one which strikes a balance between income generated and expenses incurred in order to generate consistent profit. Good cash-flow management is vital as it enables you to adapt to changes in the environment as well as unexpected challenges, such as sickness in your

flock, or unforeseen damage caused by heavy storms.

Creating a marketing strategy is key if you are to become and remain viable and to ensure financial stability. A business that is able to adjust its strategy and respond to customer demands and environmental conditions is more likely to maintain its viability over the long term. 📌



A cash reserve is essential for a sustainable business



MARKETING TIPS

- Clearly define your brand and/or product.
- Ensure that whatever you produce is of good quality.
- Develop and maintain good service levels. (Do not make empty promises.)
- Identify your target market (who you want to sell to). If it's local people, you could, for instance, distribute flyers to make people aware of your business and the products you offer.
- Create an effective webpage and regularly update it.
- Use paid searches (pay-per-click advertising via Google Ads).
- Use social media for marketing. (Twitter or X, WhatsApp and Facebook are powerful tools).
- Social investments such as donations of product to your local old-age home or crèche show your interest in your community and gives you positive brand exposure. The goodwill you create in this way is priceless.

TIPS FOR FINANCIAL STABILITY

- Do the maths to ensure you are making a profit on your product.
- Streamline your budgeting and forecasting. (A conservative approach is sensible.)
- Separate your personal finances from your business finances.
- Focus on your cash-flow management – know your status.
- Save up a cash reserve that can cover three months of operational expenses for your business.
- Look at ways that you may be able to save costs, but only reduce unnecessary costs.
- Develop and maintain good supplier relationships.
- Prepare for the unexpected.
- Do not take impulsive or emotional financial decisions and avoid unnecessary debt.
- Adhere to all statutory regulations.
- Enrol in a course on running business finances
- Invest in reliable financial software such as Pastel. Excel can be a more affordable alternative.



TALKING TURKEY

A FARMING DYNASTY OF 6 GENERATIONS

Erica Sawatzke is the sixth generation of farmers of Oakdale Farm in the American Midwest, where they raise turkeys and grow maize and soya beans



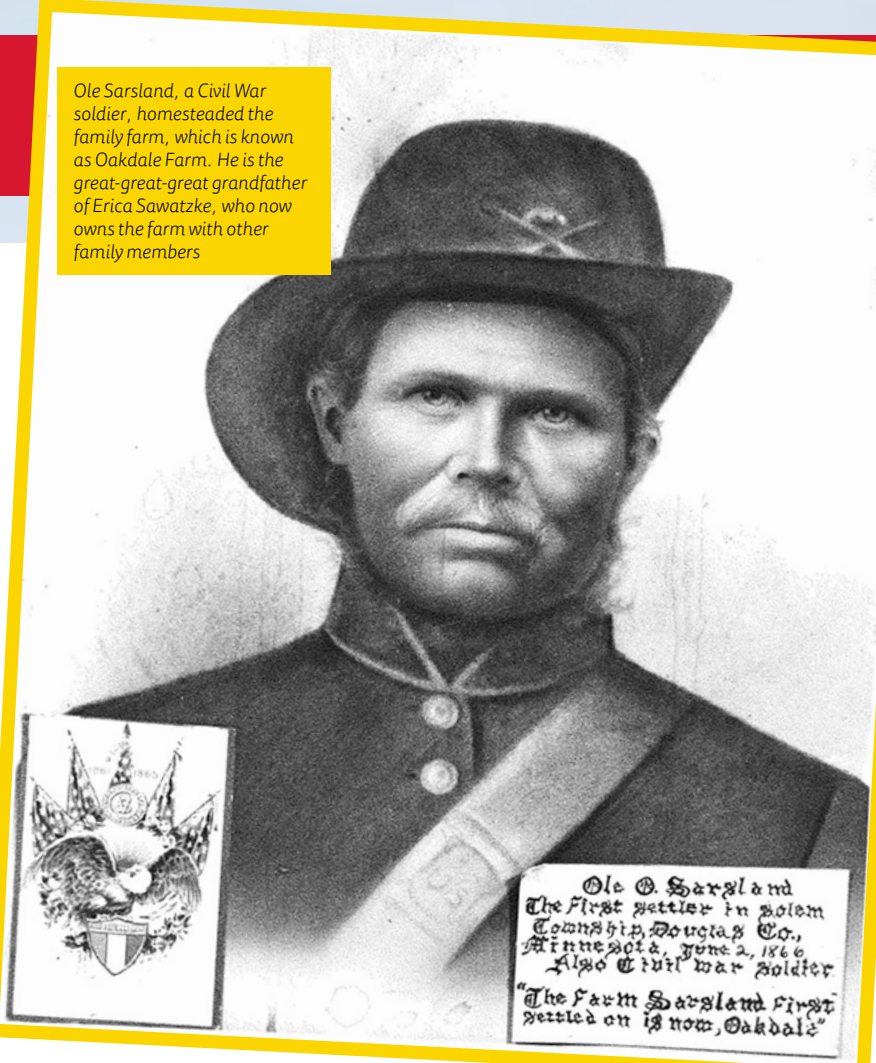
This barn at Oakdale Farm contained about 14 000 five-week-old turkeys when we visited



Photographs: Lowell Anderson / Alexandria Echo Press ; contributed

In the middle of America, in the small city of Kensington, a young woman carries on the legacy of her family of turkey farmers. Erica Sawatzke shared her family's story with **Celeste Edenloff**

Ole Sarsland, a Civil War soldier, homesteaded the family farm, which is known as Oakdale Farm. He is the great-great-great grandfather of Erica Sawatzke, who now owns the farm with other family members



Oakdale Farm is a sixth-generation turkey farm near Kensington, Minnesota. There are five turkey barns on the farm and generally, three of these are full, which amounts to about 32 000 turkeys. One barn, the brood barn, is for raising poults, or baby turkeys that are typically one day old. They stay in that barn until they are about four weeks of age. From there, they move to two separate barns because as they grow, they need more room.

When they move out of the brood barn, it is then cleaned and prepared for more poults. There are also two different aged flocks on the farm at all times – an older flock and a young flock. Besides turkeys, the Oakdale Farm family also grows maize and soya beans.

Who are the current owners and how long have you been in business?

The current owners of our farm are my father, Dana, my uncle Paul, and me, Erica Sawatzke. My father has been an owner for over four decades, my uncle nearly three decades, and me for six years.

Who started the business and when exactly was that?

My great-great-great-grandfather, Ole Sarsland, homesteaded the farm in 1866. He emigrated from Norway in 1848 and initially settled in Wisconsin. He fought in the Civil War for the Union and was honourably discharged. Upon returning home to Wisconsin, he

decided to move west because of the Homestead Act (see box) He settled on the land we farm today and called it Oakdale Farm. It was an ideal location because of the oak trees, which he used to build a barn that was a replica of one he'd built on his Wisconsin farm.

Can you unpack your family's lineage and how the farm was passed along?

So Ole Sarsland was the first generation. His daughter Julia Nelson (my great-great-grandmother) was the

second generation, and her sons Ole (my great-grandfather) and Paul were next. Ole's son Vernal (my grandfather) was the fourth generation, and he had two sons, Dana (my father) and Paul (my uncle). I am the sixth generation.

Why was it important to you to keep the family business going?

Even as a young child, I was proud of the fact that my family farms. As I grew older and became a young adult, I started to truly appreciate how long our farm has been in existence – it's now been 157 years! There are so many young people who want to farm but do not get the opportunity, so I never take my position for granted! While farming has its challenges, I believe the characteristics developed growing up on a farm shape you into who you are as an adult, no matter what career path you choose. Now

AMERICA'S HOMESTEAD ACT

This act which dates back to the US Civil War in 1862, was passed to develop the American West and to boost economic growth. It provided 160 acres (65 hectares) of surveyed government land to anyone who agreed to farm the land.



POULTRY AROUND THE GLOBE

having a family of my own, there's no better way to raise a family. My daughter, who is three, helps me take care of our baby turkeys and already understands what responsibility means and the importance of caring for others.

Our farm has a pretty rich history and each generation has contributed to it. There aren't many farms that have stayed in the same family for this long. I hope that we will have a seventh generation who will carry on our legacy.

How has the business changed over the years?

While we've always had turkeys, the farm has been much more diversified

The dancing and skating pavilion that was built on Oakdale Farm in 1918 by Ole and Paul Sarsland. Erica Sawatzke recalls that as a child, many elderly couples from her church and the community would share stories with her of how they met at the pavilion on her family's farm



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Erica Sawatzke's family members are shown with turkeys and two turkey judges, far left and far right. The four family members in the middle are, from left, Sawatzke's grandfather, Vernal Nelson; his brother, Omar; his mother, Mildred; and his father, Ole.

in years past. My great-grandfather Ole and his brother, Paul, built a dancing pavilion in 1918, which Paul managed. The pavilion later turned into a roller-skating rink and stayed in business until the '50s. They also had a herd of Milking Shorthorn cattle until the 1950s. During the 1930s, '40s and '50s, the industry was less integrated. It was very common for farmers to exhibit their turkeys at poultry shows to advertise their breeding stock and sell their eggs. My great-grandfather and his family were very involved in showing their turkeys.

My father and grandfather had beef cattle in the mid 1960s until

the mid '90s. The turkey side of our business had always been in breeder hens. The eggs would be sold to a hatchery, where they were incubated, hatched and sold to other turkey

There are five turkey barns on the farm and generally, three of the five are full, which amounts to about 32 000 turkeys

farmers who were raising turkeys for meat. With changes in the industry, labour shortages and a family farm transition, we decided in January 2020 to transition to raising meat turkeys.

We raise light hens that will weigh about 6kg when they go to market. Our turkeys are what you would find in the grocery store as a whole bird, like what you would eat on Thanksgiving... although you can eat turkey every day!

My family has always farmed the land as well, which is a balance when you are also caring for livestock. We grow maize and soya beans.

What impact do you feel a generational business has on the surrounding community?

In Kensington businesses such as ours provide employment, and it may be part-time jobs for high-school students

CHICK CRATE with Accessories



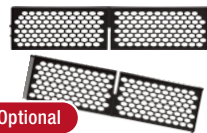
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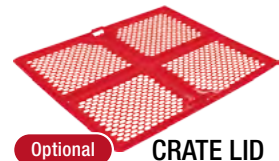


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or our neighbours. With a farm, it seems there's always a job to get done, so there's definitely job security. Particularly in rural communities, it's always a challenge to keep locals from moving away – generational businesses can provide opportunities for locals to stay and make a living.

Generational concerns also provide stability to their community by supporting other local businesses. Our farm relies on so many others in our community, such as our propane provider, our electrician, equipment mechanics and the local lumber yard, to name a few.

What are the biggest challenges and rewards of owning a generational business?

For me personally, being the sixth generation on our farm is humbling, rewarding and scary all at the same time. There's a fear of being the

generation to lose the family farm.

I do believe the rewards outweigh that fear, by far. I get to work alongside my father each and every day, and learn from his experience of over four decades. For the first five years of my farming career, I got to have coffee with my grandparents every day and learn about farming practices, and truly appreciate where we are today with agriculture.

As a mother, being my own boss provides me with flexibility, which I truly appreciate. I also serve as a board member on the Minnesota Board of Animal Health. Being a farmer provides me the flexibility to participate and a perspective that's influential to animal health.

We have one employee on our farm. She once said to me, "My livelihood depends on your livelihood being successful." To have an employee who encompasses as much pride as an

owner is rare and beyond rewarding.

I've heard the saying, "You can take the farmer off the farm, but you can't take the farm out of the farmer." Farming is truly in my blood and I enjoy every day of it. We should all be so lucky to get to do something that we love every day." 📷

This story was first published by Echo Press, Alexandria, Minnesota.



Oakdale Farm has five barns that are used to house growing turkeys

LESSONS FROM THE RETAIL SECTOR



The researchers have noted a drop-off in sales of big bags of frozen chicken portions and a rise in sales of chicken strips



Andrea Ellens

Understanding the behaviour of shoppers is key to successfully marketing one's products, and that goes for chicken and eggs as much as for all other fast-moving consumer goods. As a speaker at AVI Africa, business and marketing strategist Andrea Ellens gave a fascinating insight into what is going on in the retail sector.

Diane McCarthy picked her brain

Research into retail is the business of Trade Intelligence (TI), especially when it comes to fast-moving consumer goods, or the FMCG sector as it is commonly known. According to strategist Andrea Ellens she and her colleagues have identified six trends in South Africa's retail sector over the past year.

1 FOOT TRAFFIC

"The one thing we've seen in the last six months is a shift in shopper behaviour. People are doing a more planned, one-stop shop. At the end of the month, they go to a shopping mall, optimising one taxi trip to a one-stop shop, and

do their shopping in one place. People are bulk shopping and then sharing among family and friends to get the best deals.

"If they can get a better deal in bulk, they bulk-buy and split those

costs. The flip side of that is a mid-month foot-traffic drop-off in malls. This creates a pickup in the informal trade. Shoppers buy small amounts mid-month, closer to home where they don't have to incur travel costs."

2 WHAT'S IN THE BASKET

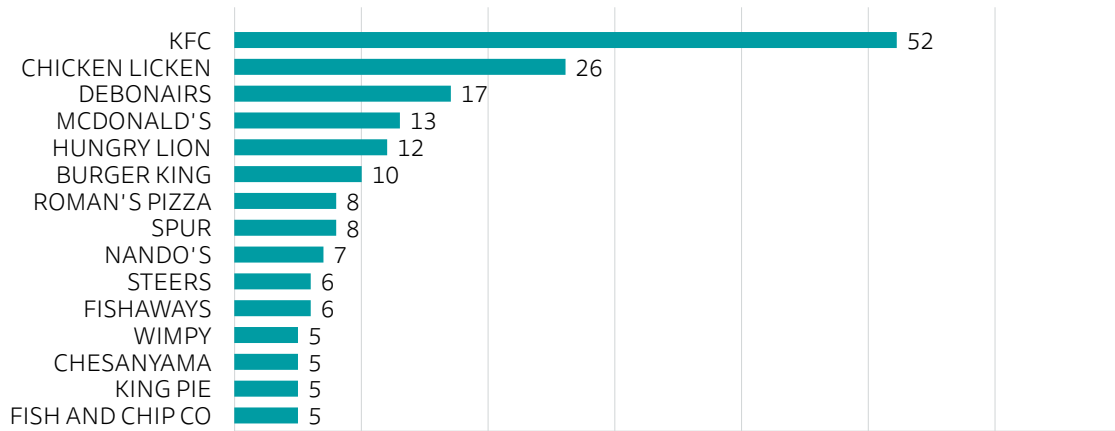
"Grocery essentials are prioritised, and affordable alternatives are taking centre stage. In our latest report, we see supermarket private label brands growing by 8.9%, whereas national brands show a 4% growth. Another change we see is the broken food chain; frozen products are dropping off because shoppers don't have the means to keep products frozen through loadshedding. In the frozen aisles, people are buying smaller packs to eat immediately."



GUESS WHO LOVES CHICKEN?

Tl's survey shows South Africans prioritise chicken fast-food outlets.

Top 15 outlets bought from – past four weeks



Source: Trade Intelligence

RESEARCH INSIGHTS

3 ON-SHELF AVAILABILITY

"We have also been seeing a lot of compromised on-shelf availability. A lot of the stores in the formal retail sector have switched over to automated forecasting and replenishment systems, and these

systems are not always working as well as was hoped. There is a lot of out-of-stocks on shelves.

"New technologies are replacing the old system of replenishing, but it takes time for these systems to get enough

data to order and forecast correctly. There are a number of challenges to overcome when switching to new technology, and these are evident at the moment."

4 RISING COSTS IMPACT THE BOTTOM LINE

"The rising costs of loadshedding are impacting the retailers' bottom line. Power generation equipment and fuel all cost money, as does maintenance and repair of the new equipment. Some of the retailers are having to pay special rental levies that shopping centres slap on to keep the lights on. They've also got to spend more money on increased security requirements."

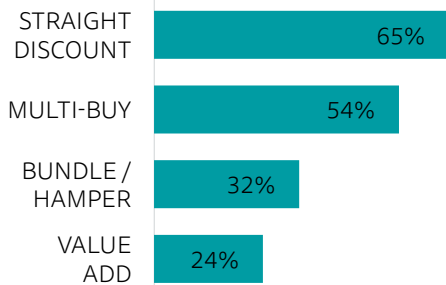
Shoppers are buying in bulk and splitting with friends to share the benefits of savings



CATEGORY DEEP DIVE: FRESH CHICKEN

Most shoppers prefer a straight discount, with multi-buys slightly ahead of bundles/hampers and value-adds

PREFERRED PROMOTION FORMAT




70% of respondents in a TI survey buy **fresh chicken** regularly

57% **WHERE** – same place they buy **other groceries**


50% **WHEN** – on a **regular basis**

35% **WHEN** – on **promotion**

Source: Trade Intelligence



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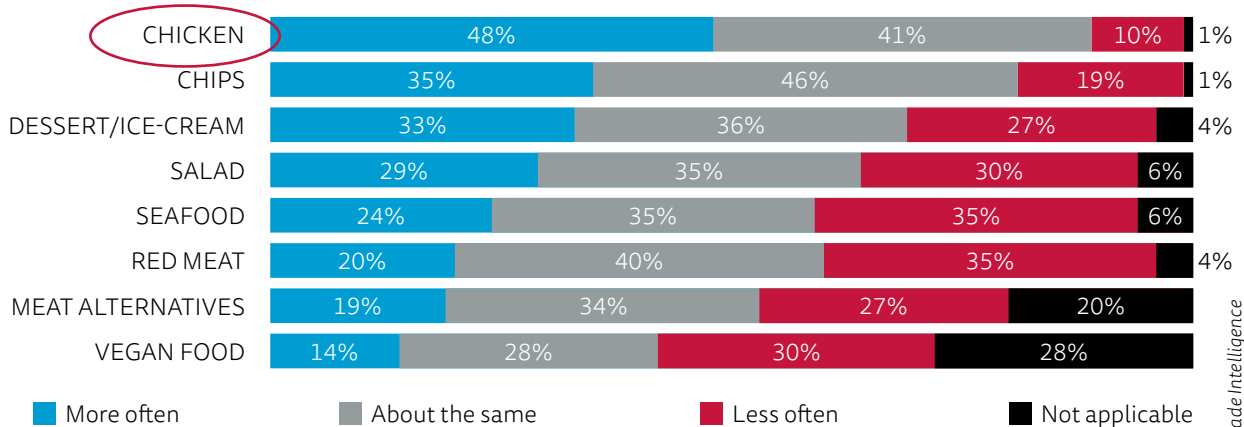
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PREFERENCE IN FAST FOOD

Type of fast food purchased compared to a year or two ago



Source: Trade Intelligence

QSRs are including more chicken menu items and launching or acquiring chicken outlets. Supermarkets are launching branded chicken kiosks.



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5

PRICING, PROMOTION AND PROFITABILITY

"There is huge competition between the retailers to give the shoppers the best deals, to attract the cash-strapped shopper into their stores. You see retailers massively playing this game. For example, say Boxer

runs a promotion on chicken, Shoprite will then run the same promotion, sometimes selling the product for less than they pay for it, because they use it as a loss leader to get the consumer into their shop."

6

CORPORATE VERSUS INDEPENDENT

"Corporate retailers are all the listed brands, the main retailers that we all know: Woolworths, Pick n Pay, Checkers, and so on. The independents are privately owned operations – Devland Cash and Carry, KitKat Cash and Carry, and other cash-and-carry outlets. We're seeing a blurring of the two, with corporates eating into the independents' market share. For example, Shoprite has opened a cash and carry directly

opposite a Devland; going after that market where traditionally they haven't been in that space.

"Because the independents don't have the big money that the corporate retailers have, they lack that safety net and have been hit harder by loadshedding. There's also been quite a bit of change of ownership, with corporates buying up independent stores, creating a noticeable shift in that market."

AND WHAT ABOUT CHICKEN?

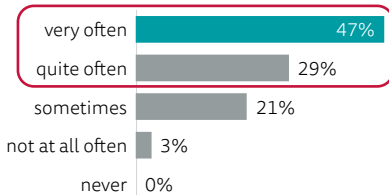
Andrea Ellers drills down into what retail research shows about our industry's product:

"Chicken is the number one meat consumers like to buy, but we are seeing a change in chicken-buying habits. The preferred promotional format of chicken is straight discount, versus multi-buys, hampers and value-adds. There is a decline in the sale of large bags of frozen chicken pieces and a sharp rise in the sale of chicken strips. The hypothesis is that frozen chicken pieces take longer to cook whereas chicken strips are in a smaller pack, often precooked, and are quicker to prepare. Many retailers have had to put in additional freezers to accommodate this rise in the sale of chicken strips.

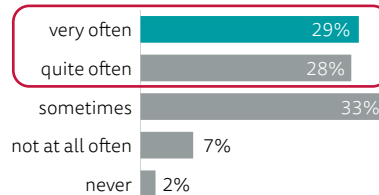
"The one area of growth we have seen this year is in the quick-service restaurant (QSR) trade. Because of loadshedding, people can't cook at home, so they have been buying more takeaway food. Even though it is more expensive, people have to eat. South Africans eat more takeaway chicken than any other quick-service offering and 48% of consumers in our survey said that they are eating more chicken this year. The top two fast-food restaurants in the country are both chicken outlets: number one is KFC, followed by Chicken Licken."

CATEGORY DEEP DIVE: FRESH CHICKEN

If your #2 brand is on promo, how often will you choose your #2 brand?



How often will you buy an unknown brand on promo?



Source: Trade Intelligence



THE FRIED EGG IN HISTORY

Words: Neil McCarthy

Illustrations: Jason Bronkhorst

One of the many great and tragic distortions of the story told to us about our forefathers is the absence of the central role of the chicken from that story. It goes back right to the beginning...

The start of modern history is really that moment when Homo sapiens – that's us – decided to stop camping; that is, to stop moving from place to place as the mood took them, following the animals they hunted. That's only one theory about why they always moved. Another is that they were following the deep-seated human need to get away from their relatives. But recent research has revealed that it was really because they discovered the fried egg.

This dish, so different from their usual breakfast of a handful of grass seeds or, in other regions, salted tree bark or freeze-dried gravel, shook the ancient peoples to their ancient core. They started to notice that those hunters who started their day by breaking open a chicken egg and allowing it to fry on a hot rock that had been in the campfire overnight, and then eating that fried egg, were happier, more fulfilled and much faster at completing the morning crossword. The craze started to catch on in the hunter/camper community. Suddenly everyone wanted the lifestyle benefits that came with the new eggy breakfast.

The women (sadly, it was always the women) were sent out into the wilds of wherever the family were that day and told to bring back chicken eggs. The honour of the family depended on it. Top hunter/campers were eating eggs for breakfast, and, "this family will not be left behind!" You can almost hear the Stone Age breadwinner pompously stating this before chasing the women out of his campsite to go egg hunting.

The trouble was that chicken eggs were not that easy to find. The

chicken itself was just one bird among hundreds at that stage, not identifiable from handy illustrations like the ones found in this magazine; therefore not easy to spot. Also the chickens themselves were under the misguided impression that their eggs were meant to be sat on and hatched so that the chicken family could expand. In the tiny mind of the chicken, eggs were for babies; not for breakfast. So when these female Homo sapiens started to creep up and steal their eggs they took offence and retaliated by moving their families deeper into the forest, where the bands of creeping breakfast-hunters would not find them.

You can see the problem. On the one hand you have the people who kept moving from one place to another because of their deep-seated human need to be somewhere else, and on the other hand the roving flocks of wild

chickens moving around because of their deep-seated need to keep going as a species and not be a breakfast snack. It was an impossible situation. The women were having to go deeper and deeper into the jungle to find the chicken eggs and sometimes stayed out overnight because they were so afraid of returning to their menfolk without the eggs. This started to lead to female solidarity, and book-club meetings, and the exchange of uniquely female ideas; ideas like regular washing and the shattering of the glass ceiling. The men became upset. They had liked the life where they could shout instructions at the women who'd then meekly go off and do what they were told, even if it was an odd task like finding the eggs of one specific type of bird and bringing them back to the cave. They felt that their lives as gnawers of animal bones and



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smokers of dried leaves were being threatened.

It was not a good situation. The chicken was threatening to overturn the whole social order, and this was before they had even invented social order, so overturning it was quite an achievement.

No-one is quite sure where the idea came from; either from the women who were sick of wandering the forest sticking their hands under the bums of various nesting fowl looking for eggs; or from the men, sick of the women coming back from the forest with new ideas and outlandish hairstyles. Let's call it the women, since they were having all the new ideas at this stage.

The idea was to build a fenced enclosure and to capture some of the wild chickens and place them in this enclosure; then they would always know where to go to find eggs, and the morning breakfast would be safe.

Did the men like this idea? Of course not. How would the chickens eat, they asked? And what was a "fence" anyway? Or an "enclosure"? All these were revolutionary ideas to them, and this was before the idea of revolution had been invented.

The women worked a bit more on the idea and came up with another suggestion. How about if they planted some of the plants that make the seeds that the chickens like to eat? Then they can collect the seeds from the plants and give them to the chickens in their enclosures behind their fences, and they will lay the eggs which we then fry on the hot rocks and everyone has a wonderful start to their day? How about that?

It took the men a while to think of a reason why that was worse than the

arrangement they currently had, but in the end they came up with a killer reason. "We are a people who move from place to place," they said. "We follow the herds and run away from our relatives. How do we have enclosures and plant seed-bearing plants and still keep our traditional lifestyle?" And remember, they thought of all this before lifestyles had been invented. Impressive, but not impressive enough.

The women had an answer. "We stop wandering around. We build

permanent homes, and gather in villages, and maybe one day in cities; which in the future might have wheeled transport and wi-fi connectivity. That is what we do." And of course they did.

In this way history as we know it was set in motion all because of the excellence of the fried egg. 🍳





ON THE WIRES

Feed help for Asia, Ukraine and Latvia at odds over eggs, and more global news

Compiled by **Charmain Lines**

Poultry woes in South Asia



Sri Lanka and Bangladesh are taking steps to support their poultry industries in the face of skyrocketing input costs.

In Sri Lanka, the government has drastically lowered the import levy on maize in an effort to bring down the prices of poultry products. As it stands, consumers in that country now pay more for poultry products than the world average. By making maize cheaper to import, the cost of animal feed should come down and have a positive knock-on effect on production costs and retail prices. In addition, it could open opportunities for Sri Lanka to export poultry meat and eggs.

Feed accounts for 70-80% of the cost of chicken in Sri Lanka. As domestic maize production fall far short of demand and alternative feed grains are not readily available, the industry relies on maize imports.

In Bangladesh, egg and broiler prices have risen by 12,5% in a single month, prompting the government to take steps to protect food security and stabilise the chicken industry. Among the proposals put forward by the Bangladesh Poultry Industries Central Council (BPICC) are the easing of credit facilities for poultry business financing and greater flexibility and less bureaucracy for the import of egg and poultry products and feed ingredients. The BPICC wants, for example, import duties on alternative feedstuffs such as sunflower meal, millet and groundnuts to be dropped.

Domestic animal-feed production is caught in a classic chicken-and-egg dilemma: high costs put smaller farmers out of business, which leads to lower demand for feed and less production. In 2009, Bangladesh had 160 000 poultry farms; this year only 60 000 were still in business. 📌

HPAI hits land mammals



The World Organisation for Animal Health (WOAH) has reported that a lioness in the Huancayo Zoo in Peru died of avian influenza earlier this year. This is the only land mammal in Peru to be affected by HPAI this year, although two sea lions also contracted the disease.

Far away in Finland, that country's food authority has ordered 50 000 farmed mink and foxes to be culled at three fur farms hit by bird-flu infections. Mink is an especially problematic species when it comes to avian influenza infections, as it can be an effective intermediate host for the virus, enabling it to mutate more effectively into a form that will infect humans.

Finland and neighbouring Norway battle record outbreaks of HPAI this year, with the disease having killed thousands of seagulls and other bird species, put livestock at risk and restricted travel in some areas. By the end of July, it had been found at 20 fur farms in Finland. 📌

France's finest oeufs

In celebration of World Egg Day, we went in search of the world's best eggs. Given France's reputation as the country with the best food, one can deduce that when an egg is considered France's finest, it probably has a shot at the global top position too.


France's finest eggs (or *oeufs*) come from the village of Loué in the Pays de la Loire region in the north-west. For the past 200 years, the village has been running a weekly market and four annual fairs and without fail customers have been, and still are, prepared to pay more for these prized eggs.

What gives Loué's *oeufs* its ooh la la? The local farmers' cooperative says it all comes down to locally grown

feed, optimal free-range conditions, the special breed and, of course, generations of farming know-how. It's a difficult recipe to replicate, which is why only eggs from this area can be marketed as *Oeufs de Loué*.

Unassuming in appearance – they have a standard brown shell – the eggs have straw-coloured yolks and boast a unique creamy flavour. But it's the quality-control measures that are employed that account for their higher prices. Farmers collect the eggs a few times a day, sort them manually and store them at a controlled temperature. The eggs are collected several times a week and taken to a special packing centre where they are sorted and candled and the shells

individually marked.

When next you travel to France, raid the piggybank and treat yourself to *Oeufs de Loué* (and then come back and tell us all about it). 



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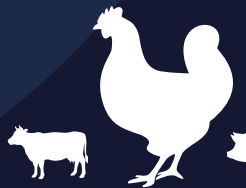
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Want to look like Barbie? Eat chicken!

Barbie has not only taken the box office by storm, but the movie seems to be influencing food-consumption trends too.

The online fitness platform Total Shape says it saw a surge in Google searches regarding the diet of star Margot Robbie, after *Barbie* opened in July. The inspiration, apparently, was the opening scene that shows Robbie looking trim in a 1950s-style striped swimsuit. The look prompted women across the globe to want to emulate the actress' diet. As it turns out, lemon chicken and brown rice for lunch is a favourite of Robbie's.

Deciding to make PR hay while the *Barbie* sun shines, Total Shape issued a media release about Robbie's diet in which it does a great marketing job for chicken, stating that chicken breasts are

a complete-protein food that contains all nine essential amino acids, which makes it a great option for muscle recovery and growth. "Chicken breasts are also lower in fat and carbs than other cuts," the release added.

In case you have a swimsuit that will need wearing soon, other foods the actress regularly eats are porridge with blueberries, kale-and-apple smoothies, mackerel with tomatoes and cucumbers, tuna steaks, sweet potatoes and vegetables with rice noodles.

Margot Robbie is not the first celebrity to fight chicken's corner. Back in 2016, Matt Damon said that he followed a chicken-only diet when he was working on the movie *Courage Under Fire* to lose the weight he needed to for the role. 📺

Ukrainian eggs cause havoc

The world has expressed its support for Ukraine in many different ways since the country was invaded by Russia in February 2022. One such move saw the EU abolish import duties on Ukrainian eggs last year.

Sadly, what is good for Ukraine is turning out to be bad for Latvia, according to Jānis Gaigals, chairman of the board of the Latvian Poultry Industry Association. "Our farms must produce eggs in compliance with strict EU chicken welfare rules. In Ukraine, where EU regulations don't need to be followed and where no import duties are payable at the EU border, prices are now up to three times lower than in Latvia," Gaigals told a news outlet in August. Even when transport and logistics costs are taken into account, Ukrainian eggs are cheaper to bring into Latvia, which hurts local farmers.



Gaigals emphasised that Ukraine should be helped in all possible ways, "but this way of doing it doesn't help Ukraine – it helps two or three Ukrainian oligarchs who live in Zurich, Vienna and London, not Ukraine".

Since the EU abolished import

duties on Ukrainian eggs, imports into Latvia jumped nearly tenfold. Neighbouring Poland experiences a similar problem, but in its exponentially larger market the inflow of cheap Ukrainian eggs has less of an impact. 📺

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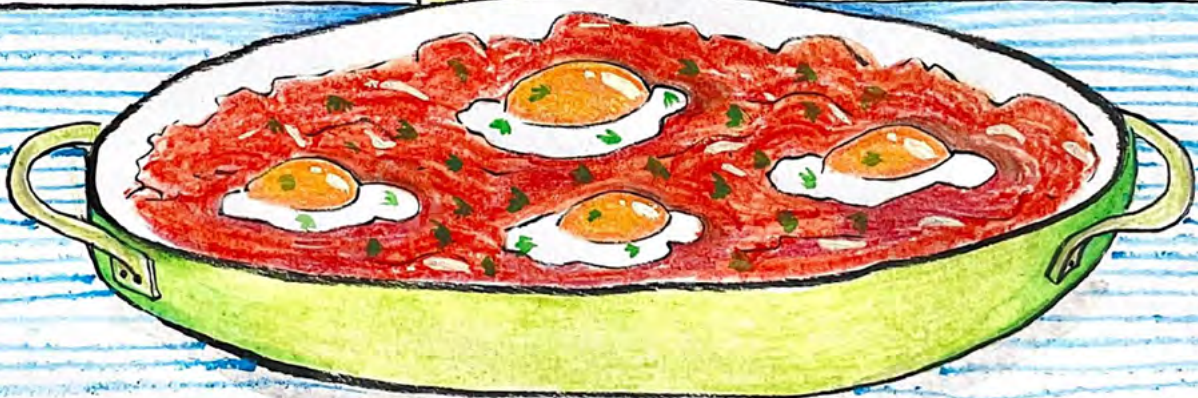
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