

# *South African Poultry Association*

## *Annual Report 2024*



SOUTH AFRICAN POULTRY ASSOCIATION

Founded 1904

*Embracing  
the*



# Annual Report 2024

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# *Broilers - Foreword*

The broiler industry successfully fulfilled its mandate in 2024 to provide affordable chicken for the masses while navigating a complex year of recovery and restructuring. After the impact of Highly Pathogenic Avian Influenza (HPAI), 2024 marked a year of rebuilding for growth in 2025.

By mid-2024, broiler breeder numbers had returned to normal levels, and by the end of the year, slaughter numbers had increased to an impressive 22.3 million birds per week.

The broiler industry in 2024 faced a range of challenges that impacted its operations. Elevated raw material prices continued to place a financial strain on producers, while pressure on meat prices affected profitability. Interruptions in electricity supply from municipalities further complicated operations, and concerns over water scarcity and water quality raised alarms about the sustainability of production. Additionally, inefficiencies within the rail and port networks disrupted supply chains, hindering timely deliveries. The industry also faced the ongoing risk of Highly Pathogenic Avian Influenza (HPAI), with no vaccination available to prevent outbreaks. Moreover, despite a successful court ruling by Moerasrivier Boerdery against the Department of Agriculture regarding compensation for culled birds, the lack of compensation continued to be a point of contention.

Despite these challenges, 2024 saw significant achievements for the industry. Production volumes reached record-breaking levels, with weekly slaughter numbers hitting 22.3 million birds. Imports were reduced to just 13% of their 2018 levels, demonstrating strong domestic growth. The industry also benefited from a stronger profile in the media, which helped improve visibility and credibility. Furthermore, there was notable progress in the development of Masterplan Phase 2, focusing on long-term industry growth. Export potential increased, particularly to the UK, and overall, the industry is now in a stronger position than it was five or even 10 years ago, although the ongoing threat of HPAI remains a significant concern.

The poultry industry remains a strategic asset to the country and an industry to be proud of

Izaak Breitenbach

# *Egg Organisation - Foreword*

After the most devastating Highly Pathogenic Avian Influenza (HPAI) in 2023, with approximately 30% of the layer industry affected. Throughout the year 2024, a lot of focus was placed on the rebuilding of the lost production. There have been continuous talks and negotiations between the Industry and the Government to consider HPAI vaccinations as a backup mechanism to supplement the biosecurity measures to mitigate the losses caused by the disease. About 3 of the H5 vaccines are registered for use in South Africa at this stage, while the H7 vaccines are still undergoing the registration process. In recent times we have also seen a rise of pressure emanating from the animal welfare activists, pursuing every possible avenue to push for only cage-free production systems in South Africa. We cannot avoid the dire situation of our economic situation, with high unemployment, high food inflation, and many consumers depending on Government grants, coupled with the unpredictable Global HPAI situation. The resilience of the Egg producers once again proved our commitment to producing affordable eggs for the net benefit of the South African population. We also fairly believe that all 3 existing production systems (Cage, Barn, and Free range) should remain in South Africa, and in doing so the assumption is that when consumers buy eggs they will then have more options on which eggs to buy based on their affordability.

Dr. Abongile Balarane

# *Agendas*



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**SAPA EGG ORGANISATION**  
**52nd ANNUAL GENERAL MEETING**  
**TUESDAY 3rd JUNE 2025**  
**AT 13:45**

## **Agenda**

1. Notice convening meeting (notified to members via email and the Poultry Bulletin February 2025)
2. Roll call of voting delegates
3. Competition disclaimer
4. Formal adoption of the minutes of the 2024 Annual General Meeting
5. Election of committee members
6. Financial statements  
(NB: The audited accounts of the SA Poultry Association for 2024 as published herein are open for discussion at this meeting. The audited financials of the Levy and the Poultry Bulletin are available if desired and the notes to the SAPA financials).
7. Report by the Egg Organisation Chairperson Mr Colin Steenhuisen.
8. Resolutions of the Egg Organisation
9. General  
(Note: Any item on the agendas of the Broiler Organisation or Congress may be raised at this meeting.)
10. Closure
11. Special meeting of newly elected committee members to select office bearers for the Egg Organisation, as well as their representatives to the SAPA Board including their two alternates.

**SAPA BROILER ORGANISATION  
52nd ANNUAL GENERAL MEETING  
TUESDAY 3rd JUNE 2025  
AT 14:30**

## **Agenda**

1. Notice convening meeting (notified to members via email and the Poultry Bulletin February 2025)
2. Roll call of voting delegates
3. Competition disclaimer
4. Formal adoption of the minutes of the 2024 Annual General Meeting
5. Election of committee members
6. Financial statements  
(NB: The audited accounts of the SA Poultry Association for 2024 as published herein, are open for discussion only at this meeting. The audited financials of the Levy and the Poultry Bulletin are available if desired and the notes to the SAPA Financials).
7. Report by the Broiler Organisation Chairperson Mr Gary Arnold
8. Resolutions submitted by members or the committee
9. General  
(Note: Any item on the agendas of the Egg Organisation or Congress may be raised at this meeting.)
10. Closure
11. Special meeting of newly elected committee members to select office bearers for the Broiler Organisation, as well as their representatives to the SAPA Board including their two alternates.

# 119th SAPA CONGRESS

## TUESDAY 3rd JUNE 2025

### AT 15:30

#### **Honorary Life Members**

The following are the present Honorary Life Members of the SA Poultry Association

Dr E Brock, R Brown, Dr JJ Joubert, W Maree, Professor RM Gous, O Horstmann, Dr J du Preez, M Walne, Dr F Buys, MGF Le Sueur, G Harper, R Koen, K Greef, A Saunders, C Du Toit, N Malan, Z Coetzee, M Kingston, Dr Munro Griessel, K Nel, C Rossouw Sr, G Passerini, C Steenhuisen, L Mailula, J Murray, M Torsius, Dr Faan Greyling, B Barnes, Dk Hodgson, Professor T Masihleho, C Schutte, Nick Elliot and Hennie Lourens

#### **SAPA Board**

The following are the present members of the SAPA Board

Willie Bosoga, Colin Steenhuisen (*Vice Chairman*), Aziz Sulliman (*Chairman*) Gary Arnold (*Executive Member*), Jake Mokwene, Marthinus Stander, Annelie Fischer, Achmad Brinkhuis Leon de Villiers (*1st Alternate*), Sas Kasselman (*2nd Alternate*) Broilers Nick Elliot (*1st Alternate*), Stephan Botha (*2nd Alternate*) Eggs

#### **Broiler Organisation:**

Brendon de Boer, Aziz Sulliman (*Vice Chairman*), Tumisang Mokwene, Leon de Villiers, Jake Mokwene (*Executive Member*), Wouter de Wet, Sas Kasselman, Nomia Biko, Deon Fourie, Gary Arnold (*Chairman*), Marthinus Stander, Devon Isemonger, Sbusiso Mavuso, Yolanda Philison and Lacton Mailula

#### **Egg Organisation:**

Willie Bosoga, (*Vice Chairman*), Colin Steenhuisen (*Chairman*), Amos Selaledi, Annelie Fischer (*Executive Member*) Dr Naude Rossouw, Marco Torsius, Tawfeeq Brinkhuis, Atlegang Moloko, BM Mpyana (NAMC Co Opted) Achmad Brinkhuis, Nick Elliot, Stephan Botha, AJ Wohlfahrt, Rudzani Mudogwa, Beverly Mhlabane

## **Agenda**

1. Notice convening meeting (notified to members via email and published in the Poultry Bulletin February 2025)
2. Roll call of voting delegates
3. Competition disclaimer
4. Formal adoption of the Minutes of the 118th Annual Congress (2024)
5. Report by the Chairperson of the Management Committee Mr Aziz Sulliman

**119th SAPA CONGRESS**  
**TUESDAY 3rd JUNE 2025**  
**AT 15:30**

**Agenda (Continues)**

6. Financial statements
  - 6.1 That the SAPA Financial Statements for 2024 be accepted
  - 6.2 That the Annual Financial Statements of the Poultry Bulletin have been approved by the Auditors and are available.
  - 6.3 That the Levy Administrator of the SAPA Financial Statements for 2024 be accepted
  - 6.4 That the Table Egg Levy Administrator of the SAPA Financial Statements for 2024 be accepted
7. Report on decisions taken at the Broiler Organisation and Egg Organisation
8. Resolutions of the SAPA Board
9. SAPA Awards
10. Appointment of the auditors  
To appoint new auditors for the next financial year.
11. General (Note: Any item on the agendas of the subsidiaries may be raised at this meeting)
12. Closure
13. Special meeting of SAPA Board representatives to select office bearers for the SAPA Board

# *Organisations Reports*



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## THE SAPA BOARD CHAIRPERSON'S REPORT 2024

**Aziz Sulliman**

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## 1. INTRODUCTION

With the depressing backdrop of South Africa's high unemployment, ailing infrastructure and poor economic growth, the beleaguered poultry industry was forced to concentrate its efforts on recovering from the 2023 catastrophic outbreaks of highly pathogenic avian influenza (HPAI). The H5N1 and H7N6 subtypes of the virus had led to the culling of 1.751 and 8.316 million birds respectively – a combined total of 10.067 million birds from the broiler and egg industries. By mid-2024, national bird numbers and production levels were more or less back to normal, but many of the producers whose flocks had been decimated by the events struggled to recover financially. A number of farmers closed their businesses permanently.

With vaccination seen as the optimum solution to managing the disease, the failure of the HPAI working group and government to reach consensus on practicable vaccination protocols overshadowed the industry's remarkable recovery. There are heightened fears of further outbreaks as the virus ran rampant in the northern hemisphere during the 2024/25 winter season, despite the implementation of rigorous biosecurity measures.

Government's refusal to compensate producers for birds culled during an HPAI outbreak has long been a source of frustration for the poultry industry. Since the country's first outbreak of the disease in 2017, farmers have had to overcome the financial losses or cease operating. A landmark ruling – in which the court found in favour of a Western Cape farmer who was forced to cull birds in the 2021 outbreak – was hailed as a significant step forward and one which paves the way for other producers to claim compensation. It remains to be seen whether the Director: Animal Health (DAH) will have to comply with the ruling as the Department of Agriculture, Land Reform and Rural Development (DALRRD) has been granted leave to appeal.

In the meantime, other worrying issues came to the fore. The Competition Commission's unexpected announcement in February of an inquiry into the poultry value chain, with the aim to investigate the ease of market access for black entrepreneurs, was very disturbing news. This was chiefly because it was incredibly ill-timed, coming on the back of one of the worst periods in the industry's history. The poultry sector is committed to achieving the transformation targets set out in the master plans and to supporting new entrant farmers wherever possible.

In the same month, draft regulations proposing sectoral numerical targets, to be promulgated under the Employment Equity Act, Act 55 of 1998, were published in the government gazette. SAPA has a duty to protect its members from adverse legislation and with this in mind, the organisation submitted comments to the Department of Employment and Labour on their behalf. The poultry sector has unique challenges, such as attracting skilled people to rural areas, and it is not always possible to fill posts with qualified individuals of the required demographic. Nevertheless, SAPA remains committed to assisting government to align employment equity stipulations with the industry's specific needs as best as possible.

For the fourth successive year, in honour of Nelson Mandela's legacy, poultry producers generously supported the efforts of Chefs with Compassion on Mandela Day, 18 July. This initiative helps to raise awareness about food insecurity in South Africa. Three broiler companies each donated R67 000 worth of chicken meat, and an egg co-op donated 67 dozen eggs in each of the cities of Cape Town and Johannesburg. A new record was achieved by the extraordinary volunteer chefs, with 106 895 litres of soup being cooked. An estimated 427 580 people living in underprivileged communities each enjoyed a nutritious cup of soup.

At a SAPA Board meeting in November, the decision was made to change the titles of Dr Abongile Balarane and Izaak Breitenbach from general manager to CEO.

## **2. SAPA'S VISION**

*To create a viable and sustainable industry contributing to economic growth and development, employment and food security, based on successful producers adhering to environmental and ethical production norms and generating sustainable profits.*

## **3. SAPA'S MISSION**

*To create an enabling environment to achieve sustainable producer profits in the domestic and global village market. As a representative association, SAPA serves the interests of the poultry industry in a number of ways. SAPA acts as a medium and catalyst for any matter the industry wishes to collectively address. It acts as the face of the industry, addressing and maintaining a presence in society, without which opposing groups could play havoc with the industry's interests – without opposition.*

## **4. SAPA'S OBJECTIVES**

The association's objectives are:

- To establish and maintain national divisions of the association in South Africa, namely the Egg Organisation (EO) and the Broiler Organisation (BO);
- To enable the members to cooperate effectively for the development and benefit of the broader poultry industry;
- To coordinate the views, aims and efforts of the national organisations in the interests of the broader poultry industry;
- To advance and improve the broader poultry industry by embracing and coordinating the objectives of the national organisations and particularly by:
  - o Protecting the broader poultry industry from adverse legislation and any other aggression and by initiating, promoting and assisting with the promulgation of legislation and regulations which are beneficial to the broader poultry industry;
  - o Encouraging broader poultry education, conducting and/or assisting in investigational work of a practical and scientific nature and organising seminars and courses;

- o Facilitating and providing guidance in respect of transformation of the broader poultry industry in line with applicable government policies, objectives and legislation;
- o Forming public-private partnerships with government bodies and other public bodies as may be required from time to time;
- o Representing the broader poultry industry on appropriate international bodies and forums for purposes of developing global regulatory and trade frameworks which are to the benefit of the broader poultry industry;
- o Publishing literature, journals, pamphlets and circulars dealing with all matters pertaining to the broader poultry industry, and conducting communications on behalf of such industry;
- o Establishing codes of practice in relation to the broader poultry industry;
- o Promoting the consumption of poultry products in South Africa;
- o Assisting in the opening up and maintaining of export markets for South African egg and poultry meat products;
- o Procuring the compilation of statistics using information received from members and the broader poultry industry, for purposes of maintaining suitable databases for use in the furtherance of the aims of the association;
- o Dealing with any matter which may be in the interest of the broader poultry industry, the association and/or its members.

## 5. MEMBERSHIP

The membership of SAPA's two direct industry organisations is as follows:

|          |     |
|----------|-----|
| Broilers | 149 |
| Eggs     | 173 |

Total membership increased by 2.9% in 2024, following growth of 12.6% the previous year. The expanding support base of poultry producers reinforces SAPA's position as the industry's representative body.

## 6. BOARD

The members of the Board were:

Aziz Alie Sulliman (Chairperson)  
 Colin Steenhuisen (Vice-Chairperson)  
 Gary Arnold  
 Dr Abongile Balarane (CEO: Eggs)  
 Willie Bosoga  
 Izaak Breitenbach (CEO: Broilers)  
 Achmat Brinkhuis  
 Annelie Fischer  
 Jake Mokwene  
 Marthinus Stander

With alternates to the Board being:

Stephan Botha  
 Leon de Villiers  
 Nic Elliot  
 Sas Kasselmann

## 7. ECONOMIC OVERVIEW

In its January 2025 *World economic outlook update*, the International Monetary Fund (IMF) estimated that the world's economy grew by 3.2% in 2024 (Table 1). Global growth is projected at 3.3% for 2025 and 2026. Global headline inflation is forecasted at 4.2% and 3.5% in 2025 and 2026 respectively.

| <b>Region</b>                            | <b>2023</b> | <b>2024</b> | <b>2025</b> | <b>2026</b> |
|--|-------------|-------------|-------------|-------------|
| United States of America                 | 2.5         | 2.8         | 2.7         | 2.1         |
| United Kingdom (UK)                      | 0.5         | 0.9         | 1.6         | 1.5         |
| South Africa                             | 0.6         | 0.8         | 1.5         | 1.6         |
| Eurozone                                 | 0.5         | 0.8         | 1.0         | 1.4         |
| Middle East and Central Asia             | 2.0         | 2.4         | 3.6         | 3.9         |
| Emerging and developing Asia             | 5.4         | 5.2         | 5.1         | 5.1         |
| Latin America and the Caribbean          | 2.5         | 2.4         | 2.5         | 2.7         |
| Sub-Saharan Africa                       | 3.3         | 3.8         | 4.2         | 4.2         |
| Advanced economies                       | 1.6         | 1.7         | 1.9         | 1.8         |
| Emerging market and developing economies | 4.1         | 4.2         | 4.2         | 4.3         |
| <b>Global economy</b>                    | <b>3.1</b>  | <b>3.2</b>  | <b>3.3</b>  | <b>3.3</b>  |

South Africa’s average inflation rate for 2024 was 4.4%, down from 5.9% in 2023 (source: Statistics SA (Stats SA)). The inflation rates for both 2025 and 2026 are forecasted to be 4.5% (source: statista.com). The average food inflation rate decreased from 10.8% in 2023 to 4.6% in 2024, providing a measure of relief for low-income households (source: Stats SA).

Official and expanded unemployment rates are shown in Table 2 (source: Stats SA, 2024. *Quarterly labour force survey: quarter 4: 2024*). South Africa’s official unemployment rate in the fourth quarter of 2024 (4Q2024) was 31.9%, down from 32.1% in 4Q2023. In total, 7.991 million people aged 15–64 years were unemployed in South Africa, compared to 7.895 million in 4Q2023.

The expanded unemployment rate, which includes discouraged work-seekers, increased from 41.1% in 4Q2023 to 41.9% in 4Q2024. A discouraged work-seeker is a person of legal employment age who would prefer to be working but has given up looking for a job. The unemployment rate for women was 33.9% and for men 30.1%. The percentage of young people (15–24 years of age) not in employment, education or training was found to be 59.6% in 4Q2024. The expanded unemployment rate for this category rose from 69.1% in 4Q2023 to 70.3% (Figure 1; source: Stats SA).

| <b>Province</b>     | <b>Official unemployment rate (%)</b> |                     | <b>Expanded unemployment rate (%)</b> |                     |
|---------------------|---------------------------------------|---------------------|---------------------------------------|---------------------|
|                     | <b>Oct–Dec 2023</b>                   | <b>Oct–Dec 2024</b> | <b>Oct–Dec 2023</b>                   | <b>Oct–Dec 2024</b> |
| Eastern Cape        | 41.9                                  | 36.6                | 47.1                                  | 47.6                |
| Free State          | 37.0                                  | 37.9                | 43.9                                  | 44.2                |
| Gauteng             | 33.8                                  | 34.4                | 38.4                                  | 39.9                |
| KwaZulu-Natal       | 29.5                                  | 28.6                | 43.4                                  | 44.7                |
| Limpopo             | 30.3                                  | 31.9                | 46.7                                  | 46.5                |
| Mpumalanga          | 34.9                                  | 34.7                | 45.8                                  | 47.2                |
| Northern Cape       | 26.9                                  | 27.4                | 42.9                                  | 39.7                |
| North West          | 39.0                                  | 41.3                | 52.2                                  | 52.8                |
| Western Cape        | 20.3                                  | 19.6                | 25.6                                  | 24.8                |
| <b>South Africa</b> | <b>32.1</b>                           | <b>31.9</b>         | <b>41.1</b>                           | <b>41.9</b>         |

Of the 16.723 million people employed in 4Q2023, 11.488 million (68.7%) were in the formal sector, 3.181 million (19.0%) in the informal sector, 0.920 million (5.5%) in agriculture, and 1.134 million (6.8%) in private households. Year-on-year employment in the agricultural sector increased by 60 000 jobs (+7.0%). The majority of the agricultural jobs were in Western Cape, followed by KwaZulu-Natal and Limpopo (Figure 2) (source: Stats SA, 2023. *Quarterly labour force survey: quarter 4: 2023.*).

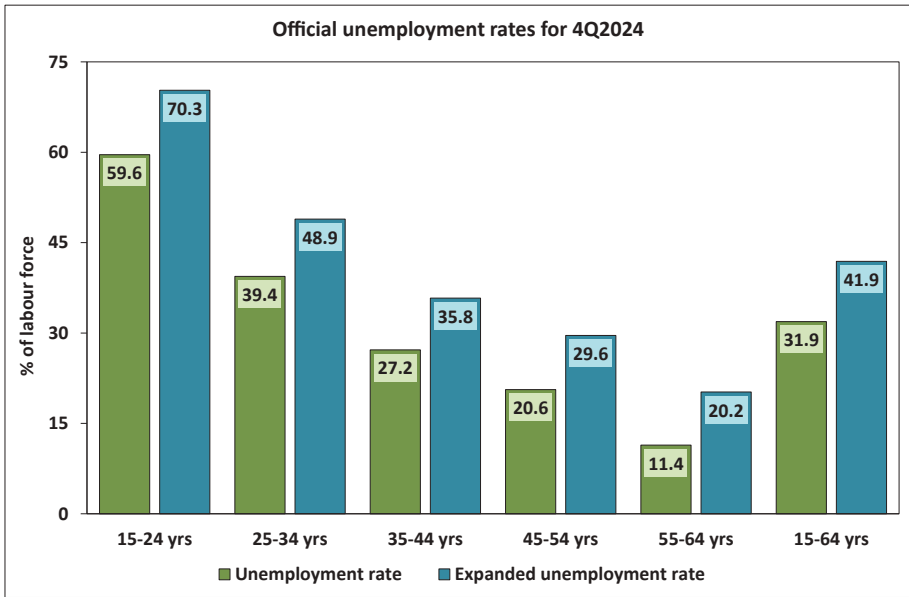


Figure 1: Unemployment levels per age group

Of the 17.078 million people employed in 4Q2024, 11.679 million (68.4%) were in the formal sector, 3.328 million (19.5%) in the informal sector, 1.146 million (6.7%) in private households, and 0.924 million (5.4%) in agriculture. Year-on-year employment in the agricultural sector increased by 4 000 jobs (+0.4%). The majority of the agricultural jobs were in Western Cape, followed by KwaZulu-Natal, Mpumalanga and Limpopo (Figure 2) (source: Stats SA, 2024. *Quarterly labour force survey: quarter 4: 2024.*).

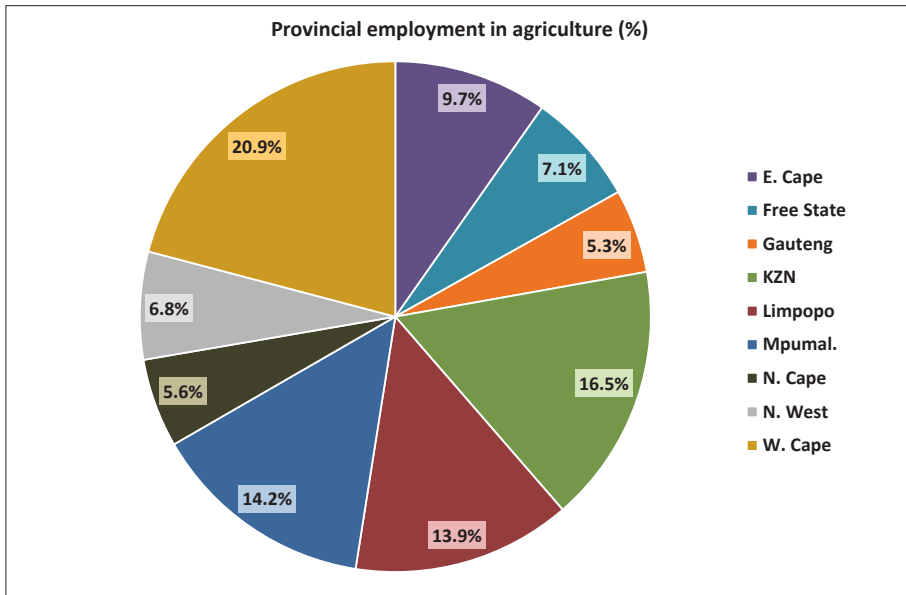


Figure 2: : The provincial distribution of jobs in the agricultural sector

## 8. GLOBAL INDUSTRY OVERVIEW

Rabobank’s publication *Global poultry quarterly Q1 2025* forecasted a positive outlook for the global poultry market, with 2.5–3% anticipated growth in 2025. This will be driven by poultry meat’s relative affordability in times of constrained spending power and, with a consumer focus on sustainability, its lower carbon footprint compared to other animal proteins. Most of the growth will be in the emerging markets in Southeast Asia, Latin America and the Middle East, but developed markets (Europe in particular) are also expected to experience ongoing growth in demand for chicken.

Global growth in supply in 2024 was constrained by avian influenza (AI) outbreaks and a tight supply of breeding stock. With its ability to disrupt markets and trade, AI remains a significant challenge for the industry. The substantial supply of corn and soya beans in Brazil and North America should help to keep input costs flat in 2025, but weather patterns and crop growth may be affected by a La Niña year.

Although expected to remain strong, global trade will be impacted by mounting geopolitical tensions, re-routing of shipments and the establishment of new trade relationships. Changing trade flows and increased volatility in volume and prices are likely to be the result.

Going forward, maintaining market balance is essential in order to keep a positive momentum (source: Rabobank, 2025. *Global poultry quarterly Q1 2025*).

A summary of the global egg industry can be found in the EO chairperson’s report.

## 9. LOCAL INDUSTRY OVERVIEW

### 9.1. Gross value of animal products

Table 3 shows the gross value of primary agricultural production for 2023 and 2024 (source: DALRRD). The combined farm income for poultry meat and eggs for 2024 was R87.95 billion compared to R79.60 billion in 2023; an increase of 10.5%. In the field crops sector, the gross value of maize increased by 2.8%, while for sunflower seed and soya beans it decreased by 7.2% and 24.9% respectively.

In rand value, the poultry industry remains the largest sector of South African agriculture at 19.1% of all agricultural production (up from 18.0% in 2023), and 44.4% of all animal products (up from 42.6%). The beef industry, its nearest rival, contributed 10.3% to turnover of all agricultural production and 23.9% of all animal products (Figure 3; source: DALRRD). Total animal products contributed 43.1% to the gross value of total agricultural products in 2024 (up from 42.3%).

| SECTOR                        | 2023          | 2024          | Annual % change | % of animal products | % of grand total |
|-------------------------------|---------------|---------------|-----------------|----------------------|------------------|
| Total field crops             | 121.21        | 117.50        | -3.1            |                      | 25.5             |
| Total horticulture            | 133.31        | 144.50        | 8.4             |                      | 31.4             |
| Wool                          | 6.06          | 5.56          | -8.4            | 2.8                  | 1.2              |
| Mohair                        | 1.60          | 1.53          | -4.5            | 0.8                  | 0.3              |
| Karakul pelts                 | 0.00          | 0.00          | 0.0             | 0.0                  | 0.0              |
| Ostrich feathers and products | 0.81          | 1.02          | 26.8            | 0.5                  | 0.2              |
| Poultry meat                  | 65.65         | 72.09         | 9.8             | 36.4                 | 15.7             |
| Eggs                          | 13.95         | 15.86         | 13.7            | 8.0                  | 3.4              |
| Cattle and calves slaughtered | 45.54         | 47.29         | 3.9             | 23.9                 | 10.3             |
| Sheep and goats slaughtered   | 9.59          | 9.80          | 2.2             | 4.9                  | 2.1              |
| Pigs slaughtered              | 10.84         | 11.47         | 5.9             | 5.8                  | 2.5              |
| Milk                          | 27.64         | 28.34         | 2.5             | 14.3                 | 6.2              |
| Other livestock products      | 4.98          | 5.24          | 5.2             | 2.6                  | 1.1              |
| Total animal products         | 186.65        | 198.19        | 6.2             | 100.0                | 43.1             |
| <b>Grand total</b>            | <b>441.17</b> | <b>460.18</b> | <b>4.3</b>      |                      | <b>100.0</b>     |

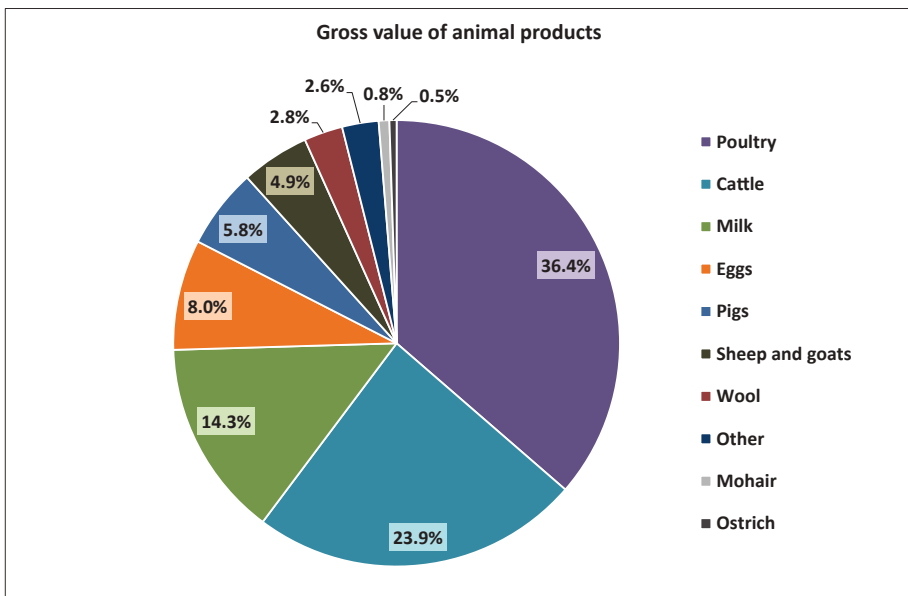


Figure 3: Gross value of animal products

## 9.2. Production growth of industries

Table 4 summarises the bird numbers in the egg and broiler industries, showing the average number of birds (including males, where appropriate) on farms during the year. Some of the statistics are provided by producers and the remainder are estimated using SAPA’s forecasting models. Close to 80% of the birds in the South African poultry industry are used for meat production, while the remaining 20% are used for table egg production.

| <b>Table 4: Bird numbers in the poultry industry</b> |                    |                   |
|--|--------------------|-------------------|
| <b>Broiler industry</b>                              | <b>Birds</b>       | <b>% of total</b> |
| GGP, GP*   | 622 512            |                   |
| Breeder rearing**                                    | 4 321 628          |                   |
| Breeder laying                                       | 7 054 355          |                   |
| Broilers   | 99 960 319         |                   |
| <b>Total broiler</b>                                 | <b>111 958 815</b> | <b>79.6</b>       |
| <b>Egg industry</b>                                  | <b>Birds</b>       | <b>% of total</b> |
| GP rearing and laying*                               | 26 474             |                   |
| Parent rearing*                                      | 134 424            |                   |
| Parent laying*                                       | 454 596            |                   |
| Pullets **   | 7 314 566          |                   |
| Laying hens  | 20 814 092         |                   |
| <b>Total egg</b>                                     | <b>28 744 152</b>  | <b>20.4</b>       |
| <b>Poultry industry</b>                              | <b>140 702 967</b> |                   |

\* Supplied by producers

\*\* Based on data supplied by hatcheries

The following are summaries: more details are given in the separate chairperson’s reports of the BO and EO.

### • Broiler industry

The number of day-old female parents placed during 2024 reduced by 5.5% compared to 2023, while the average number of broiler breeders increased by a marginal 0.1%. The average size of the broiler breeder flock is expected to expand by 8.9% in the first five months of 2025 compared to the same period in 2024.

There was a 5.5% annual increase in day-old chick production in 2024, with a total hatch of 1 174 million chicks. The number of broilers slaughtered for the year was 1 113 million; a 4.7% increase compared to 2023.

### • Egg industry

In 2024 day-old pullet production increased by 28.2%, while the number of layer replacements housed dropped by 5.3%.

The national layer flock shrunk by 10.6% in 2024. The average hen number is expected to increase by 17.9% in the first four months of 2025 compared to the same period in 2024. Similarly the average number of cases of eggs per week for the first four months of 2025 is expected to be 16.0% higher.

### 9.3. Consumption of animal protein sources

In 2024 consumption of poultry products amounted to 2.722 million tonnes. In comparison, 1.632 million tonnes of beef, pork, mutton and goat were consumed (Table 5; source: DALRRD). The per capita consumption of poultry products exceeds the consumption of all the other animal protein sources, although milk follows closely behind poultry meat. The combined per capita consumption of poultry meat and eggs in 2024 was 42.54 kg, compared to 42.64 kg the previous year (Figure 4; source: DALRRD).

| Protein source | Production (1 000 tonnes) |              |            | Consumption (1 000 tonnes) |              |            | Per capita (kg) |              |            |
|----------------|---------------------------|--------------|------------|----------------------------|--------------|------------|-----------------|--------------|------------|
|                | 2023                      | 2024         | % change   | 2023                       | 2024         | % change   | 2023            | 2024         | % change   |
| Poultry        | 1 858                     | 1 915        | 3.1        | 2 235                      | 2 287        | 2.3        | 35.4            | 36.0         | 1.7        |
| Milk           | 3 810                     | 3 883        | 1.9        | 3 725                      | 3 785        | 1.6        | 35.1            | 35.4         | 0.8        |
| Beef           | 1 032                     | 1 102        | 6.7        | 1 011                      | 1 072        | 6.1        | 16.0            | 16.8         | 5.5        |
| Eggs           | 480                       | 433          | -9.8       | 478                        | 434          | -9.2       | 7.3             | 6.6          | -9.7       |
| Pork           | 353                       | 366          | 3.5        | 363                        | 375          | 3.4        | 5.7             | 5.9          | 2.8        |
| Mutton, goat   | 153                       | 168          | 10.2       | 169                        | 185          | 9.7        | 2.7             | 2.9          | 9.0        |
| <b>Total</b>   | <b>7 685</b>              | <b>7 866</b> | <b>2.4</b> | <b>7 980</b>               | <b>8 139</b> | <b>2.0</b> | <b>102.2</b>    | <b>103.6</b> | <b>1.4</b> |

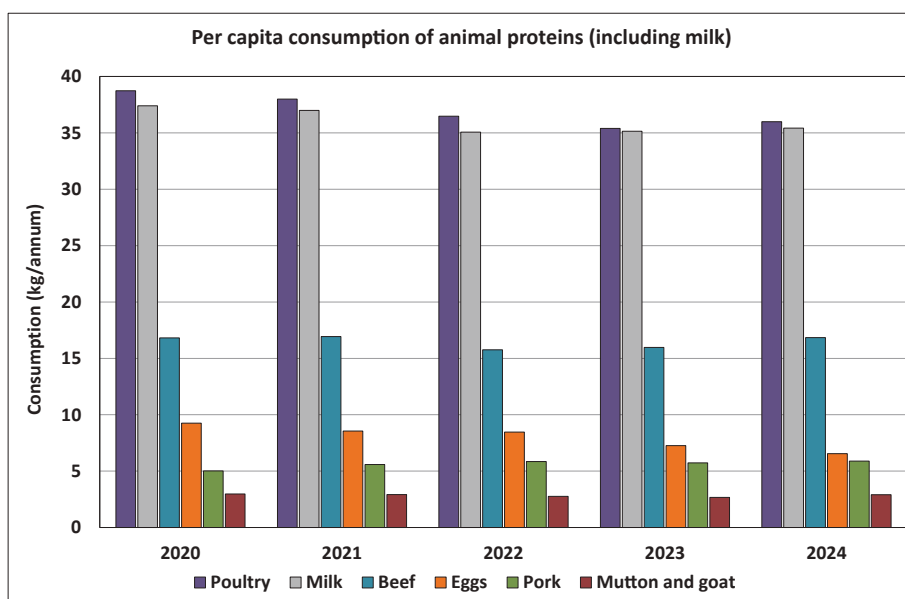


Figure 4: Per capita consumption of protein sources

The poultry sector provided 62.5% of animal protein (excluding milk) consumed in the country; down from 63.8% in 2023. If milk is included, then poultry meat and eggs contributed 33.4% to animal protein consumed; down from 34.0% in 2023 (source: DALRRD).

### 9.4. Price comparison of animal protein sources

On a rand-per-kg basis, chicken was the most affordable animal protein source in 2024 at R31.83/kg, followed by pork (R32.06/kg) and eggs (R36.54/kg) (Figure 5; source: AMT, SAPA). The average prices for beef A2/A3 and C2/C3 were R54.88/kg and R44.91/kg respectively.

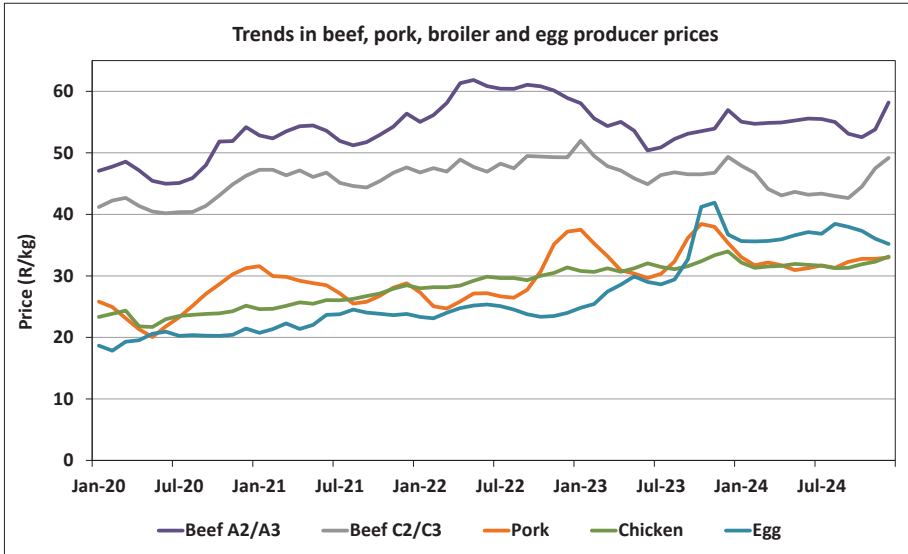


Figure 5: Monthly beef, pork, broiler and egg producer prices

### 9.5. Production and consumption of maize

Maize production in South Africa is concentrated in Free State, Mpumalanga and North West. In the 2023/24 season, the crop harvest from these provinces was 41.8%, 27.0% and 10.1% respectively. In North West the yield was significantly affected by periods of droughts. In total, 79.0% of the recent maize crop was grown in these three provinces (Figure 6; source: Crop Estimates Committee (CEC)).

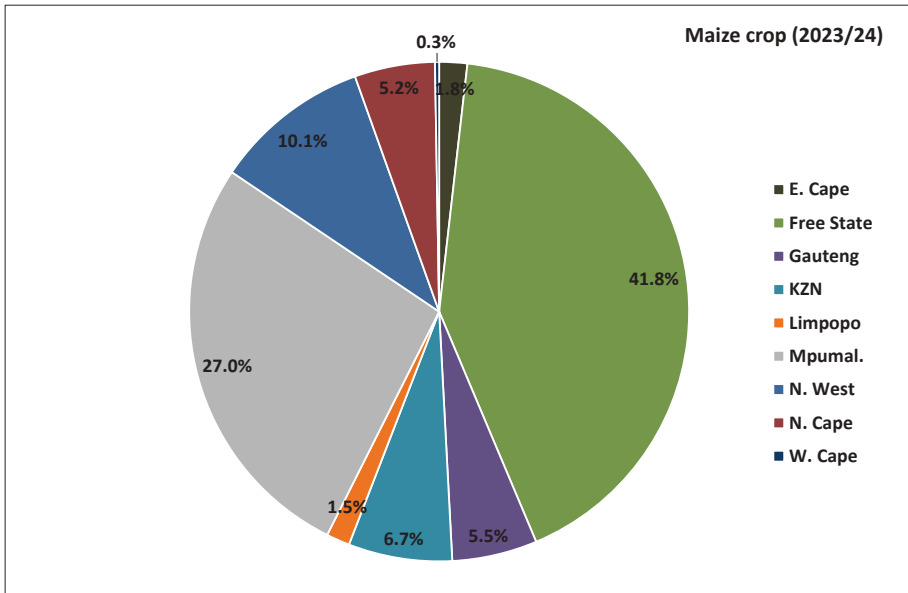


Figure 6: Maize production per province

The crop season runs from May to April and the CEC reported that the total maize crop for 2023/24 was 12.85 million tonnes; a 21.8% annual decrease (Table 6). The estimated maize crop for the 2024/25 season, based on the area planted, is 13.91 million tonnes (+8.3%).

| <b>Table 6: Production of summer crops (1 000 tonnes)</b> |                |                |                   |                 |                 |                 |
|---|----------------|----------------|-------------------|-----------------|-----------------|-----------------|
| <b>Crop</b>   | <b>2022/23</b> | <b>2023/24</b> | <b>% of total</b> | <b>% change</b> | <b>2024/25*</b> | <b>% change</b> |
| White maize   | 8 505          | 6 055          | 47.1              | -28.8           | 7 396           | 22.1            |
| Yellow maize  | 7 925          | 6 795          | 52.9              | -14.3           | 6 515           | -4.1            |
| <b>Total maize</b>  | <b>16 430</b>  | <b>12 850</b>  | <b>100.0</b>      | <b>-21.8</b>    | <b>13 911</b>   | <b>8.3</b>      |
| Sunflower seeds   | 720            | 632            |                   | -12.2           | 720             | 13.9            |
| Soya beans  | 2 770          | 1 848          |                   | -33.3           | 2 325           | 25.8            |

\* CEC forecast: 27 February 2025

Free State farmers also play a pivotal role in the production of sunflower seeds and soya beans. In the 2023/24 summer season, 56.0% and 37.3% of these two crops respectively were grown in that province.

In 2024 maize production contributed R58.42 billion to the gross value of agricultural products compared to R56.83 billion the previous year (source: DALRRD).

The total South African consumption of maize for 2023/24 was 11.79 million tonnes, of which 5.79 million tonnes was used for animal feed (Table 7) (source: South African Grain Information Service).

| <b>Table 7: Maize consumption (1 000 tonnes) (source: SAGIS)</b> |                 |                 |                 |                    |             |
|--|-----------------|-----------------|-----------------|--------------------|-------------|
| <b>Crop</b>  | <b>2022/23</b>  | <b>2023/24</b>  | <b>% change</b> | <b>Animal feed</b> | <b>%</b>    |
| White maize  | 6 438.9         | 6 483.2         | 0.7             | 1 097.0            | 16.9        |
| Yellow maize   | 4 979.6         | 5 308.1         | 6.6             | 4 695.8            | 88.5        |
| <b>Total</b>   | <b>11 418.6</b> | <b>11 791.3</b> | <b>3.3</b>      | <b>5 792.7</b>     | <b>49.1</b> |

## 9.6. Feed sales and usage

The poultry industry remains the largest customer of the Animal Feed Manufacturers Association (AFMA). A total of 6.776 million tonnes (-5.3%) of animal feed was sold in the period from April 2023 to March 2024. Poultry (including ostriches) consumed 4.322 million tonnes with the bulk thereof going to the broiler industry (Table 8; source: AFMA). In total, 63.8% of AFMA's animal feed sales (down from 66.0%) went to the poultry industry (Figure 7).

| Table 8: Annual poultry feed sales (source: AFMA) |                         |              |                         |              |             |
|---|-------------------------|--------------|-------------------------|--------------|-------------|
| Feed type   | April 2022 - March 2023 |              | April 2023 - March 2024 |              | % change    |
|   | Tonnes                  | %            | Tonnes                  | %            |             |
| Broiler   | 3 158 345               | 66.8         | 2 975 828               | 68.9         | -5.8        |
| Layer   | 937 128                 | 19.8         | 781 889                 | 18.1         | -16.6       |
| Breeder   | 622 948                 | 13.2         | 558 044                 | 12.9         | -10.4       |
| Ostrich   | 9 877                   | 0.2          | 5 997                   | 0.1          | -39.3       |
| <b>Poultry</b>                                    | <b>4 728 298</b>        | <b>100.0</b> | <b>4 321 758</b>        | <b>100.0</b> | <b>-8.6</b> |

National feed production during 2023/24 was estimated to be 12.170 million tonnes; a 2.6% annual decrease. AFMA sales (7.046 million tonnes, including feed derived from concentrates) therefore represented 57.9% of the national feed produced (source: AFMA).

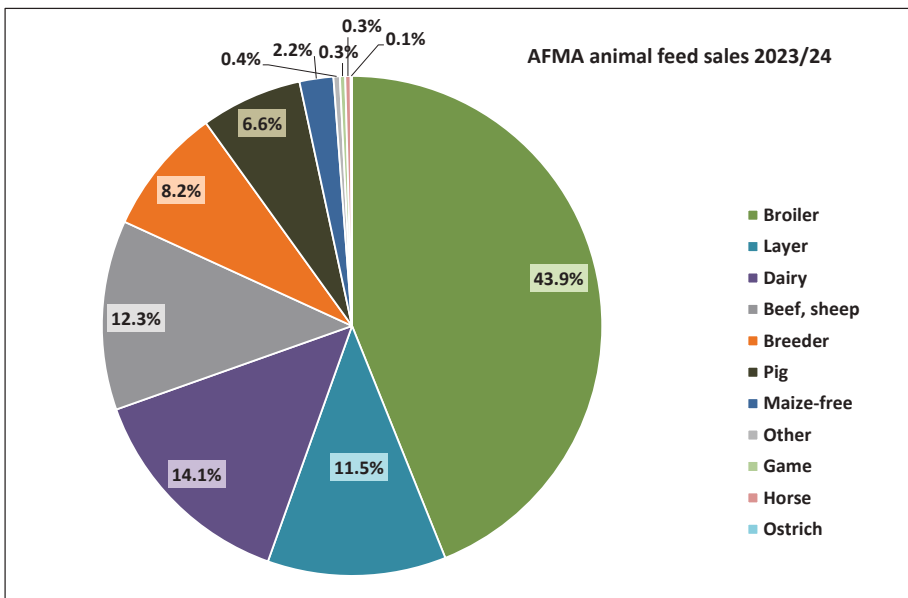


Figure 7: Animal feed sales from April 2023 to March 2024

### 9.7. Feed prices

The annual average raw material costs for the different poultry feeds are shown in Table 9. These costings are based on feed ingredient prices and a standardised formulation and exclude delivery, additives and mixing costs (source: H. Koster).

Figure 8 shows the trends in poultry feed costs for the past five years, with forecasts to May 2025 (source: H. Koster). The formulations were substantially revised from September 2023 in order to bring them in line with the specifications and raw materials being used by the feed milling industry to meet the nutrient requirements of today's genetic stock. This is why the graph shows a jump in the prices of all five diets between August and September 2023. In addition, more categories were added in response to requests from producers.

| <b>Table 9: Raw material costs of poultry feed</b> |             |             |                 |
|--|-------------|-------------|-----------------|
| <b>Ration</b>                                      | <b>2023</b> | <b>2024</b> | <b>% change</b> |
| <b>Broiler</b>                                     |             |             |                 |
| Prestarter   | 6 947       | 6 978       | 0.4             |
| Starter  | 7 039       | 7 055       | 0.2             |
| Grower   | 6 981       | 7 006       | 0.4             |
| Finisher   | 6 913       | 6 947       | 0.5             |
| Post finisher                                      | 6 913       | 6 947       | 0.5             |
| <b>Broiler breeder</b>                             |             |             |                 |
| Starter  | 5 389       | 5 546       | 2.9             |
| Grower   | 4 953       | 5 144       | 3.9             |
| Developer  | 5 148       | 5 272       | 2.4             |
| Layer 1  | 5 523       | 5 575       | 0.9             |
| Layer 2  | 5 502       | 5 543       | 0.8             |
| <b>Pullet</b>                                      |             |             |                 |
| Starter  | 5 948       | 6 006       | 1.0             |
| Grower   | 5 175       | 5 302       | 2.4             |
| Developer  | 4 901       | 5 047       | 3.0             |
| <b>Layer</b>                                       |             |             |                 |
| Layer 20   | 5 173       | 5 250       | 1.5             |
| Layer 40   | 5 123       | 5 202       | 1.5             |
| Layer 60   | 4 975       | 5 075       | 2.0             |
| <b>Layer breeder</b>                               |             |             |                 |
| Phase 1  | 5 456       | 5 534       | 1.4             |
| Phase 2  | 5 315       | 5 402       | 1.6             |

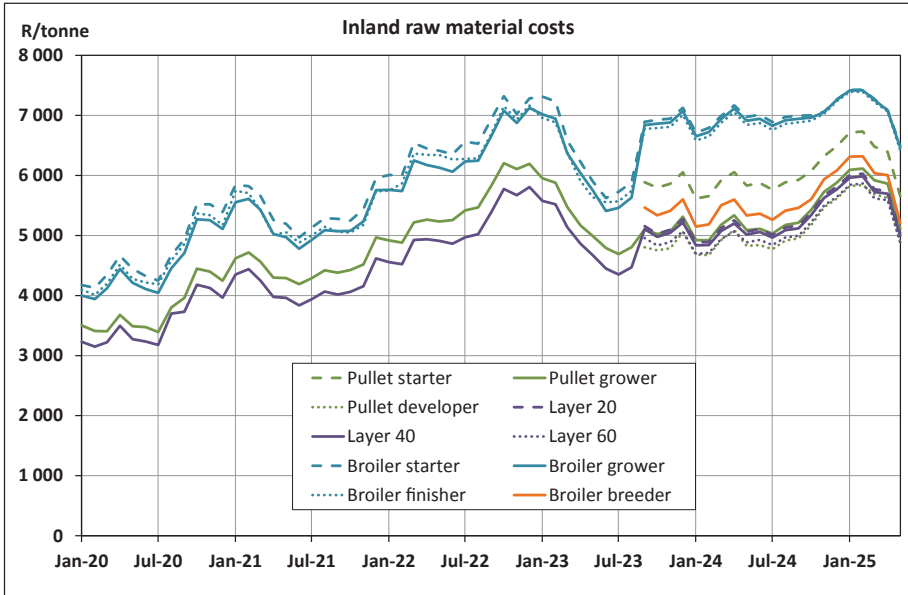


Figure 8: : Monthly trends in poultry feed prices

## 10. TRADE

### 10.1. Imports

Chicken and egg imports for 2024 increased by 0.2% and 38.6% respectively (Figure 9). Imports of fertilised eggs for both the broiler and egg industries made up the bulk of the egg imports. The total free on board (FOB) value of these imports was R5.494 billion (+17.9%), with chicken contributing R4.928 billion (89.7% of the total) and eggs R0.566 billion.

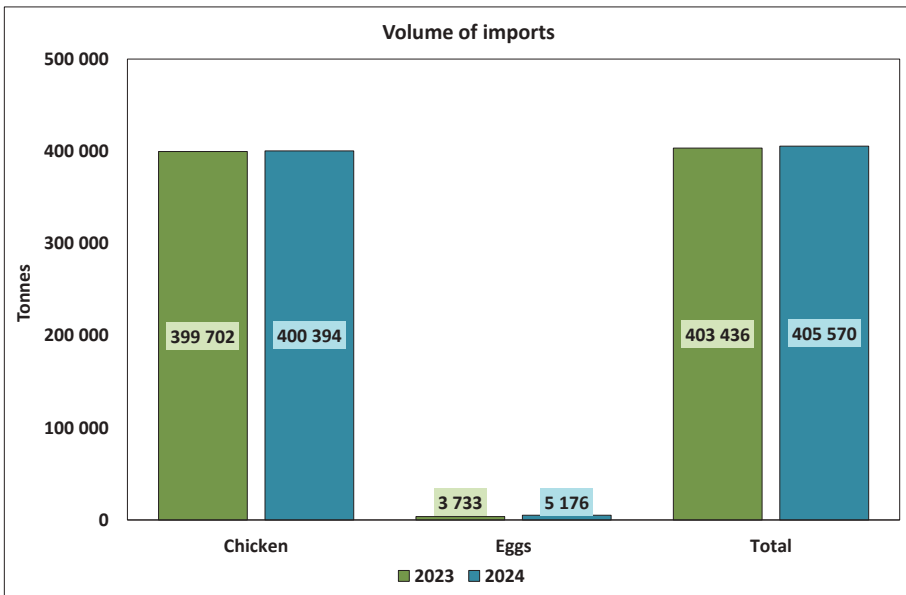


Figure 9: Import volumes of chicken meat and eggs

## 10.2. Exports

In 2024 the combined volume of chicken and egg exports expanded by 16.4%, although chicken exports grew by 20.8% while egg exports shrunk by 23.7% (Figure 10). The total FOB value of the exports was R2.015 billion (+28.3%), with chicken contributing R1.711 billion (84.9% of the total) and eggs R0.304 billion. Exports were affected by HPAI-related trade bans, and anticipated shortages to meet domestic demand due to the outbreaks.

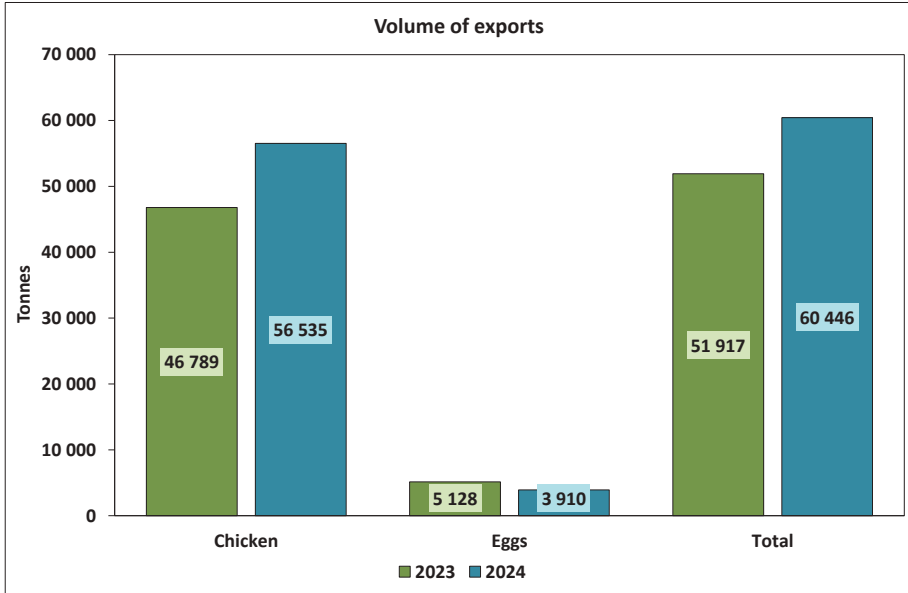


Figure 10: Export volumes of chicken meat and eggs

## 11. POULTRY HEALTH AND DISEASE

The private veterinarians contracted by SAPA, namely Dr Shahn Bisschop, Dr John Grewar and Dr Trudie Prinsloo, together with Izaak Breitenbach, fulfil the functions of the Poultry Disease Management Agency (PDMA). It is envisaged that this arrangement will continue.

Much of the work done by the PDMA concerned efforts to achieve export status for the European Union, UK and Saudi Arabia. The other area of focus was engaging with government on its HPAI vaccination policy.

An HPAI working group falls under the PDMA and its members include:

- Private poultry veterinarians: Dr Shahn Bisschop, Dr Scott Elliott, Dr Obed Lukhele and Dr Nokuthula Ntseki;
- Industry representatives: Gary Arnold and Dr Naude Rossouw;
- BO CEO Izaak Breitenbach;
- EO CEO Dr Abongile Balarane.

In the aftermath of the devastating HPAI outbreaks of 2023, DALRRD's DAH, Dr Mpho Maja, had agreed that vaccination of poultry flocks against HPAI would be allowed. By December 2024 three H5 vaccines were registered for use in the country: the Vectormune H5 vaccine manufactured by Ceva, for use at the hatchery; the Boehringer B.E.S.T. vaccine, an oil-based booster for use during rearing and lay; and Kemin's MEFLUVAC, an inactivated vaccine for use from seven days of age. Two H7 vaccines were submitted for registration: the Vectormune H7, which is similar to the Vectormune H5 vaccine; and the Deltamune H7 inactivated vaccine, suitable for use in chickens from about six weeks of age. Approval of the H7 vaccines is dependent on the outcome of local efficacy trials.

Vaccination guidelines were published by the DAH in November 2023, along with an addendum on the handling of flocks infected with HPAI but not culled. Any farm wanting to vaccinate would need to comply with both the same biosecurity standards that apply to export premises, and the stringent monitoring protocols prescribed by DALRRD. The industry immediately recognised the considerable financial burden these guidelines would place on producers from the regular involvement of private and state veterinarians, plus the cost of routine testing of samples from live and dead birds. Furthermore, a farm that has vaccinated against HPAI would not be allowed to export chicken or eggs, and old cull birds would have to be sold to an abattoir for slaughter.

Updated guidelines were drafted in April 2024 but were not accepted by SAPA's technical team. Applications for permission to vaccinate therefore continued to be assessed based on the November 2023 protocols.

Despite numerous applications, by the end of 2024 not a single poultry producer in South Africa had been granted permission to vaccinate against HPAI, for the reason that none managed to meet the onerous criteria. This was a serious concern for the HPAI working group and it lent support to the firm conviction of the group and the poultry industry as a whole that the vaccination protocols are unrealistic. Discussions between DALRRD and SAPA's HPAI technical team continued but without progress. By year-end there was no agreement from DALRRD to relax the stringent protocols, and it was felt that the negotiation process had reached a stalemate; SAPA thus formally requested a meeting with Minister of Agriculture John Steenhuisen.

The number of commercial layer flocks that were infected with HPAI H7N6 but not culled in 2023 caused serious concern, especially in Gauteng and surrounding provinces. Although later tests indicated that the surviving birds were disease free, the DAH did not grant permission for their removal from the quarantined farms. The lack of compensation was deemed partially to blame for the disastrous spread of HPAI in South Africa in years past; there was a measure of understanding and sympathy from the industry for affected farmers who were financially distressed by the outbreaks and therefore acted in defiance of biosecurity protocols.

An egg producer near George in Western Cape, who in 2021 was ordered by the state veterinarian to cull over 385 000 hens infected with HPAI and destroy feed, manure and 5.39 million eggs, was denied compensation by the DAH on the grounds that diseased and in-contact birds have no value. The producer subsequently took the matter to court and was vindicated when he won the case. The High Court judge ruled that the livestock should be valued on the basis that they were in a healthy state before infection and that the claim for R31 million be remitted to the DAH. The judge further stated that the intention of the Animal Diseases Act, Act 35 of 1984, was to motivate farmers to report cases of HPAI and that the stance of DALRRD was contrary to this objective. The DAH and DALRRD were granted leave to appeal. In the meantime, the precedent-setting judgement was welcomed by SAPA and the poultry industry. It raised hope for all farmers who had suffered financial losses since South Africa's first outbreak in 2017, and opened the door for claims that could run into billions of rands.

In October several industry representatives attended a two-day workshop in Paris hosted by the International Alliance for Biological Standardization (IABS). The theme was vaccination and surveillance for HPAI in poultry: the current situation and perspectives. A wide variety of stakeholders participated in reviewing the existing data on the virus. One area of focus was the surveillance required to ensure that vaccinated flocks that become infected with HPAI after vaccination do not escape detection. This is crucial to facilitate the sale and export of birds and poultry products from vaccinated flocks. The World Organisation for Animal Health has agreed in principle that vaccination should not be a barrier to trade. The University of Pretoria's Professor Celia Abolnik is a member of the scientific committee of the IABS.

## **12. INDUSTRY TRANSFORMATION**

Transformation remains a critical issue on the agenda in negotiations with government. The poultry industry is required to transform in a meaningful way and at a faster pace to enable black farmers to play a significant role within the value chain. Transformation objectives and targets are specified in both the poultry sector and egg sector master plans.

The Transformation Committee's model for new-entrant farmers involves financial investment, the provision

of training, and the formation of partnerships with commercial farmers. It is envisaged that these partnerships will aid the ongoing transfer of skills and provide access to markets, thereby ensuring the sustainability of the new businesses. In 2022 several proposals for transformation projects along these lines were submitted by producers, and funding was secured from government for the development of a pack station in the West Rand area of Gauteng. A building for this project was refurbished to food grade standards in 2023 and a grading machine was delivered in 2024. The official launch took place in September. More details can be found in the EO chairperson's report.

The second phase of the poultry value chain masterplan requires renewed focus on transformation and skills development, in addition to localisation and export promotion. These aspects were emphasised by the new Minister of Trade, Industry and Competition, Parks Tau. Stakeholders from various government departments and a broad range of organisations worked together to draw up a draft document. The revised areas of focus are detailed in the BO chairperson's report. A meeting of the Executive Oversight Committee is scheduled for February 2025 and the deputy ministers of the International Trade Administration Commission and the Department of Agriculture will be in attendance.

The Transformation Committee meets five times a year, concurrently with the meetings of the Egg and Broiler Boards. Several members of the committee were not attending meetings on a regular basis so SAPA's CEOs took the decision to remove these individuals and to replace them with new recruits from the two Boards. It is anticipated that the new members will bring energy and commitment to proceedings.

During the year, *Poultry Bulletin* published several articles highlighting successful black-owned poultry businesses, especially those run by women.

### **13. COMMUNICATION WITH INDUSTRY**

*Poultry Bulletin* serves as the official mouthpiece of SAPA, with six editions being published per annum. Readers' feedback is always complimentary about its professionalism, inclusivity and informative content; however, many copies are returned to SAPA unread which, along with other factors, has led to the decision to discontinue the distribution of them in efforts to reduce costs. The magazine will in future be published online only.

Melinda Shaw and her team were again honoured with an award this year. The magazine won bronze in the prestigious International Content Marketing Awards 2024, placing them in the company of Qantas and British Airways, which won gold and silver respectively. *Poultry Bulletin* fought off fierce competition as entries were submitted from close to 30 countries.

The website continued to receive positive feedback, with informative articles, training material, recipes, video clips and recordings of interviews being available for download. The member login page gives SAPA members exclusive access to the full range of the organisation's statistical reports. Table 10 shows the website analytics for the years 2023 and 2024 (source: Fourier Systems). The number of new users may be misleading because it is influenced by people clearing their browser cookies, logging on from a different device or using tracking restrictions.

| <b>Table 10: SAPA's website analytics</b> |             |             |
|---|-------------|-------------|
| <b>Metric</b>                             | <b>2023</b> | <b>2024</b> |
| Views                                     | 69 373      | 59 536      |
| Event count                               | 177 505     | 168 805     |
| Users                                     | 15 053      | 15 571      |
| New users                                 | 14 680      | 15 036      |
| Engaged sessions                          | 16 590      | 15 674      |
| Views per user                            | 4.61        | 3.82        |
| Average engagement time                   | 2m33s       | 1m59s       |
| Engaged sessions per user                 | 1.10        | 1.01        |
| Engagement rate                           | 65.73%      | 65.46%      |

Table 11 shows the most popular sources of information in 2024 in terms of the number of downloads (source: Fourier Systems). There were 11 293 downloads in total and these were initiated by 2 378 users.

| <b>Table 11: Most frequently downloaded files from SAPA's website</b> |  |             |                  |
|---|--|-------------|------------------|
| <b>Ranking</b>  | <b>File</b>  | <b>Type</b> | <b>Downloads</b> |
| 1   | Point-of-lay producers                                 | List        | 685              |
| 2   | Egg producers  | List        | 586              |
| 3   | Broiler producers                                      | List        | 573              |
| 4   | Fertile egg producers                                  | List        | 478              |
| 5   | Poultry Farm Manager (NQF level 4)                     | Training    | 389              |
| 6   | Day-old chick producers                                | List        | 316              |
| 7   | Introduction to SA farming industry                    | Training    | 259              |
| 8   | SAPA Industry profile 2022                             | Report      | 227              |
| 9   | Poultry Farm Worker (NQF level 2)                      | Training    | 184              |
| 10  | Biosecurity, vaccination and cleaning poultry houses   | Training    | 161              |
| 11  | Public health bylaws                                   | Regulations | 161              |
| 12  | Commercial layers                                      | Training    | 152              |
| 13  | Anatomy and physiology of the chicken                  | Training    | 150              |
| 14  | Regulation R345 grading, packaging and marking of eggs | Regulations | 140              |
| 15  | <i>Poultry Bulletin</i> Feb/Mar 2024                   | Magazine    | 135              |

SAPA's active social media campaign uses the platforms X (formerly Twitter), Facebook and Instagram to broaden its reach, engage with small independent farmers and improve the image of the industry. Social media platforms are occasionally used to react to comments such as the inflammatory posts by ChickenFacts (which no longer tweets).

Following the decision in 2023 to host the AviAfrica Congress every second year, a golf tournament was held instead in Western Cape on 7 June, in conjunction with the annual general meetings. The event presented an opportunity for suppliers to the industry to network with egg and broiler producers, and it was deemed by all to be highly successful.

## 14. TRAINING AND DEVELOPMENT

There was a continuation of travel subsidies for small farmers attending courses at the KwaZulu-Natal Poultry Institute (KZNPI). In 2024, 73 candidates benefitted from this initiative with 21 attending the Managing a Poultry Abattoir course; 32 attending the Poultry Production course; 5 attending the Commercial Layer course; 10 attending the Practical Broiler course; and 5 attending the Hatchery Management course. The World Poultry Foundation sponsored the training and accommodation fees for these historically disadvantaged delegates. SAPA's subsidising of these travel costs however has now been suspended as the old transformation levy fund (through which they were financed) has almost come to an end.

There was still no decision from AgriSETA regarding funding for the three-year training plan that was submitted in 2022. The application was resubmitted in August 2023, this time in conjunction with the African Farmers' Association of South Africa. Regular communication was sent during 2024 to Dr Innocent Sirovha, the CEO of AgriSETA, requesting formal notification of their intentions with regard to the application but no response was forthcoming. The organisation has however approved funding amounting to R400 000 for the development of a programme for a broiler skills qualification and this will be completed in 2025.

A further application for the training of 100 farmers in biosecurity has been submitted in line with the SETA's discretionary grant applications for the 2025/26 funding period. Despite the fact that some previous funding applications have not been resolved, SAPA will continue applying whenever AgriSETA opens up the funding windows.

In an initiative to ensure that standards are being upheld in terms of the information being disseminated to learners, SAPA (as a custodian of standards) decided to develop a training provider endorsement model. The criteria were sent out to the various training providers; unfortunately none of them have made application to SAPA, and it is hoped that this will change in 2025.

Both the Egg and Broiler organisations committed to assist Fort Cox Agriculture and Forestry Training Institute (FCAFTI) near Qonce (formerly King William's Town), Eastern Cape, with the upgrading of their facilities. The project is to be financed using the remaining funds from the old transformation levy. Work has commenced on the electrical installation and the egg and broiler equipment upgrades; this will be completed in early 2025.

SAPA was approached for assistance by Denmark's Dalum Academy of Agricultural Business as the academy is sponsoring an opportunity for 15 young South Africans to study agriculture at its institution; this will incorporate an internship as well. Dalum and the Danish Embassy have requested that SAPA join the initiative: the association's role would be that of supporting it and assisting the young graduates to obtain internships in the local industry on their return to South Africa. The academy has commenced with its selection process and is focussing on candidates from Northern Cape, as the main sponsor is an energy company active in the province. However, Dalum has indicated that it does not expect the graduates to restrict their working careers to Northern Cape on the completion of their studies. As part of the selection process, once they have identified the potential candidates, they will be exposing them to a week of practical farming experience in South Africa to see which area of agriculture the students are each interested in.

## 15. STAKEHOLDER ENGAGEMENT

SAPA continued to participate in global organisations such as the International Poultry Council (IPC), the International Egg Commission (IEC) and the Animal Welfare Working Group of the World Organisation for Animal Health.

Dr Abongile Balarane attended the IEC's Business Conference in Edinburgh in April and their Global Leadership Conference in Venice in September. Izaak Breitenbach went to the IPC annual meeting in Buenos Aires in May.

On 1 February draft regulations on proposed sectoral numerical targets in terms of Section 15A of the Employment Equity Act, Act 55 of 1998, were published in the government gazette. The Minister of Employment and Labour, Nomakhosazana Meth, invited public comment. In response, SAPA submitted a

36-page document in March, giving an overview of the broiler and egg industries and detailing the challenges faced by the poultry sector in terms of skills shortages and staff retention in rural areas. The organisation provided extensive comments and requested clarification on a number of points. It also challenged some of the assertions made in the referenced AgriSETA Poultry Report. In addition, members outlined reasons why the proposed race and gender sectoral targets would be difficult to achieve in their own organisations. Nonetheless, SAPA declared its commitment to closing the economic gap between previously disadvantaged and advantaged poultry farmers.

On 6 February the Competition Commission announced that it would be conducting a market inquiry into the poultry industry value chain, and draft terms of reference were published. The commission was of the opinion that the poultry industry has market features that are likely to impede, restrict or distort competition. It expressed concern that these features could affect levels of participation by new entrants and/or result in higher consumer prices. In response to calls for comment and after consultation with numerous producers, SAPA submitted a detailed report to the commission in which it addressed the terms of reference for the investigation. The final terms of reference were published; the commission's report is to be completed within 18 months, in 2025.

SAPA remains committed to working with the South African Bureau of Standards (SABS) on the document 'Welfare of chicken (*Gallus Gallus domesticus*)' (SANS 1758:201X). SAPA's two committees, dealing separately with the welfare issues pertaining to either broilers or layers, represent the interests of the country's producers during engagements with the bureau.

SAPA is collaborating with DALRRD to include minimum biosecurity standards in the Animal Health Act, Act 7 of 2002, with the aim to manage and control animal diseases. Dr Shahn Bisschop and Dr Scott Elliott provided technical input on behalf of the broiler and egg industries respectively.

SAPA continues to collaborate with the National Agricultural Marketing Council, the Consumer Goods Council of South Africa, the National Animal Health Forum and other agricultural commodity organisations.

## 16. FINANCES

SAPA's financial year runs from January to December, and once again the organisation was given a clean audit by BVA Auditing and Assurance. After six years of service, the audit firm will be replaced in 2025.

SAPA is a voluntary organisation that collects annual membership fees as well as monthly levies. A concerted effort was made during the year to collect all outstanding membership fees to boost the coffers.

The organisation continued with attempts to increase revenue streams by canvassing for new members. By the end of 2024, there were 56 allied members who pay monthly contributions in return for access to poultry statistics and other benefits such as preferential advertising opportunities. This membership increased from 53 in 2023. These allied members make a valuable contribution towards balancing the books.

## 17. SUCCESSES

- Increase in membership of SAPA for the sixth consecutive year;
- Support for Chefs with Compassion's initiative to feed impoverished people;
- An easing in the inflation rate;
- The successful hosting of a golf day and AGMs in Western Cape;
- Chicken becoming the most affordable animal protein source;
- Poultry's increased contribution to the gross value of agriculture;
- The hard work done by SAPA's consulting veterinarians and the HPAI working group;
- The registration of a third vaccine for HPAI H5;
- The judgement in favour of the George egg producer claiming compensation for HPAI culls;
- The launch of the West Rand Pack Station, a transformation project;
- SAPA's comprehensive response to the draft regulations on proposed sectoral numerical targets;

- Approval of funds by AgriSETA to develop a broiler skills programme;
- Sponsorship of transport costs for disadvantaged farmers to training courses at KZNPI;
- Financial aid given to the FCAFTI in Eastern Cape to upgrade training facilities;
- SAPA's liaison with Denmark's Dalum Academy of Agricultural Business;
- The complimentary feedback from readers of *Poultry Bulletin* and the magazine's bronze award;
- The frequent and meaningful activity on SAPA's website;
- The growth in chicken meat exports;
- SAPA's participation in and support of local and global organisations.

## 18. CHALLENGES

- Recovering from the devastation caused by the 2023 HPAI outbreaks;
- Gradually restocking farms and mending supply chains;
- Government's continued refusal to compensate producers for culled flocks;
- Producers having to absorb all the costs related to the HPAI outbreaks;
- Restoring poultry businesses to financial stability;
- The delay in registering vaccines for H7;
- Failure to convince DALRRD to relax the stringent vaccination and monitoring protocols;
- Negotiations between SAPA's HPAI technical team and DALRRD reaching a deadlock;
- Not a single producer being granted permission to vaccinate against HPAI;
- A reduction in egg exports due to HPAI-related trade bans and supply constraints;
- The country's high unemployment rate, especially among the youth;
- The push from government to introduce employment equity targets across agricultural sectors;
- AgriSETA's lack of communication regarding funds for poultry-related training.

## 19. OUTLOOK

- Heightened biosecurity in view of the threat of new HPAI outbreaks;
- Reaching consensus with DALRRD on feasible HPAI vaccination protocols;
- The manufacture and rollout of HPAI vaccines;
- Successful implementation of HPAI vaccination programmes on poultry farms;
- Maintaining optimum bird numbers and production levels on broiler and egg farms;
- An easing in pressure from high feed prices;
- Promoting domestic egg consumption;
- The findings of the Competition Commission inquiry into the poultry market;
- Reaching consensus with government on employment equity numerical targets;
- Increased momentum of transformation initiatives;
- Resolving the impasse with AgriSETA on funding for the three-year training plan;
- Implementing biosecurity training for 100 black farmers;
- Completed development of the broiler skills qualification programme;
- Progress with the SABS chicken welfare document;
- High unemployment levels affecting disposable incomes;
- Keeping chicken meat and eggs affordable for low-income households;
- The introduction of VAT-free chicken products;
- Renewed focus on exports;
- Hosting the Aviafrica Congress in June 2025.

## 20. CONCLUSION

Having survived several major setbacks in recent times, the poultry industry has demonstrated extraordinary resilience. With a number of challenging issues on the horizon, egg and broiler producers need to pull together and work constructively with government and other invested parties, for the benefit of all role players.



# THE EGG ORGANISATION CHAIRPERSON'S REPORT 2024

**Colin Steenhuisen**

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## 1. INTRODUCTION

After the devastation caused by highly pathogenic avian influenza (HPAI) in 2023, this was a year of recovery and rebuilding a shattered industry. Although the virus did not rear its ugly head in 2024, the egg industry remained under immense pressure. The after effects of the culling of 6.90 million birds infected with the H5N1 and H7N6 subtypes were felt for a prolonged period.

Despite the importation of 2.654 million hatching eggs, to compensate for the culling of breeder flocks, there was a significant shortage of day-old pullets up to March 2024 and of point-of-lay pullets for the first half of the year. Several producers were forced to keep laying flocks well beyond 100 weeks of age in efforts to meet the demand from customers. The egg producers who were fortunate enough to escape the ravages of HPAI benefited from the unstable situation, as egg prices soared amidst a drastic shortage of table eggs in the market. A negative consequence was that cash-strapped consumers turned to more economical sources of protein to feed their families, which resulted in a drop in per capita egg consumption.

Government's ongoing refusal to compensate for culled birds, and the stark lack of progress with vaccine implementation, caused antagonism within an industry forced to deal with the fallout from the HPAI outbreaks at its own cost. The rapid spread of the H7N6 subtype demonstrated the inability of conventional biosecurity measures to deal with the mutating virus; vaccines are considered an essential tool to protect poultry flocks against disease challenges.

The coffers of the Egg Organisation (EO) were significantly affected as the egg levy payments dwindled amidst the chaos. Without corrective action, the EO may find itself in the position of being unable to properly fulfil its mandate. An appeal was made to all egg producers to play fair and pay the statutory levies; this to enable the EO to function effectively as the representative body.

Feed prices remained relatively high and issues of poor service delivery persisted, but there was a measure of relief nationwide as load shedding was suspended on 26 March. This reduced some of the pressure on profit margins, although many producers had wisely already invested in alternative sources of energy.

In efforts to bolster the ailing per capita consumption, SAPA's consulting dietician, Dr Monique Piderit, emphasised the crucial role that eggs can play in preventing child malnutrition. In a country where stunting is still a major problem, the inclusion of nutrient-dense eggs in a child's diet supports healthy growth and cognitive development. Her statements in the press appeared soon after the publication of Deloitte's study

of the economic impact of child poverty in South Africa, done on behalf of the Nelson Mandela Children's Fund.

The pressure from animal welfare activists, who would like to see all layer cages banned in South Africa, continues to mount at an alarming rate. The seemingly unresolvable differences between their ideological beliefs and the rational, scientific and business approach of farmers – whose primary aim is to feed the nation – are likely to cause an escalation in hostilities in the near future. This is creating an extremely negative image of the egg industry, which needs to be continually monitored and dealt with effectively.

This report highlights the significant events and statistics relating to the egg industry in 2024.

## **2. OBJECTIVES**

The objective of the EO is to establish and maintain an organisation in South Africa for the promotion, development and guidance of the egg industry as an independent subsidiary branch of SAPA, equal in status to that accorded the Broiler Organisation.

The purpose of the EO (and its committee) is to improve the egg industry and promote it at a national and international level. This entails a critical evaluation of the methodology of regulatory structures; supporting an industry code of practice; liaising with government and consumer bodies; collecting, compiling and distributing statistics; supporting training; encouraging transformation; and building brand awareness to grow the market for the egg industry through a successful generic marketing campaign.

## **3. MEMBERSHIP**

The EO consisted of 125 individual producers, up from 118 in 2023, and 48 members of co-operatives, (down from 52), making a total of 173 producers. Overall membership grew by 1.8% from the previous year.

## **4. BOARD REPRESENTATION**

During the period under review the EO Board comprised the following individuals:

Colin Steenhuisen (Chairperson)  
Willie Bosoga (Vice-Chairperson)  
Dr Abongile Balarane (CEO)  
Stephan Botha  
Achmat Brinkhuis  
Tawfeeq Brinkhuis  
Nic Elliot  
Annelie Fischer  
Beverly Mhlabane  
Atlegang Moloko  
Matsobane Mpyana (National Agricultural Marketing Council (NAMC))  
Rudzani Mudogwa  
David Nel  
Dr Naude Rossouw  
Amos Selaledi  
Vincent Sharp  
Marco Torsius  
AJ Wohlfahrt

## 5. INDUSTRY STATISTICS

### 5.1. Egg prices

Average producer prices for all eggs (cage, barn and free range) plus graded and ungraded eggs are displayed in Figure 1. The price for all eggs increased from R22.93/dozen in 2023 to R26.77/dozen (+16.8%) in 2024. This followed on from a 29.3% increase in 2023. Average prices for graded and ungraded eggs increased by 16.9% and 15.3% respectively. In 2024, 81.7% of the eggs were graded, a marginal drop from 81.9% the previous year.

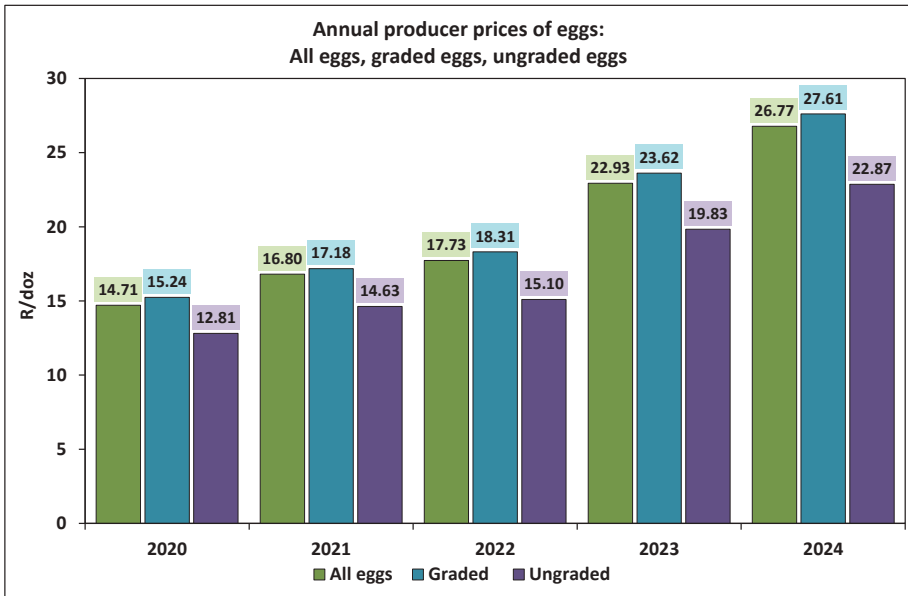


Figure 1: Annual producer prices for graded and ungraded eggs

Figure 2 shows the producer prices for the different production systems. The average price for cage eggs increased by 16.7% in 2024 while for barn + free-range eggs it increased by 14.2%. The average gap between the two prices was R6.77, with eggs from alternative housing systems realising 25.4% more than those from conventional cages. In 2024, 98.6% of the eggs were produced in cages. Producer prices increased owing to a shortage of eggs caused by the 2023 HPAI outbreaks.

These prices are supplied to SAPA by egg producers and in 2024 the sample represented 29.0% (down from 29.5% in 2023) of the forecasted national egg volume. This is a relatively small sample size and the pricing statistics should therefore be seen as trends rather than accurate data.

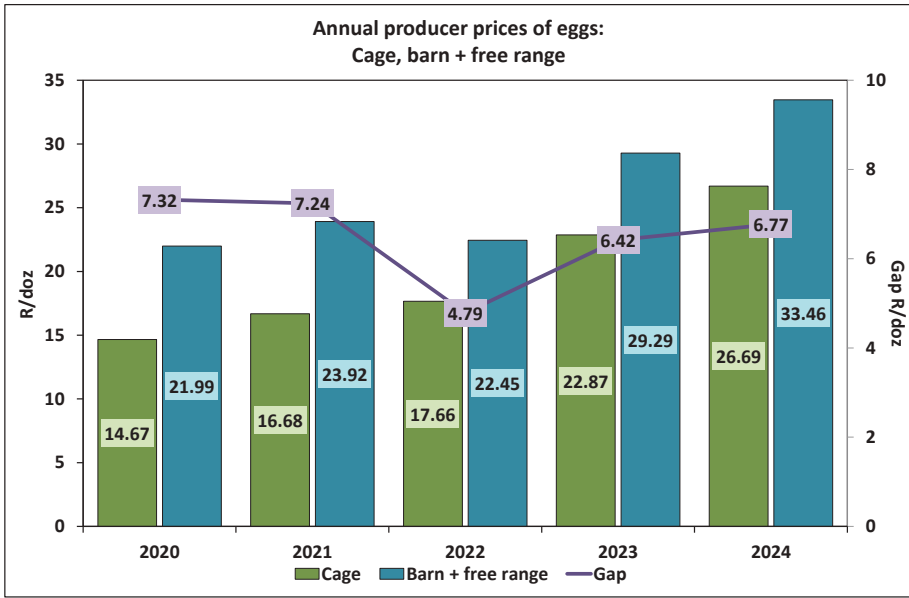


Figure 2: Annual producer prices for the different production systems

Producer prices for the different grades published by Statistics SA (Stats SA) are summarised in Table 1. Stats SA prices do not take all the rebates and trading terms into account but allow for discount offered off the list price. The expected gradeout was used to calculate a weighted average for the purpose of comparison with the SAPA price for all sizes.

| Year     | Stats SA |         |       |        |          | SAPA      | Difference |
|----------|----------|---------|-------|--------|----------|-----------|------------|
|          | Jumbo    | X-large | Large | Medium | Wt. avg. | All sizes |            |
| 2023     | 25.49    | 24.80   | 23.06 | 20.02  | 24.13    | 22.93     | 1.20       |
| 2024     | 30.28    | 30.36   | 28.23 | 22.25  | 29.21    | 26.77     | 2.44       |
| % change | 18.8     | 22.4    | 22.4  | 11.1   | 21.1     | 16.7      |            |

The average retail price for large eggs reported by Stats SA was R45.62/dozen; an annual increase of 21.1% and giving an estimated retail mark-up of 61.6% in the year 2024 (Figure 3). During the past five years, the average mark-up on large eggs was 96.9%.

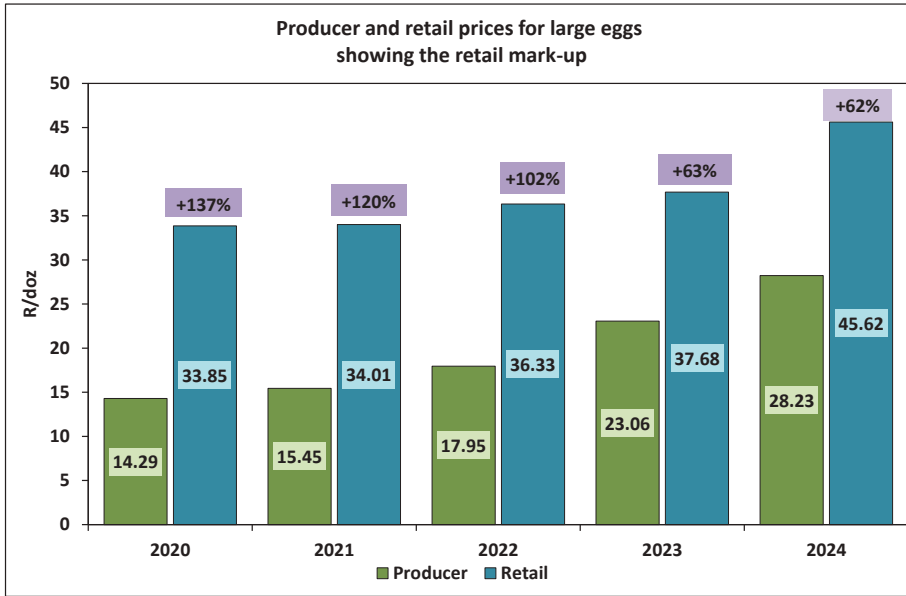


Figure 3: Annual producer and retail prices of large eggs

## 5.2 Price comparison with other protein sources

Since 2019 eggs had consistently been the most affordable animal protein source in comparison with beef, pork and chicken. However, in 2024 eggs were considerably more expensive than chicken and pork (Table 2 and Figure 4; source: AMT, SAPA). The substantial reduction in supply, due to the culling of hens infected with HPAI, caused egg prices to soar.

| Year     | Beef A2/A3 | Beef C2/C3 | Pork  | Chicken | Eggs  |
|----------|------------|------------|-------|---------|-------|
| 2023     | 53.97      | 47.46      | 33.96 | 31.70   | 31.31 |
| 2024     | 54.88      | 44.91      | 32.06 | 31.83   | 36.54 |
| % change | 1.7        | -5.4       | -5.6  | 0.4     | 16.7  |

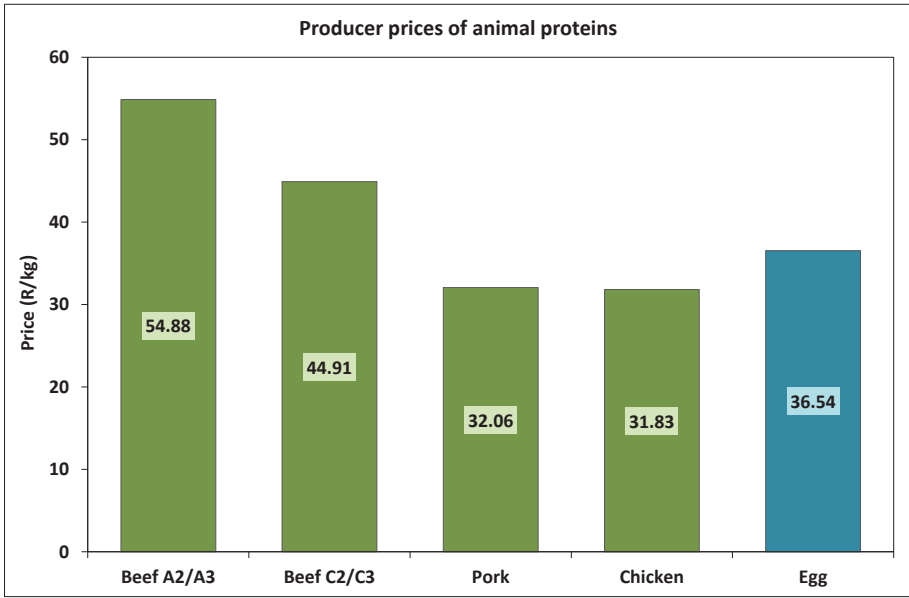


Figure 4: Comparison of prices of animal proteins

### 5.3. International price comparison

The United States Department of Agriculture (USDA) tracks producer prices in the northeast region of the United States of America (USA). Table 3 gives the average prices per dozen of the different grades for 2024 and annual percentage changes. These prices are also expressed in rands using the average exchange rate for the year 2024 of R18.31 to the US dollar.

| Year         | Extra large | Large  | Medium |
|--------------|-------------|--------|--------|
| 2023         | 1.94        | 1.90   | 1.66   |
| 2024         | 2.91        | 2.88   | 2.33   |
| % change     | 50.4        | 51.6   | 40.1   |
| R/doz (2024) | R53.36      | R52.81 | R42.67 |

Figure 5 shows the movement in egg prices in the USA over the past five years. Weekly egg prices spiked in April 2020 at the onset of the global coronavirus pandemic. A dramatic increase occurred in 2022 as a result of shortages due to catastrophic avian influenza (AI) outbreaks. In 2023 prices dropped as laying flocks rebounded and egg supply returned to normal levels. With the Christmas season approaching, egg prices soared in December 2024 as HPAI outbreaks accelerated across the USA.

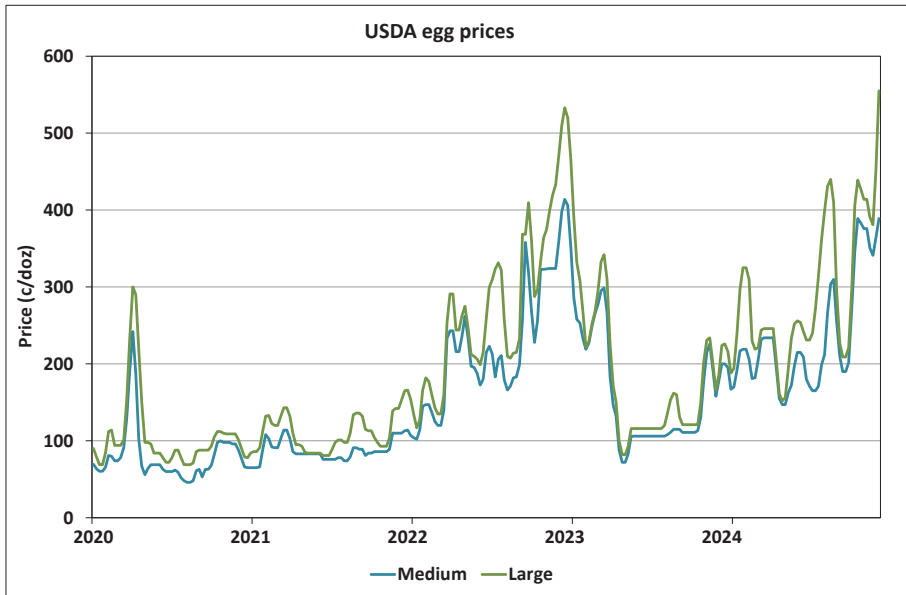


Figure 5: USDA egg prices

#### 5.4. Layer grandparents and layer breeders

According to the AI surveillance database, there were 26 500 grandparents in rear and lay in the fourth quarter of 2024. The parent rearing farms were stocked with 134 400 birds and the parent laying farms with 454 600 hens and cocks.

#### 5.5. Day-old pullets

In 2024 annual day-old pullets hatched increased by 28.2% to 25.33 million (Figure 6); an average of 483 800 per week compared to 379 100 per week the previous year.

In terms of feather colour, 54.6% (down from 68.2% in 2023) of the day-old pullets hatched were silver strains and 45.4% were brown strains. The silver (white-feathered) strains included Amberlink, Hy-Line Silver Brown and H&N Silver Nick birds, while the brown strains included Lohmann Brown Lite, Hy-Line Brown, Dekalb Brown and a small number of Novogen Brown and ISA Brown birds.

An estimated 20.17 million point-of-lay pullets were transferred to laying farms during 2024; a drop of 5.3% compared to the previous year. This follows an 11.1% decrease in 2023.

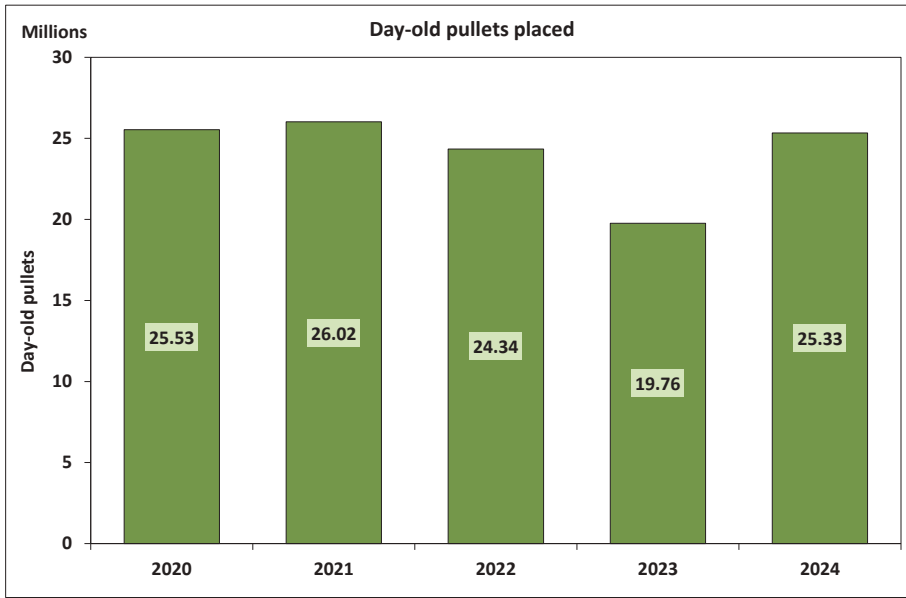


Figure 6: Trend in day-old pullets hatched

### 5.6. Layer flock

The national flock size was affected in 2021 by an H5N1 outbreak. An estimated 2.18 million hens were culled in that year. After a period of recovery in 2022, hen numbers decreased by 15.0% in 2023 due to severe outbreaks of H5N1 and H7N6. A further drop of 10.6% occurred in 2024 as producers struggled to source point-of-lay pullets (Figure 7).

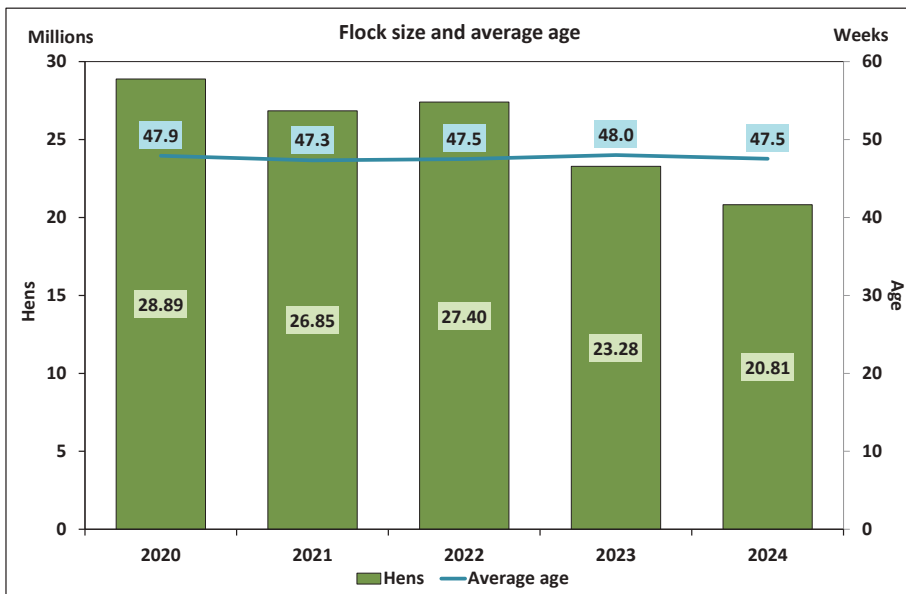


Figure 7: The size of the national layer flock

Figure 8 shows the distribution of the egg industry birds (grandparents, layer breeders, pullets and laying hens) per local municipality (source: AI surveillance monitor, 4Q2024). The highest density of birds was found in Drakenstein in Western Cape, followed by City of Tshwane and Mogale City, both in Gauteng.

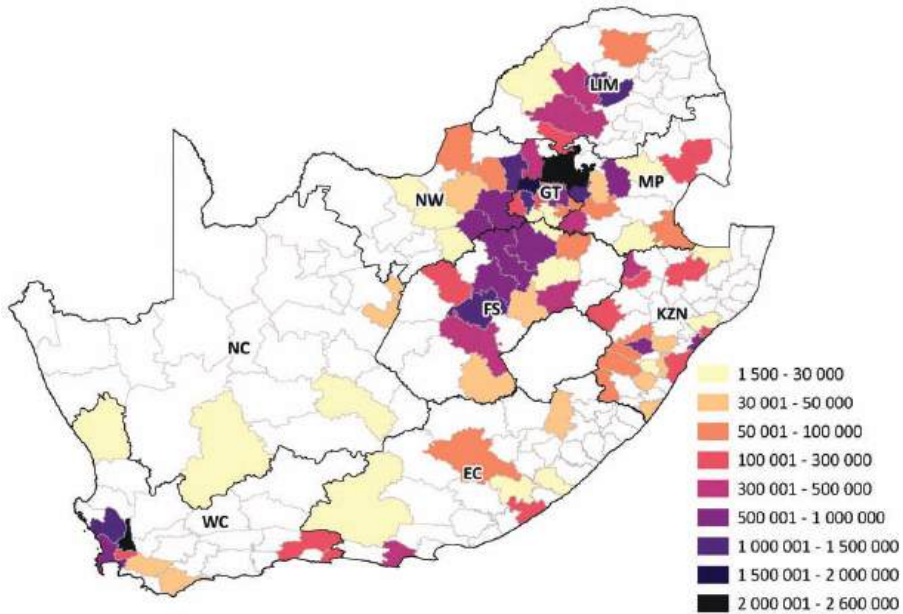


Figure 8: The density of egg industry birds per local municipality

### 5.7. Egg production

In 2024 the average number of cases produced per week was 349 600; an annual decrease of 41 800 cases (-10.7%) (Figure 9). This followed a 15.3% drop the previous year. Total egg production amounted to 18.28 million cases, or 548.3 million dozen eggs – the lowest figure since 2009.

The drastic shortage in the market was in part alleviated by the importation of liquid and dried egg products. This action meant that shell eggs normally used for pulp were sent to retail and wholesale outlets to meet consumer demand for table eggs.

Table 4 summarises bird numbers and egg production and shows the annual percentage change.

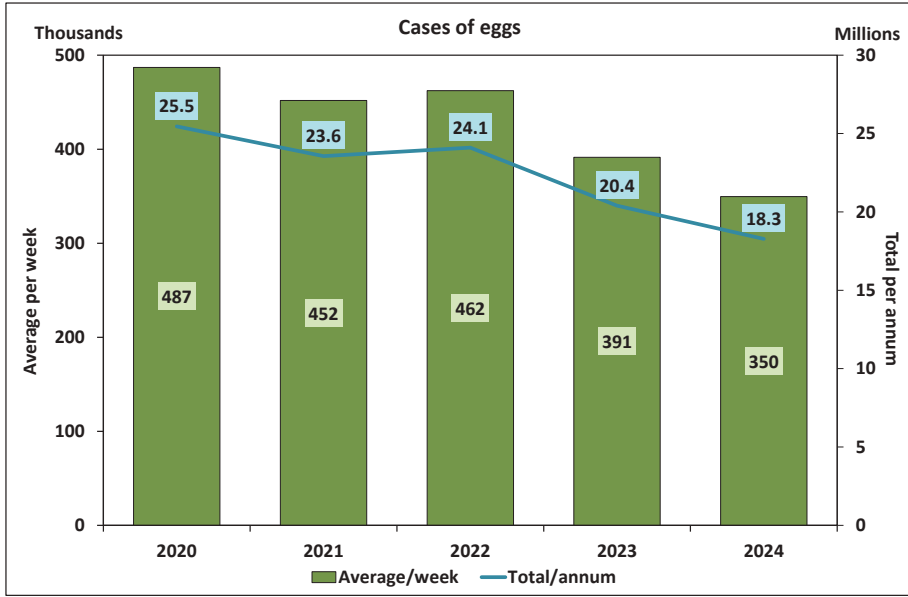


Figure 9: Cases of eggs produced

| Year            | DOP placed | LRP placed | Laying hens |        | Cases of eggs |
|-----------------|------------|------------|-------------|--------|---------------|
|                 | Per annum  | Per annum  | Avg. no.    | Depop. | Per annum     |
| 2023            | 19.763     | 21.310     | 23.283      | 20.740 | 20.394        |
| 2024            | 25.332     | 20.175     | 20.814      | 16.735 | 18.277        |
| <b>Change</b>   | 5.569      | -1.135     | -2.469      | -4.006 | -2.117        |
| <b>% change</b> | 28.2       | -5.3       | -10.6       | -19.3  | -10.4         |

DOP = day-old pullets

LRP = layer replacement pullets

Figure 10 illustrates the relationship between egg volume and producer price. A drop in available supply in 2021 caused producer prices to firm. As soon as there was a slight surplus in mid-2022, producers were forced to drop their prices to avoid a build-up of stock. This situation changed dramatically in 2023 with the constrained egg supply brought on by the mass culling of hens infected with HPAI.

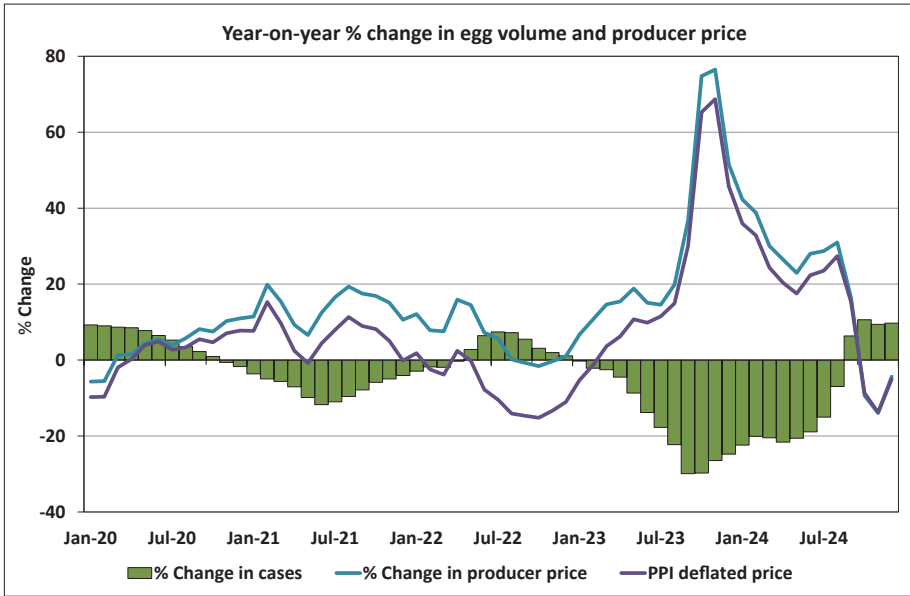


Figure 10: Percentage change in egg volume and producer price

Figure 11 shows the trends in the overall Producer Price Index (PPI), the PPI for agriculture and the PPI for eggs since 2020. The data has been rebased with December 2023 = 100.

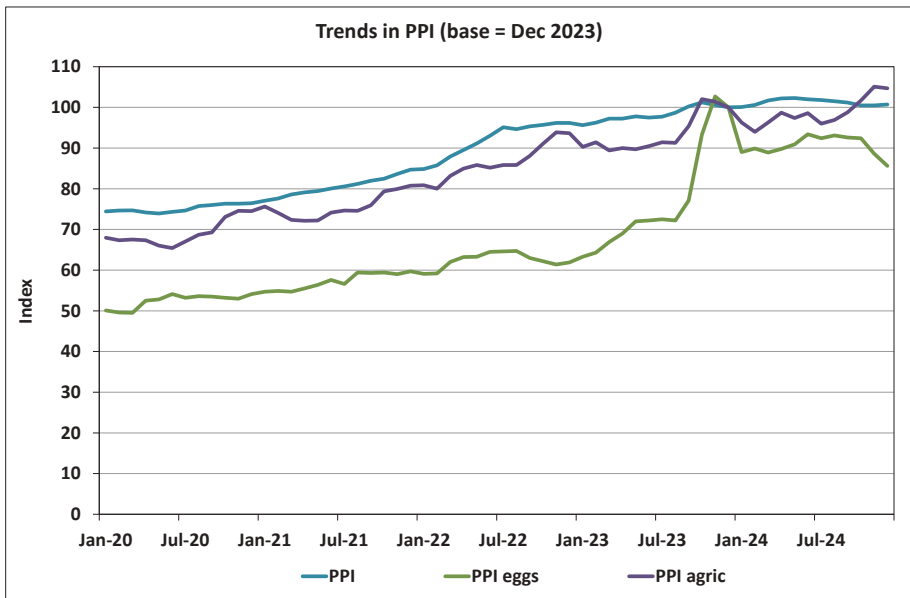


Figure 11: Trends in PPI (source: Stats SA)

## 5.8. Prospects for 2025

Based on the number of day-old pullets hatched to December 2024, the number of point-of-lay pullets placed is expected to increase by 4.27 million (+91.5%) for the first four months of 2025 compared to the same period in 2024.

An average flock of 24.26 million layers is projected for the first four months of 2025; an increase of 3.68 million layers (+17.9%) compared to the same period in 2024. As a result, egg production is expected to increase by 16.0% to an average of 408 300 cases per week in the first four months of 2025.

Sporadic shortages of eggs may persist as the industry continues to rebuild and recover from the damage to flocks caused by HPAI. It is envisaged that the industry's bird supply chains and egg production levels will be back to normal by mid-2025.

## 5.9. Gross value

With a gross turnover of R15.86 billion at producer level, eggs retain their position as the fourth largest animal product sector in agriculture in South Africa, after poultry meat (R72.09 billion), beef (R47.29 billion) and milk (R28.34 billion) (source: Department of Agriculture, Land Reform and Rural Development (DALRRD)). The turnover increased by 13.7% in 2024, after an annual increase of 10.7% the previous year. Eggs' share of the gross value of animal products was 8.0% and of all agricultural production 3.4%, up from 7.5% and 3.2% respectively the previous year.

The total value at retail level was estimated to be R25.01 billion for 2024. Just over 548 million dozen eggs were sold during the year through various channels.

## 5.10. Feed cost

The average price for layer feed in 2024 decreased by 6.4% to R5 625/tonne. This followed a 5.2% increase the previous year. The layer feed price includes distribution cost but excludes medication, additives and VAT. The sample size used to calculate the yearly average price represents 28.0% of the estimated feed consumed by laying hens.

The movement in the feed price over five years is shown in Figure 12. The sharp escalation from April 2022 put producers under enormous pressure until prices started declining in May 2023. Feed prices remained relatively flat in 2024.

The trends in the ratios between the producer price for eggs and two feed ingredient prices (yellow maize and soya beans) are depicted in Figure 13. The higher the ratio, the more favourable it is for farmers. After a dismal 2022, the drop in raw material costs and upward movement in the egg prices put egg producers in a favourable position in 2023. This was even more evident in 2024.

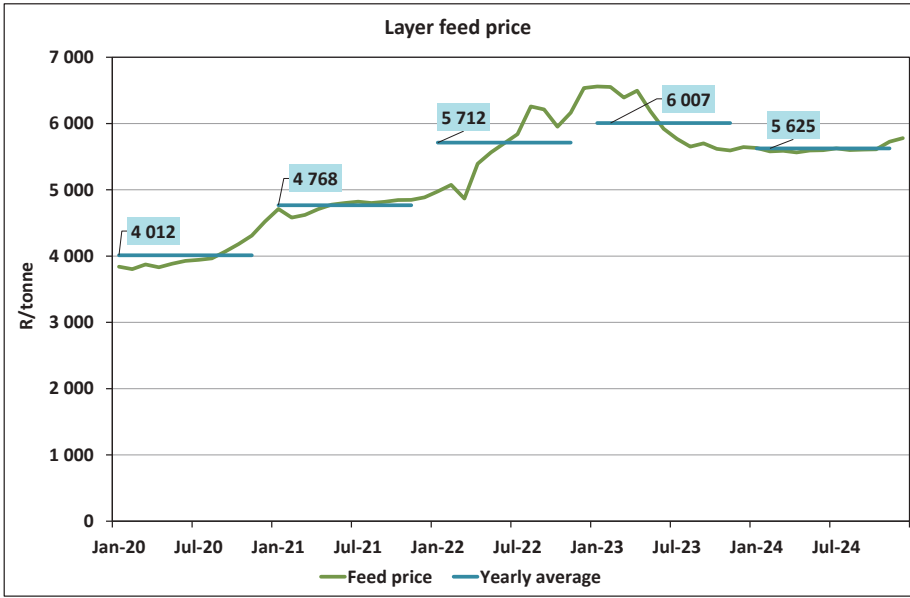


Figure 12: Movement in the layer feed price

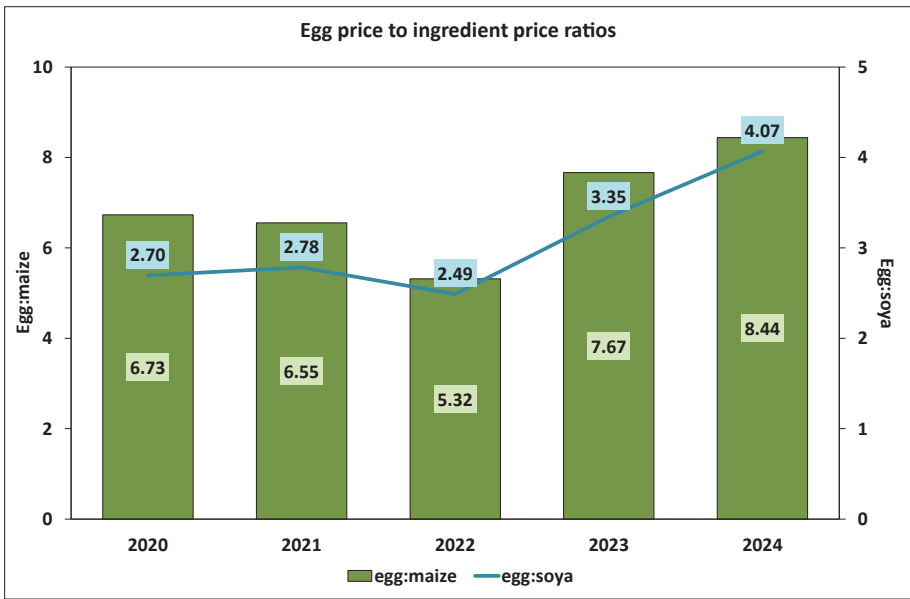


Figure 13: Showing the trend in ratios between egg and ingredient prices

### 5.11. Feed usage

The estimated feed usage for layers and pullets, using SAPA’s forecasting model, is summarised in Table 5. These figures exclude breeder rations. Feed usage in the egg industry decreased by 8.8% in 2024.

| <b>Table 5: Feed usage for the egg industry (tonnes)</b> |                |               |                         |          |
|--|----------------|---------------|-------------------------|----------|
| <b>Year</b>  | <b>Rearing</b> | <b>Laying</b> | <b>Total feed usage</b> |          |
|  | Per annum      | Per annum     | Per annum               | Per week |
| <b>2023</b>  | 127 033        | 939 634       | 1 066 667               | 20 457   |
| <b>2024</b>  | 131 498        | 841 533       | 973 031                 | 18 610   |
| <b>Change</b>  | 4 465          | -98 101       | -93 636                 | -1 847   |
| <b>% change</b>  | 3.5            | -10.4         | -8.8                    | -9.0     |

According to the Animal Feed Manufacturers Association (AFMA), total feed sales for the layer industry (including grandparent and parent flocks) from 1 April 2023 to 31 March 2024 amounted to 781 889 tonnes; a decrease of 154 457 tonnes (-16.5%) compared to the previous year. This includes 15 638 tonnes manufactured in other SADC countries. The breakdown is shown in Table 6; tonnages were calculated from the percentages given in the AFMA annual report.

| <b>TABLE 6: Feed sales per region (source: AFMA)</b> |                |              |
|--|----------------|--------------|
| <b>Province/region</b>                               | <b>Tonnes</b>  | <b>%</b>     |
| Eastern Cape   | 23 457         | 3            |
| Free State   | 203 291        | 26           |
| Gauteng  | 203 291        | 26           |
| KwaZulu-Natal  | 54 732         | 7            |
| Limpopo  | 7 819          | 1            |
| Mpumalanga   | 86 008         | 11           |
| North West   | 70 370         | 9            |
| Northern Cape  | 0              | 0            |
| Other SADC countries                                 | 15 638         | 2            |
| Western Cape   | 117 283        | 15           |
| <b>Total</b>   | <b>781 889</b> | <b>100.0</b> |

An estimated 76 080 tonnes of layer feed was derived from concentrates, giving a total of 857 969 tonnes of balanced feed. AFMA's national estimate of sales, including feed manufactured by non-AFMA members, was 1 036 667 tonnes. AFMA members therefore have 82.8% of the layer feed market.

SAPA's forecasting model predicted a feed consumption of 999 212 tonnes for pullets and layers for the same period; AFMA's estimate is therefore 37 455 tonnes (+3.7%) more than the industry estimate. Feed manufactured in South Africa and transported to poultry producers in neighbouring countries is not taken into account in these calculations. If the sales by other SADC countries (15 638 tonnes) is excluded, the difference between the estimates of AFMA and SAPA reduces to 2.2%.

## 5.12. Egg consumption

In 2024 the per capita consumption decreased from 121.3 eggs (7.41 kg) the previous year to 106.3 eggs (6.49 kg) (Figure 14). The population increased by 1.3% to a midyear estimate of 63.02 million (source: Stats SA), whereas the per capita consumption of eggs decreased by 12.3%. The drop in 2023 was 17.0%. DALRRD

estimated the per capita consumption for 2024 as 107.3 eggs or 6.55 kg. A shortage of eggs in the market place and the accompanying spike in price were responsible for the significant fall in consumption.

According to findings by research institutes such as the Harvard Medical School and the Mayo Clinic, healthy adults may safely consume up to seven eggs per week. The per capita consumption of 106.3 eggs translates to 2.0 eggs per person per week.

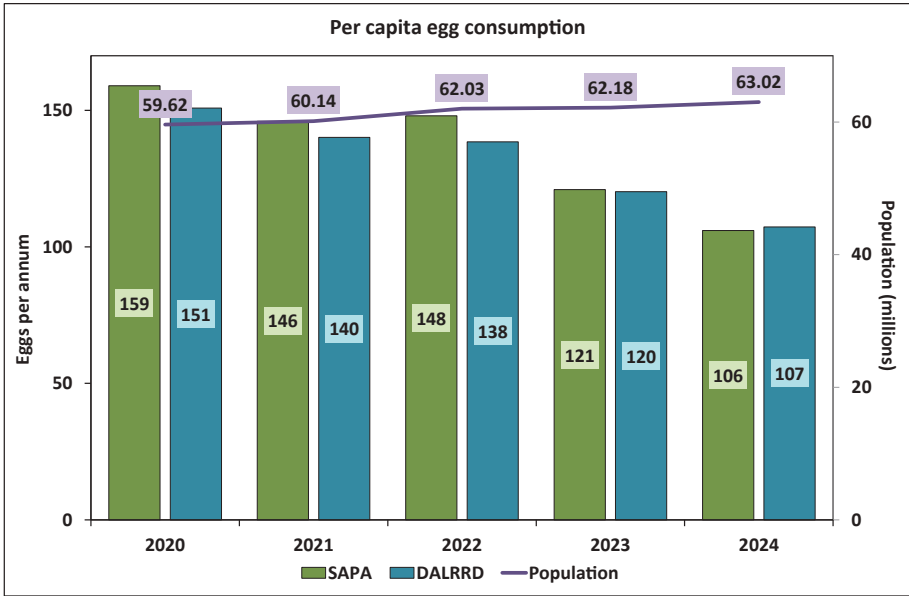


Figure 14: Per capita egg consumption in South Africa

The annual per capita consumption of eggs for a number of countries around the world is shown in Figure 15 (source: International Egg Commission (IEC)). Mexico continues to hold the top spot, with a per capita consumption of 392 eggs in 2023. South Africa ranked 32nd out of the 34 countries that submitted data for 2023 to the IEC.

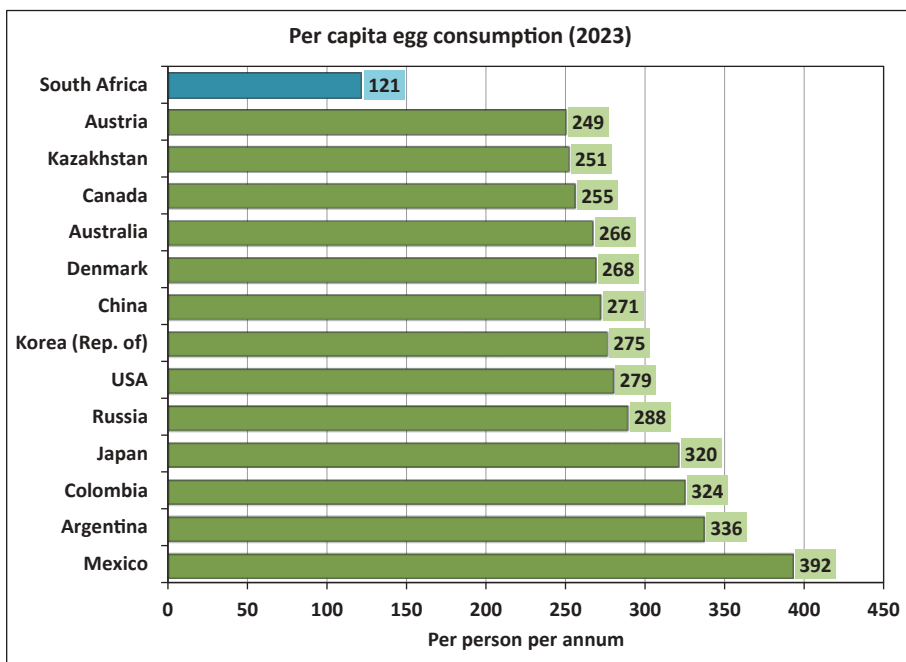


Figure 15: Global per capita consumption

### 5.13. Industry turnover

The estimated turnover from the egg industry is shown in Table 7. Day-old pullet sales have been excluded due to the small sample size used to calculate the average price.

| Year     | Day-old pullets |                | Point-of-lays  |                | Eggs          |                | Cull hens      |                | Total Turnover (R m) |
|----------|-----------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|----------------------|
|          | Price (R/bird)  | Turnover (R m) | Price (R/bird) | Turnover (R m) | Price (R/doz) | Turnover (R m) | Price (R/bird) | Turnover (R m) |                      |
| 2023     |                 |                | 90.99          | 1 938.9        | 22.93         | 14 028.8       | 46.92          | 973.1          | 16 940.8             |
| 2024     |                 |                | 99.72          | 2 011.8        | 26.77         | 14 678.1       | 48.54          | 812.3          | 17 502.2             |
| Change   |                 |                | 8.73           | 72.9           | 3.84          | 649.3          | 1.62           | -160.8         | 561.4                |
| % change |                 |                | 9.6            | 3.8            | 16.7          | 4.6            | 3.5            | -16.5          | 3.3                  |

## 6. SUBSISTENCE AND SMALL COMMERCIAL EGG FARMERS

These statistics summarise detailed telephonic surveys covering the warmer months (October 2023 to March 2024) and cooler months (April to September 2024). All prices exclude transport and VAT. Weighted averages were calculated throughout.

### 6.1. Hatcheries

Three hatcheries took part in the surveys. In total, 87 000 day-old pullets were sold at an average price of R11.31 each, giving a value of R0.685 million.

## 6.2. Day-old pullets

Twenty-eight pullet rearers from eight provinces responded to the surveys. The majority of the pullets were reared in Western Cape (37% of the total), Gauteng (31%) and Limpopo (26%) on 18 farms. Men owned 75% of the businesses. A total of 17 producers stopped farming during 2024 for various reasons.

The average number of pullets being reared during the year was 70 300; an 8% annual increase. The average purchase price per day-old pullet was R19.35 (+35%). Only 46% of the capacity of the rearing facilities was used.

## 6.3. Pullet feed

The majority (88%) of the respondents purchased their feed in bags. The average price paid per 50 kg bag for starter mash was R432 (+4%), for grower mash R405 (+3%), and for developer mash R384 (-1%). The total quantity of bagged feed purchased during the year was 751 tonnes; an average of 613 bags per farmer. The total value of bagged feed purchases was R6.14 million. An additional 2 904 tonnes of bulk feed was purchased.

## 6.4. Point-of-lay sales

According to the survey responses, only 18% of the pullet rearers sold point-of-lay birds; the remaining producers kept the hens for their own laying operations. Total sales amounted to 10 250 birds and the average selling price was R95.68 per bird; a 7% annual decrease.

## 6.5. Laying hens

A total of 96 egg producers from all 9 provinces responded to the survey. Of the farms, 34 were located in Limpopo; 20 in Gauteng; and 12 in North West. The greatest proportion of the laying hens was located in Gauteng (33%) and Limpopo (33%), followed by Western Cape (12%). Ownership of the businesses shifted in favour of men, from 43% in 2023 to 60% in 2024.

A total of 69 producers stopped farming at some stage during the survey periods because of the difficulties confronting them.

Point-of-lay pullets were bought by 69% of egg producers, while 3% were sponsored by DALRRD and 28% reared their own pullets. In terms of housing, 75% of producers kept their hens in battery cages while 19% had free-range systems. The remaining 6% used a mixture of cage, barn and free-range systems.

The farmers who responded to the survey owned, on average, 135 100 hens during the year; a 40% annual increase. The average purchase price per point-of-lay pullet was R115.59 (+9%). On average, 38% of the capacity of the laying facilities was used; down from 39% in 2023.

## 6.6. Layer feed

The majority of respondents (93%) bought their feed in bags while the remainder purchased in bulk. The average price for layer mash, excluding VAT and transport, was R405/50 kg bag (or R8 101/tonne). Compared to 2023, the feed price for the respondents decreased by 1%. In total, 3 828 tonnes of bagged layer feed were purchased during the year; approximately 865 bags per farmer. The average feed intake for these producers was estimated to be 120.2 g/hd. The total value of bagged feed purchases was R30.95 million for the year.

The respondents buying in bulk bought 1 134 tonnes at an average price of R6 209/tonne for layer mash (equivalent to R310/50 kg bag). Based on the information provided, the average feed intake was estimated to be 119.7 g/hd. The total value of bulk feed purchases was R7.04 million.

Figure 16 shows the five-year trends in the egg price and feed cost for subsistence and small commercial farmers.

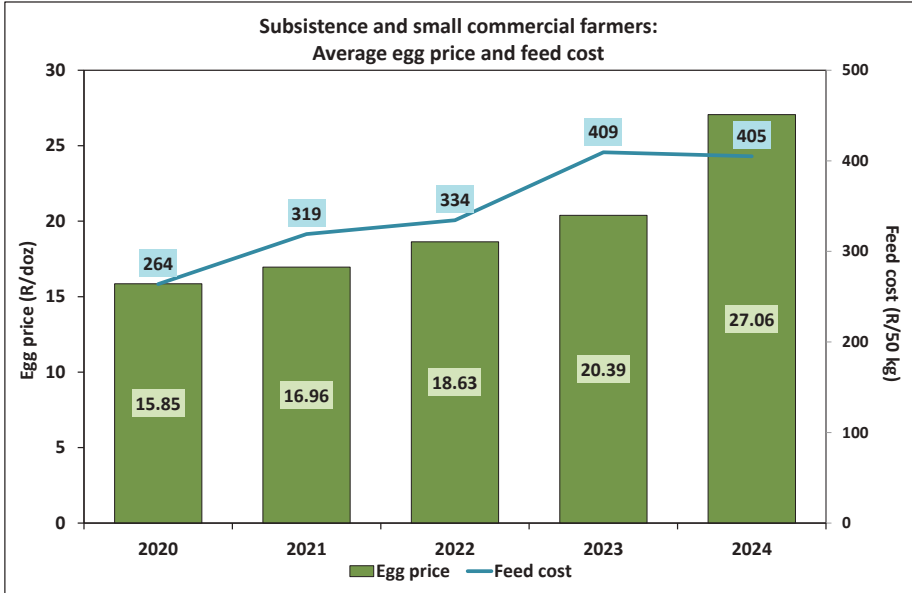


Figure 16: Trend in egg price and feed cost

### 6.7. Egg sales

Total sales of the respondents amounted to 3.0 million dozen at an average egg price of R27.06/dozen; a 33% annual increase. The average rate of lay, based on information provided, was estimated to be 73%. The total value of eggs sold amounted to R81.17 million.

### 6.8. Cull hen sales

In total, 113 400 culls were sold by the respondents at an average selling price of R68.94 (+12%). The trends in point-of-lay pullet and cull hen prices since 2020 are illustrated in Figure 17.

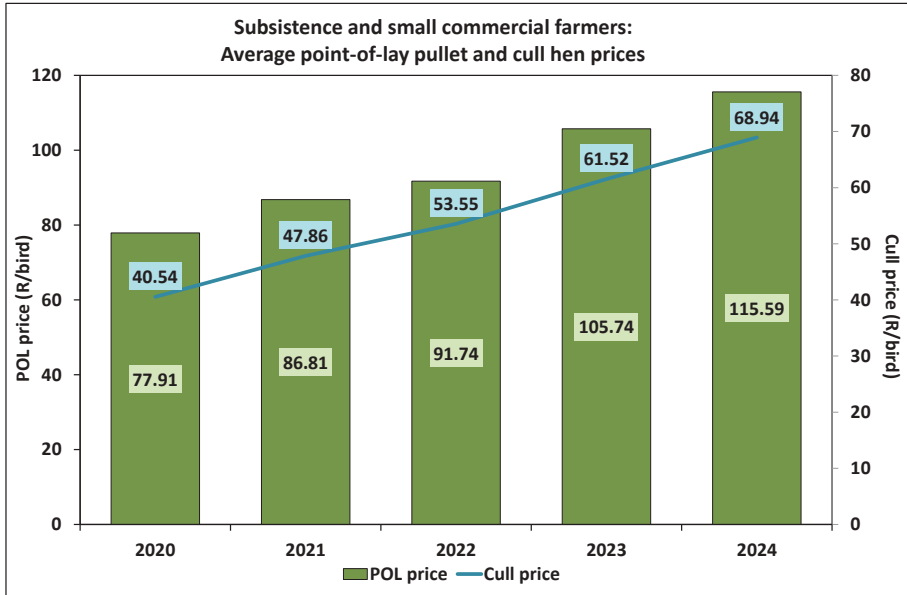


Figure 17: Trend in point-of-lay pullet and cull hen prices

## 7. TRADE

### 7.1. Exports

The exports of chicken eggs totalled 3 910 tonnes compared to 5 128 tonnes in 2023, a 23.7% decrease (Table 8); however the value of the exports increased by 14.4%, from R265.6 million to R303.9 million.

| Product<br>( <i>Gallus gallus domesticus</i> ) | Quantity<br>(tonnes) | % of<br>exports | Value<br>(R million) | % of<br>exports |
|--|----------------------|-----------------|----------------------|-----------------|
| Fertilised eggs for incubation                 | 2 279.898            | 58.3            | 249.365              | 82.1            |
| Shell eggs (fresh and preserved)               | 1 624.579            | 41.5            | 53.641               | 17.7            |
| Egg product (yolks, raw pulp, albumins)        | 5.880                | 0.2             | 0.851                | 0.3             |
| <i>liquid egg product</i>                      | 3.770                |                 | 0.705                |                 |
| <i>dried egg product</i>                       | 2.110                |                 | 0.146                |                 |
| <b>Total exports</b>                           | <b>3 910.357</b>     | <b>100.0</b>    | <b>303.857</b>       | <b>100.0</b>    |

Exports were affected in the first half of the year by HPAI-related trade bans imposed by Botswana, Lesotho, Mozambique and Namibia. Figure 18 shows the trend in egg exports since 2020 (source: South African Revenue Service (SARS)).

The main destinations of these exports were Mozambique (67.6%), Eswatini (23.2%), Botswana (4.0%) and Lesotho (3.5%). These four countries received 98.2% of South Africa's exports.

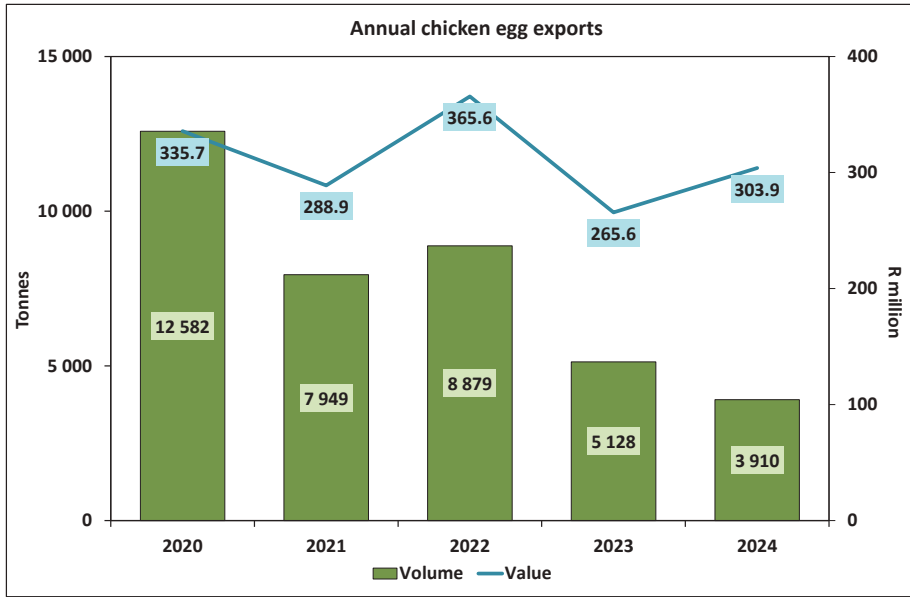


Figure 18: Annual egg exports

## 7.2. Imports

Total imports of chicken eggs, including fertilised eggs, shell eggs and egg products, increased from 3 733 tonnes in 2023 to 5 176 tonnes (+38.6%). The total value of the egg imports increased by 36.4%, from R414.7 million to R565.7 million (Table 9; source: SARS). The bulk of the imports were fertile hatching eggs for both the broiler and egg industries. The importation formed part of the mitigating strategies following the culling of parent flocks infected with HPAI in 2023.

Liquid egg imports grew by 80.2% with the aim of plugging the gap caused by the shortage of table eggs. The five-year trend in imports is shown in Figure 19.

| Product<br>( <i>Gallus gallus domesticus</i> ) | Quantity<br>(tonnes) | % of<br>imports | Value<br>(R million) | % of<br>imports |
|--|----------------------|-----------------|----------------------|-----------------|
| Fertilised eggs for incubation                 | 4277.862             | 82.7            | 420.791              | 74.4            |
| Shell eggs (fresh and preserved)               | 70.004               | 1.4             | 3.968                | 0.7             |
| Egg product (yolks, raw pulp, albumins)        | 827.758              | 16.0            | 140.966              | 24.9            |
| <i>liquid egg product</i>                      | 96.397               |                 | 6.527                |                 |
| <i>dried egg product</i>                       | 731.361              |                 | 134.440              |                 |
| <b>Total imports</b>                           | <b>5175.624</b>      | <b>100.0</b>    | <b>565.726</b>       | <b>100.0</b>    |

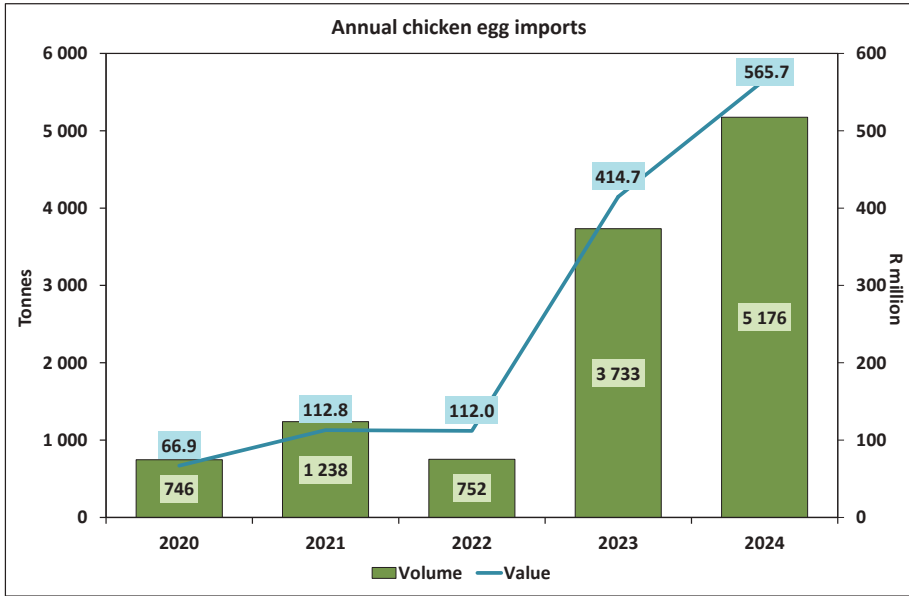


Figure 19: Annual egg imports

Brazil, Spain, Denmark, The Netherlands and France were the main countries of origin of egg imports, with 64.1%, 17.9%, 7.3%, 4.7% and 2.6% of the total respectively. These five countries supplied 96.6% of South Africa’s egg imports.

## 8. THE GLOBAL EGG INDUSTRY

It was announced in November that the IEC was to become the World Egg Organisation (WEO) in January 2025. Along with the rebranding, the WEO aims to strengthen its global presence and better align with the mission to support and promote the egg industry worldwide. Launched in 2022, Vision 365 continues as the 10-year plan to unleash the full potential of eggs by developing the nutritional reputation of the egg on a global scale.

In 2024 the IEC called for renewed support from its members, emphasising the need for coordinated action against the growing threat to the global egg community posed by well-funded animal activists. Multinational food companies are increasingly being influenced by the activists’ ideologies and pressured to buy cage-free eggs. This needs to be countered by proactive communication with key intergovernmental organisations such as the United Nations.

Table 10 shows feed costs and bird numbers for the countries contributing to the IEC’s annual statistical surveys. Prices are quoted in US dollars and are therefore influenced by the countries’ exchange rates. Japan had the highest feed price in 2023 followed by Switzerland. China topped the list in terms of flock size with 1.3 billion hens.

**Table 10: Feed costs and hen numbers for IEC member countries (2023)**

| Country              | Feed cost (\$/tonne) | Number of farms | Laying hens (millions) | Hens per farm  | Cages (%)   |
|----------------------|----------------------|-----------------|------------------------|----------------|-------------|
| Argentina            | 405                  | 883             | 53.1                   | 60 147         | 90.0        |
| Australia            |                      | 455             | 23.0                   | 50 440         | 39.0        |
| Austria              | 572                  | 2 579           | 7.2                    | 2 792          | 0.0         |
| Brazil               |                      |                 | 245.0                  |                |             |
| Canada               | 441                  | 1 243           | 29.2                   | 23 462         | 80.6        |
| Chile                | 305                  | 230             | 17.2                   | 74 565         | 94.0        |
| China                | 467                  | 32 000          | 1 300.0                | 40 625         | 98.0        |
| Colombia             | 448                  | 2 451           | 61.8                   | 25 231         |             |
| Cyprus               | 424                  | 27              | 0.4                    | 15 074         | 64.0        |
| Denmark              | 374                  | 131             | 4.3                    | 32 962         | 10.9        |
| Finland              |                      | 225             | 3.9                    | 17 333         | 21.0        |
| France               |                      | 2 550           | 47.0                   | 18 419         | 26.9        |
| Germany              | 441                  | 2 155           | 50.3                   | 23 341         | 4.6         |
| Hungary              | 429                  | 558             |                        |                | 78.5        |
| India                | 315                  | 25 000          | 239.0                  | 9 561          | 100.0       |
| Iran                 | 579                  | 2 194           | 70.0                   | 31 906         | 100.0       |
| Ireland              | 427                  | 267             | 3.8                    | 14 288         | 39.2        |
| Italy                | 476                  | 1 485           | 42.0                   | 28 283         | 34.5        |
| Japan                | 718                  | 1 690           | 128.6                  | 76 082         | 96.5        |
| Kazakhstan           | 256                  | 34              | 13.2                   | 388 382        | 80.0        |
| Korea (Rep. of)      |                      | 942             | 55.2                   | 58 550         | 92.6        |
| Mexico               | 456                  |                 | 172.8                  |                | 99.0        |
| Netherlands          | 381                  | 810             | 33.5                   | 41 358         | 12.0        |
| New Zealand          |                      | 141             | 3.6                    | 25 333         | 0.0         |
| Pakistan             | 452                  | 830             | 55.0                   | 66 265         | 72.0        |
| Poland               |                      | 1 048           | 50.7                   | 48 371         | 70.1        |
| Romania              |                      |                 | 270.6                  |                | 52.8        |
| Russia               | 257                  | 164             | 138.6                  | 845 213        | 99.5        |
| Slovakia             | 362                  | 72              | 3.0                    | 41 972         | 64.7        |
| <b>South Africa</b>  | <b>326</b>           | <b>200</b>      | <b>23.3</b>            | <b>116 415</b> | <b>95.0</b> |
| Spain                | 391                  | 1 643           | 47.7                   | 29 032         | 67.0        |
| Sweden               |                      | 200             | 8.5                    | 42 500         | 2.0         |
| Switzerland          | 690                  | 498             | 3.6                    | 7 213          | 0.0         |
| United Arab Emirates | 550                  | 14              | 3.7                    | 264 286        | 98.0        |
| United Kingdom (UK)  | 395                  | 1 700           | 40.0                   | 23 529         | 23.0        |
| USA                  | 287                  |                 | 316.0                  |                | 61.5        |

## 9. AVIAN INFLUENZA

### 9.1. World

At the start of the year, HPAI outbreaks continued to be reported by countries across the globe. However, the northern hemisphere winter appeared to be quieter than the 2022/23 season, much to the relief of all concerned. There were relatively few outbreaks during the summer months of 2024. With the advent of autumn in the northern hemisphere, the number of cases increased only slightly, leading experts to suggest that wild bird populations may be developing a degree of immunity to the disease, resulting in a less explosive spread. This theory was quickly discarded as there was a dramatic increase in the number of outbreaks in the USA in December.

Of great concern was the isolation of HPAI H5N1 from dairy cows and unpasteurised milk in the USA. The virus was seen to replicate very easily in the epithelial cells of the udder. By year end more than 900 herds in 16 states had been infected, all with a single strain of the virus. The virus was found to have spread from infected dairy cows to nearby poultry flocks in two states. There were at least 14 cases of dairy farm workers showing mild symptoms. Consumers were advised to drink pasteurised milk as the process of pasteurisation effectively kills the virus.

In the southern hemisphere, the virus spread into sea bird populations inhabiting Antarctica. The impact on these isolated communities was expected to be severe, raising fears of a threat to worldwide biodiversity. As the year progressed, Australia reported outbreaks of H7 which appeared to be caused by local mutations of the virus moving from wild birds into chickens.

Several countries in South America, as well as China, Indonesia and Vietnam, continue to vaccinate poultry flocks against HPAI with varying levels of success.

Figure 20 shows the global distribution of confirmed cases of AI in wild and domestic birds and other animals, from 1 January to 31 December 2024 (source: Food and Agriculture Organization of the United Nations).

Table 11 summarises the outbreaks on poultry farms reported to the World Organisation for Animal Health (WOAH) during 2024.



Figure 20: Global AI outbreaks in 2024

**Table 11: Global HPAI outbreaks on poultry farms**

| Subtype | Affected countries  |
|---------|---|
| H5N6    | Japan   |
| H5N5    | Iceland, UK   |
| H5N2    | Canada, Philippines   |
| H5N1    | Albania, Austria, Bhutan, Bulgaria, Burkina Faso, Cambodia, Chinese Taipei, Croatia, Czech Republic, Denmark, Gabon, Germany, Hungary, India, Israel, Italy, Japan, Korea (Rep. of), Moldova, Netherlands, Norway, Philippines, Poland, Romania, Russia, Slovakia, Sweden, Türkiye, UK, Vietnam |
| H5      | France, Germany, Peru   |
| H7N9    | Australia   |
| H7N8    | Australia   |
| H7N6    | New Zealand   |
| H7N5    | Germany   |
| H7N3    | Australia   |

## 9.2. South Africa

The year 2023 was a catastrophic one for HPAI outbreaks. A new subtype of the H5N1 virus led to the culling of 1.67 million egg industry birds in Western Cape. A unique South African subtype of H7N6 caused more destruction, spreading rapidly from Mpumalanga to Gauteng and beyond, and a further 5.23 million birds were culled. Overall, an estimated 1.3% of breeders in rear, 24.7% of breeders in lay, 8.7% of pullets and 27.3% of laying hens were culled due to these infections.

There were no reported cases of HPAI outbreaks during 2024.

Although vaccination has been approved in principle by government, to date no poultry farm in South Africa has been given the go-ahead to vaccinate against HPAI. As initially feared, requirements have proven to be too stringent and onerous. This is dealt with in more detail in the Board report.

## 10. ANIMAL WELFARE

The South African branch of global animal activist group Four Paws launched an online campaign in July, with the aim to garner 1 000 signatories against the use of battery cages. The organisation accused the egg industry of cruel practices which in its opinion also adversely affected animal welfare, the environment, human rights, consumer protection, and food quality and safety. Their assertions were firmly countered in the press by CEO Dr Abongile Balarane. He referred to the findings of an independent study, conducted by the NAMC, on the likely adverse impacts of a total change to cage-free systems.

In September a non-profit organisation called Animal Law Reform South Africa (ALRSA) published a 277-page document entitled *Scrambling for the truth: Eggsposing corporate hypocrisy and non-transparency*. This was a supplementary report to the initial document entitled *Laying down the facts: Animal welfare standards of the companies providing your favourite foods*, which was published in August 2023. The work of the ALRSA was in part funded by a grant from Open Wing Alliance, a global coalition of animal protection organisations.

Dr Balarane published a 3-page response on behalf of SAPA on 18 November. He unequivocally rejected the biased research, misleading literature review and the flagrant use of incorrect information. Sensationalist and disturbing facts, such as the claim that eggs from caged hens are unhealthy to eat and may be linked to cancer, were countered. Dr Balarane emphasised that a possible gradual change to alternative housing systems will be driven by demand by South African consumers. He requested the ALRSA immediately refrain from portraying the egg industry as reckless, self-regulating and operating outside the laws of the country.

Members of SAPA adhere to a code of practice which defines standards for the wellbeing of poultry. These ill-timed reports infuriated members of an egg industry that has been on its knees for the past two years, with the cards heavily stacked against its survival and recovery. Egg producers are increasingly exposed to unwarranted, vicious attacks from all sides, when their aim is to run sustainable agribusinesses that contribute to the nation's food and job security.

## 11. MARKETING

### 11.1. Generic egg marketing programme

Various media and communications activities were implemented by Protactic Strategic Communications during 2024. The primary objective of the generic campaign was to assist with increasing consumption of eggs in South Africa. During the year, key messaging positioned eggs as an easily accessible, healthy and affordable animal protein, and a healthy meal for any time of the day.

Numerous releases were compiled and distributed to South African food and health media throughout the year, with topics such as how eggs support satiety; eggs for all stages of life; global egg dishes; and adding eggs to leftovers.

To support all written content, recipes were developed, styled and photographed. Not only did these recipes hold great visual and appetite appeal but they also encouraged readers to make the recipes at home. The images went a long way to capture the reader's imagination as to how eggs could be added to meals and used in so many other ways besides just at breakfast (Figure 21).

Many of the local media publications, both print and online, used these press releases and recipes for their lifestyle and food pages. In 2024 the total free publicity received as a direct result of various public relations activities was calculated, based on Ornicom media tracking figures, to be close to R7 million.

A series of double-page advertorials were placed in *Heita My Friends* magazine during the year. This magazine is distributed free of charge to 40 000 taxi commuters at major Gauteng taxi ranks.

The EGGcellentFood Facebook and EGGcellentFood SA Instagram pages continued to grow steadily with increasing engagement with followers.



Figure 21: Photos from the marketing campaign

### 11.2. World Egg Day

World Egg Day was celebrated across the globe on Friday, 11 October 2024. The theme 'United by eggs' celebrated the role of eggs in connecting people of diverse cultures with different cuisines. Along with being an environmentally friendly protein source loaded with nutritional benefits, eggs have the power to foster cross-cultural understanding and promote solidarity within communities. The IEC made available a range of

sample social media posts which member countries could use for marketing purposes (Figure 22). A total of 34 countries shared their events with the organisation.



Figure 22: Sample social media posts

In South Africa, the SABC 3's *Expresso* morning show included an insert with the presenters discussing World Egg Day and cooking an egg recipe linked to the theme. Reaching over 800 000 daily viewers, World Egg Day posts were also included on the presenters' social media platforms which have a collective following of over 1.2 million.

Two of the country's most popular social media influencers posted videos on 11 October, highlighting their favourite egg recipes which can be enjoyed with family and friends. *MasterChef South Africa* judge Zola Nene demonstrated a cheese and thyme popover, which is her version of a giant Yorkshire pudding, served with a marinated feta and tomato salad. Sinoyolo Sifo (Sifo The Cooking Husband) prepared an easy egg and pasta salad with shredded chicken and fresh vegetables. These two influencers have a collective following of over 1.2 million on Facebook, Instagram and TikTok.

SAPA member, Eggsellent by Lebo, a 100% black women- and youth-owned farm, celebrated the day by holding an egg cookery demonstration in a local shopping centre, hosted by an up-and-coming South African chef and influencer (@meals.with.theloudpedigirl).

Approximately 2 000 dietitians, who are members of the Association for Dietetics in South Africa, received information about World Egg Day via the association's newsletter.

The 30th World Egg Day falls on Friday, 10 October 2025.

### 11.3. The 35th Galliova Food and Health Writers' Awards

The Galliova Awards continue to pay tribute to magazine, newspaper and online journalists, social media influencers, and bloggers for excellence in food and health writing and for promoting eggs and chicken as part of South Africa's food culture. The annual awards are jointly sponsored by the Egg and Broiler organisations.

Cape Town's rooftop restaurant Utopia Dining Elevated was the spectacular venue for a special ceremony marking Galliova's 35th year. Held on Friday 18 October, it was attended by the judges, award winners, industry members and invited guests. Renowned local celebrity chef and cookbook author Jenny Morris performed the role of master of ceremonies. The awards were presented by EO Chairperson Colin Steenhuisen, while BO Board member Marthinus Stander thanked all persons involved in making the event a success.

The winners and runners-up (in that order) were:

- Galliova Food Writer: Christi Nortier and Arina du Plessis;
- Galliova Food Stylist: Herman Lensing and Johané Neilson;
- Galliova Health Writer: Lydia van der Merwe and Glynis Horning;

- Galliova Egg Champion: Vickie de Beer and Arina du Plessis;
- Galliova Chicken champion: Johané Neilson and Herman Lensing;
- Galliova Digital Content Creator: Sam Linsell and Georgia East;
- Galliova Egg Hero: Sinoyolo Sifo and Sam Linsell;
- Galliova Champion: Sam Linsell.

## 12. REGULATORY MATTERS AND INTERACTION WITH GOVERNMENT

### 12.1. Agriculture and Agro-processing Master Plan (AAMP)

The AAMP is overseen by the NAMC on behalf of the minister of DALRRD. It was signed on 12 May 2022 by then Minister Thoko Didiza and various stakeholders. The product of a social compact between government, labour, industry and civil society, it aims to promote inclusive growth, competitiveness, transformation, employment and food security.

The vision of the AAMP is to strive towards globally competitive agriculture and agroprocessing sectors, support market-oriented and inclusive production to develop rural economies, ensure food security and create decent and inclusive employment and entrepreneurship opportunities for all participants in agriculture and agroprocessing value chains.

A fund of R1 billion was set up by the department, together with the Department of Trade, Industry and Competition, to support various agricultural sectors. In October 2022 an additional fund of R3.2 billion was launched by then Minister Didiza and the Land Bank to support the AAMP objectives. Black producers are to be given financial assistance in the form of blended finance (a combination of grants and loans).

The AAMP contains specific targets for production and for black farmers' market share. The NAMC has been tasked with monitoring and evaluating the implementation of the master plan by the different partners.

### 12.2. Egg sector master plan

The egg sector master plan, which falls under the AAMP, has the following objectives:

- To prioritise and encourage consumption of eggs in South Africa by applying for the continuation of statutory levies, with about 20% of the levies to be spent on consumer education and awareness;
- To increase per capita egg consumption to between 220 and 280 eggs by 2030;
- To transfer ownership from previously advantaged to previously disadvantaged individuals in an orderly, fair and equitable manner. The present production capacity is sufficient for current consumption, with willing previously advantaged owners prepared to sell their businesses to previously disadvantaged individuals;
- To align contract egg producers with larger producers who will offer financial assistance to increase capacity and offtake agreements;
- To export 10% of South Africa's egg production volumes;
- To manage diseases and improve biosecurity to prevent outbreaks of HPAI and other diseases;
- To establish egg depots and pack stations in malls and shopping outlets, especially in townships and rural areas.

Two approaches were adopted in the implementation plan recommended by the NAMC: commodity value chain round tables to provide a platform for engagement, and production schemes to ensure the participation of both public and private sectors. Under the schemes, the government commits to providing funding and other resources, while the industry provides expert advice and support, as well as funding from the transformation portion of the levy income.

In 2023 the presence of HPAI in South Africa shifted the focus of industry and government. The AAMP platforms were used to engage the department regarding the introduction of vaccines into the country to assist in combatting the devastating disease. These discussions between SAPA and DALRRD continued throughout 2024.

Efforts to implement widespread vaccination against AI and prevent a future disaster have stalled. To date, no farm has been able to adhere to the stringent biosecurity protocols required for vaccination approval, creating a dilemma for the industry. Currently, three H5 vaccines have been approved for import, but the mandated testing protocols mean that H7 vaccines are still months away from approval. Weekly negotiations with the government continue but a practical and implementable solution remains elusive.

### **12.3. Transformation**

The EO's transformation model, entitled Amakip-kip, was launched in 2021. It aims to bring about measurable change by drawing historically disadvantaged small egg farmers into the mainstream economy.

In 2023 the NAMC approved the utilisation of the levy surplus funds for this project. The EO Board published a call for applications and qualifying producers were screened.

The R20 million West Rand pack station project, co-funded by four beneficiaries and the Gauteng Department of Agriculture and Rural Development, was completed in 2024. Known as the Shumbaset Egg Packing Station, it was launched in September by the department's MEC, Vuyiswa Ramokgopa. The project was hailed as a game changer for black smallholder farmers who invariably lack the infrastructure to grade and package eggs, and do not have ready access to markets. The state-of-the-art grading machine can process up to 72 000 eggs per hour.

In another milestone for 2024, a further two Amakip-kip transformation projects were funded to an amount of R2.1 million, in the form of soft loans repayable to SAPA within 15 months. A female egg producer whose flocks had been destroyed by HPAI requested financial aid for the purchase of replacement point-of-lay pullets; and the owners of the Shumbaset Egg Packing Station required top-up funding for operational purposes. These projects were approved by the NAMC and the Egg Board.

### **12.4. Welfare standards**

The WOAH draft of a chapter on layer hen housing and welfare failed to receive a majority vote in 2022. The IEC subsequently engaged with the WOAH members to ensure that each nation is not forced to comply with regulations that may compromise its food security status. No further progress was made by the WOAH in 2024; however, the IEC declared its support for the three existing production systems (cage, barn and free range), thus giving each country an opportunity to produce eggs based on consumer demand.

The efforts of the South African Bureau of Standards (SABS) to finalise the standard 'Welfare of chicken (*Gallus Gallus domesticus*)' (SANS 1758:201X) stalled in 2023 as the various role players failed to reach a consensus. Two committees were formed to deal with the welfare issues pertaining to broilers and layers separately, and the work on the laying hen welfare standard started from scratch.

There has not been any tangible progress from the discussions of the standard, although SAPA has submitted two different proposals to the SABS for consideration by the committee. The interests of the EO members will continue to be represented in this committee, with the stance being that all three existing production systems must remain in place in South Africa.

### **12.5. Table egg inspections**

The Food Safety Agency (Pty) Ltd (FSA) is an independent company that was appointed as an assignee by DALRRD in 2017 to enforce the quality regulations applicable to poultry meat and eggs. From 1 July 2022, SAPA took over the responsibility for paying the inspection fees, on behalf of egg producers, to the FSA. Funds are drawn from the statutory levies of R0.018 per dozen which are paid to SAPA by both egg producers and importers. The inspections are required by law to ensure compliance with regulations. The FSA inspectors also have a duty to examine and verify production and sales records to ensure the correct levy amount is paid.

During the 2023 HPAI outbreak, there was a lot of uncertainty in the industry regarding the importation of table eggs. The EO and the FSA shared information on everything that was happening in the industry, with the FSA having powers to inspect imports at the point of entry. It appears that cheap egg imports of poor quality, like those seen in 2017, were not found in the 2023/24 AI season.

The FSA inspectors continued to visit farms and pack stations in 2024 and deal with violations and non-payment of levies. SAPA receives a detailed report from the FSA annually in March.

### **13. FUNDING MODEL**

The new egg and egg product statutory levy was approved on 14 December 2021 and gazetted in January 2022. It will continue at R0.018 per dozen from April 2022 to lapse on 31 March 2026. The option to increase the levy in 2024, which required the consent of the egg industry, was not exercised. The Egg Board has initiated discussions on the renewal of the levies, with the aim to submit the application to the NAMC by May 2025.

The levy income is to be spent as follows:

- Not more than 10% on administration;
- At least 20% on transformation (empowerment and development of black emerging egg producers);
- 70% on activities such as consumer education to promote egg sales, consumer assurance, research and development, industry information, biosecurity and other training, and veterinary guidance and assistance with poultry disease management.

The finances of the EO were put under severe strain during 2024 and some activities had to be curtailed due to the shrinking reserves. Understandably, producers who had been forced to cull AI-infected flocks did not pay the levy money while their farms were empty and under quarantine, but there were many other producers who apparently did not comply with the statutory regulations. A plea went out to EO members and the broader egg industry to pay up, because SAPA and the EO are reliant on levy income to fulfil their duties as representative organisations.

### **14. SUCCESSES**

The successes of the EO and the egg industry in 2024 may be summed up as follows:

- The reprieve from HPAI outbreaks;
- Producers managing to partially recover from the 2023 HPAI outbreaks;
- The substantial increase in the producer price;
- A slight drop in the layer feed price;
- A strengthening of the ratio between the egg price and feed ingredient prices;
- The discontinuation of national load shedding;
- Importation of liquid egg product to make up the shortfall;
- The active and fruitful generic marketing campaign;
- Widespread positive media exposure on World Egg Day;
- The successful hosting of the 35th Galliova Awards;
- The launch of the Shumbaset Egg Packing Station;
- The funding of a further two Amakip-kip transformation projects;
- The lifting of HPAI-related trade bans by neighbouring countries.

### **15. CHALLENGES**

The EO and producers faced several challenges in 2024:

- A substantial reduction in the EO's levy income;
- Restocking of farms that had been affected by the HPAI outbreaks;
- The absence of financial compensation for birds culled;
- Lack of progress on HPAI vaccination protocols;
- The prolonged 18-month recovery of the bird value chain;

- Interruptions to the availability of day-old and point-of-lay pullets;
- Difficulties fulfilling customers' orders amidst a drastic shortage of eggs;
- Resistance from consumers to the marked increase in the egg price;
- Producers being blamed for the large retail mark-up;
- A significant decline in per capita egg consumption;
- Feed costs remaining relatively high;
- Concerted attacks from animal rights activists;
- Negative publicity on issues of hen welfare.

## 16. OUTLOOK

The prospects for 2025 may be summed up as follows:

- A return to stable trading conditions and optimum bird numbers by midyear;
- Some farms obtaining permission to vaccinate against HPAI;
- Lower egg producer prices leading to tighter margins;
- Eggs regaining their position as the most affordable source of animal protein;
- Encouraging egg consumption by emphasising the health benefits of eggs;
- The successful execution of the two latest Amakip-kip transformation projects;
- Progress with the SABS welfare standard;
- Dealing with unrealistic demands from animal rights activists;
- Managing adverse perceptions of the egg industry in the media;
- Producer compliance with the statutory levy payment system.

## 17. CONCLUSION

The year 2024 was another period of unrelenting pressure on egg producers, although some fared better than others. With the disappointing lack of progress in implementing vaccination procedures, the risk of further outbreaks of HPAI looms large. However, this may be overshadowed by the growing threat posed by unrealistic animal rights activists.

The EO would like to thank CEO Dr Balarane and the SAPA staff for the work done on behalf of the egg industry.



# THE BROILER ORGANISATION CHAIRPERSON'S REPORT 2024

**Gary Arnold**

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## 1. INTRODUCTION

After the devastation of load shedding and highly pathogenic avian influenza (HPAI) in 2023 (where 357 700 parents in rear and 2.8 million parents in lay were culled), 2024 was a year of recovery and rebuilding a shattered broiler industry. Contingency measures, such as the importation of hatching eggs (which started in October 2023), were quickly put in place to safeguard chicken meat supply for domestic consumers. Unconvinced and concerned with the potential impact of increased prices on the poor, Minister Ebrahim Patel introduced temporary rebates on tariffs to promote imports. SAPA and its legal representatives then engaged with the Department of Trade, Industry and Competition (DTIC) and the International Trade Administration Commission (ITAC) and undertook to provide monthly production forecasts as evidence that demand would be met. Fortunately, SAPA managed to demonstrate that actions taken by producers to ensure uninterrupted poultry supplies were adequate, and rebates were not extended into the second quarter of that year.

An announcement was made by the Competition Commission in February, that it would launch a market inquiry into the local poultry industry. This was not on the basis of uncompetitive conduct in the sector, but rather the Commission wanting to investigate barriers to entry in the poultry industry and how more small emerging producers could be accommodated. Comments were invited by the Competition Commission and in March SAPA submitted a detailed report on behalf of producers addressing the terms of reference for the inquiry.

Numerous infrastructural failures continue to plague the industry, and make it less competitive compared to its foreign counterparts. In several municipalities unreliable and poor water quality supply create daily challenges for broiler farmers and processing plants, as well as adding significantly to the cost of production. Municipal power outages, often caused by illegal connections and rampant cable theft, preserve the reliance on generators. The lack of dependable rail infrastructure, for the transport of grains and other agricultural commodities, has over the years inflated transport costs.

Producers whose flocks are infected with HPAI are forced to absorb the cost of culling as a disease control measure – with no compensation from government – or opportunity to vaccinate against the deadly virus. Unlike other countries, and despite their role in securing the nation's food supply, commercial farmers in South Africa do not receive subsidies from government. In addition, South Africa's grain yields are substantially lower than those of the United States of America (USA) and Brazil. All of these factors combine to increase the producers' cost base and therefore reduce their international competitiveness, which obviously has negative implications for trade.

With the successful renewal of anti-dumping duties against nine offending countries, all trade measures are considered to be in place to prevent dumping. The exception is Argentina, but the threat from that country is fairly small at present. SAPA does not envisage applying for any further duties or tariffs in 2025. Furthermore, with the industry having recovered and stabilised after the catastrophic HPAI outbreaks of 2023, no further rebates on tariffs are expected. The decline in imports of bone-in portions was just reward for the legal costs incurred, but the increase in offal imports negatively impacted the producers' cost recovery.

Although there were no reported outbreaks of HPAI during the year, the reported presence in Gauteng of infected flocks that had not been culled was a cause for concern. The farms remained under quarantine, and this affected export opportunities. While three H5 vaccines have been registered, to date no farm has been granted permission by the Directorate of Animal Health to vaccinate against HPAI. The protocols for vaccine implementation are onerous and the cost of the required monitoring and surveillance felt to be exorbitant. This issue remains a priority for the Broiler Organisation (BO).

Another priority for SAPA was the removal of VAT from specific chicken products. The government's renewed focus on VAT-free food items to assist poor citizens presented an opportunity for SAPA to resubmit an application to Treasury.

On 29 May 2024, South Africans went to the polls, and the results of the national election led to the formation of a government of national unity. The long-serving DTIC Minister Patel took the opportunity to retire from cabinet. Incoming Minister Parks Tau began his term of office in July. At the same time, John Steenhuisen of the Democratic Alliance began his term as Minister of Agriculture. With the need to establish good relationships as soon as possible, SAPA took the initiative of requesting meetings with both ministers, but unfortunately at the date of writing had not been granted a meeting with either.

A review of aspects that dominated the broiler agenda in 2024 are presented in this report, along with industry statistics.

## **2. OBJECTIVES**

The BO represents commercial broiler producers with the intention to serve the interests of the broiler industry at a national level. The objectives of the BO are to establish and maintain a national organisation in South Africa for the promotion, development and guidance of the broiler industry, as an independent subsidiary of SAPA.

The purpose of the organisation is to promote and advance all matters tending towards the improvement of the broiler and allied industries including production, grading, packing, transportation, storage and marketing by:

- Securing profitable production to provide adequate supplies of broiler products to the consuming public;
- Protection of the broiler producer and/or industry from adverse legislation and any other aggression, and initiating, fostering and assisting in obtaining legislation and regulations beneficial to the broiler and allied industries;
- Improvement of production, testing, grading, packing, transportation, storage, marketing and export of broiler productions, and the means in this regard;
- Implementation of various strategies, including the introduction of VAT-free chicken, to actively grow the local market;
- Opening up new export markets for the industry;
- Setting and revising of marketing standards;
- Encouragement of poultry education, conducting and/or assisting in investigational work of a practical and scientific nature, and the organisation of seminars or courses;
- Publishing literature, journals, pamphlets and circulars dealing with all matters pertaining to the broiler industry and conducting propaganda on behalf of this industry;
- Acting as arbitrators in the settlement of any dispute in the interests of members which may arise in any matter pertaining to the broiler or allied industries;
- Dealing with any matter which may be in the interest of the industry, the organisation and its members;
- Submitting individual data to the SAPA office for establishing a suitable statistical system to further the aims of SAPA.

## **3. MEMBERSHIP**

There are 149 current members of the BO, representing approximately 84% of all broilers processed in the country. This number includes small-scale, medium and large producers. Membership increased from 143 in 2023.

## 4. BOARD REPRESENTATION

During the period under review, the BO Board comprised the following individuals:

Gary Arnold (Chairperson)  
Aziz Alie Sulliman (Vice-Chairperson)  
Nomia Biko  
Izaak Breitenbach (CEO)  
Brendon de Boer  
Leon de Villiers  
Wouter de Wet  
Deon Fourie  
Devin Isemonger  
Sas Kasselmann  
Lacton Mailula  
Richard Manzini  
Sbusiso Mavuso  
Jake Mokwene  
Tumisang Mokwene  
Yolanda Philison  
Marthinus Stander  
Frans van Heerden

## 5. INDUSTRY OVERVIEW

### 5.1. Poultry sector masterplan: phase one

The first phase of the masterplan, which aimed to stabilise and grow the poultry sector, outlined several strategic objectives:

- To expand the industry by increasing capacity at all stages of the value chain;
- To increase per capita consumption of chicken meat;
- To ensure that, over time, locally produced product makes up an increasing proportion of total consumption;
- To increase exports;
- To increase the level of black participation.

In line with the strategic objectives, five pillars were established. These were:

1. Expanding and improving production, with defined targets to be met by 2024.
2. Driving domestic demand and promoting affordability.
3. Driving exports.
4. Enhancing the regulatory framework and ensuring compliance.
5. Trade measures to support the local industry.

This phase of the masterplan was deemed to have been successfully concluded in 2024, although a few items are to be carried forward.

### 5.2. The Executive Oversight Committee (EOC)

The EOC coordinates, monitors and evaluates progress made in the implementation of the masterplan. A meeting with Minister Patel took place at short notice in the second quarter of 2024; the purpose being for the minister to take stock of progress before retiring from cabinet. Issues surrounding the rebates on import tariffs and vaccination against HPAI were raised by SAPA.

A second meeting of the EOC took place in August, with the aim to develop the second phase of the masterplan. Minister Tau stipulated the need for four focus areas, namely transformation, localisation, skills development and promotion of exports. These are to be actioned under the existing five pillars.

In return, the industry highlighted its priorities for inclusion in this second phase of the masterplan. These are: making some chicken products VAT-free; implementing vaccination against HPAI; expediting exports to identified markets; and the revision of trade measures. The lack of response from AgriSETA to applications for funding for training was also raised by the industry. This has been an ongoing issue for some years. All of these points were well received, apart from the push for vaccination. Dr Mike Modisane, Chief Director: Animal Production and Health, expressed frustration at the industry's reluctance to accept his department's guidelines for HPAI vaccination. The industry in turn voiced its concerns about the feasibility of implementing the stringent protocols.

### **5.3. Poultry value chain masterplan: phase two**

A consultation process, which started in 2024, will lead to the development of a framework for phase two in 2025. This is being led by Zuko Godlimpi, Deputy Minister of the DTIC, and Nokuzola Capa, Deputy Minister of Agriculture. The revised plan will fall under the joint leadership of Minister Tau and Minister Steenhuisen.

Phase two will primarily focus on these areas:

- Effective trade protection against dumping;
- Strategies to drive growth through export of cooked meat and increased local demand;
- Addressing food security and malnutrition, including VAT exemption for some products;
- HPAI vaccination for long-living birds;
- Reaching an understanding on the interpretation of legislation regarding compensation for culling;
- Funding and support for contract farmers and SMMEs;
- Quality and biosecurity management for local and export markets;
- Monitoring and enforcement of competition regulations;
- Cross-cutting themes: job creation, job loss mitigation, and transformation.

It is anticipated that the final document will be signed by all parties early in 2025. Subsequently, several task teams will be established to work on the various objectives.

Along with SAPA, other stakeholders are: AgriSETA; Animal Feed Manufacturers Association (AFMA); Association of Meat Importers and Exporters (AMIE); Companies and Intellectual Property Commission; Consumer Goods Council of South Africa; contract growers; Department of Agriculture, Land Reform and Rural Development (DALRRD); DTIC; Emerging Black Importers and Exporters of South Africa; Industrial Development Corporation; ITAC; Land Bank; National Empowerment Fund; Proudly South African; South African Local Government Association; South African Meat Processors Association; South African Revenue Service (SARS); State Owned Enterprises Procurement Forum; and Treasury.

### **5.4. Rebates on tariffs**

Anticipating shortages of chicken due to the severe HPAI outbreaks of 2023, Minister Patel had called for a probe by ITAC into temporary tariff rebates on import duties. On 26 January 2024, the poultry import tariff rebates were published by the DTIC in the government gazette – despite the industry being able to show convincingly that chicken would not be in short supply.

A delegation from SAPA met with Minister Patel in February 2024, after which he committed to consult with the industry before announcing rebates for the second quarter. Several consultations with ITAC took place subsequently and the data modelling, taking imported hatching eggs into account, was able to demonstrate that instead of a shortage of meat there would be a slight oversupply. This was confirmed over time by the decline in the broiler producer price. Accordingly, the tariff rebates were not renewed for the second and third quarters of 2024.

Towards the end of the year, the broiler industry had recovered sufficiently and production volumes were back to pre-HPAI levels. No further announcements of rebates on tariffs were anticipated. However, legislation relating to the rebate on import tariffs has not been revoked and therefore still applies in the event of future outbreaks of HPAI. SAPA intends to discuss this issue with Minister Tau at the earliest opportunity.

Parallel to this, SAPA opposed the applications from Brazilian exporter BRF for a tariff rebate on frozen chicken wings, and from Californian company Matador Poultry for a tariff rebate on deboned thighs, boneless leg quarters and frozen offal.

### **5.5. Anti-dumping duties**

Permanent anti-dumping duties against Brazil, Denmark, Ireland, Poland and Spain were implemented on 3 August 2023 and will remain in place until August 2027. The duties apply to bone-in portions (drumsticks, thighs and leg quarters) from the four European Union (EU) countries and to bone-in portions and chicken breasts from Brazil. AMIE launched legal action against ITAC and SAPA, but the court case has yet to take place.

The anti-dumping duties against Germany, the United Kingdom (UK) and The Netherlands were renewed for a five-year period on 23 August 2021. AMIE lodged an appeal and the court case took place in July 2023, with the outcome being that the duties were to remain in place for a year while Minister Patel reconsidered his position. A cost order was made against ITAC, the DTIC and SAPA, but in January 2024 the Supreme Court of Appeal granted the parties leave to appeal, and AMIE leave to cross-appeal. Minister Tau was due to announce his decision in October 2024 but did not do so.

SAPA had applied to ITAC for a renewal of the USA anti-dumping duty of R9.40/kg on bone-in portions which expired in November 2022. AMIE launched legal action against SAPA and ITAC, following which SAPA submitted an answering affidavit. A date for the court case has not been announced, but in April 2024 the anti-dumping duty was renewed for a five-year period by Minister Patel. ITAC found that 'the termination of the anti-dumping duty would likely lead to the continuation and recurrence of dumping and the recurrence of material injury to the local chicken industry'.

### **5.6. Illegal trade**

SAPA continues to engage routinely with SARS with the aim to curtail illegal trade practices. Significant progress was made during the year.

SARS found several instances of illegal trade involving imports from the USA and Argentina landing at Durban and Port Elizabeth harbours. In many cases, mechanically deboned meat (MDM) was overvalued to make up the cost of other products being grossly undervalued.

There was also one case of round-tripping, where product arrived at Durban harbour for re-export but instead was sent to Gauteng. This case involved 100 containers with product valued at about R50 million, and the required import duties and VAT had not been paid. A criminal investigation is underway.

### **5.7. Trade with Saudi Arabia and the United Arab Emirates (UAE)**

Following the earlier submission of a residue monitoring programme to Saudi Arabia, SAPA and DALRRD requested that an inspection be performed in South Africa before the end of 2023. However, the local HPAI outbreaks intervened and no progress was made. Having sent the required list of the country's poultry facilities, in 2024 SAPA renewed its calls for an inspection by Saudi officials and the matter was brought to the attention of Minister Steenhuisen. It remains a concern that Saudi Arabia's halaal certification does not permit stunning before slaughter.

The UAE only accepts cooked meat exports from South Africa while the country's HPAI status remains positive. The definition of compartments contained in the documents from the UAE is contradictory and requires clarification.

### **5.8. Trade with the EU and UK**

The poultry industry continues to focus on obtaining access to export markets in the EU. Progress in this area has been slow as a result of the 2023 HPAI outbreaks in South Africa. After two rejections, a revised residue

monitoring programme and a veterinary procedural notice (VPN) were submitted to EU representatives via DALRRD in March 2024. By the end of the year, no response had been forthcoming.

In efforts to increase trade with the UK, a residue monitoring programme and VPN were submitted to the relevant authorities. The UK responded by requesting the country's salmonella control programme. In the absence of such a programme being administered by DALRRD in South Africa, SAPA supplied its internal salmonella control protocols to UK officials. An inspection of facilities by UK authorities was subsequently confirmed for May 2025. If the action is successful, it should pave the way for inspection and approval by the EU.

### **5.9. African Growth and Opportunity Act (AGOA)**

Under the terms of the AGOA agreement, the USA is allowed an annual export volume of 71 963 tonnes of frozen bone-in chicken free from anti-dumping duties. For the period from April 2023 to March 2024, the USA sent 29 878 tonnes of bone-in portions to South Africa. The total free on board (FOB) value was R509.9 million, giving an average price of R17.07/kg.

Exports from April 2024 to December 2024 amounted to only 5 658 tonnes at a FOB value of R127.7 million, with a unit price of R22.57/kg. In the same period, 533 tonnes of frozen chicken MDM, livers and other offal were exported. Exports were curtailed as the USA grappled with HPAI outbreaks.

The AGOA agreement lapses in 2025 and will be up for renewal. President-elect Donald Trump appears to be in favour of reducing the AGOA benefits for African countries. SAPA intends to request the DTIC to not renew the poultry quota at all.

### **5.10. Trade with African countries**

The African Continental Free Trade Area (AfCFTA) became operational in January 2021 with the aim to dismantle barriers to trade and thereby increase intra-Africa trade over time. There are 54 signatories to the agreement and it encompasses a population in excess of 1.48 billion people. In 2024 the AfCFTA gained momentum as 31 nations began trading under the agreement. No benefit has yet accrued to the local broiler industry and the opportunity needs to be taken up.

### **5.11. Proposal for VAT-free chicken products**

Following the formation of the Government of National Unity, President Cyril Ramaphosa announced a renewed focus on the zero rating of food products to assist the poor. In their election manifesto, the Democratic Alliance had earlier confirmed their support for VAT-free chicken to help impoverished people. There were several calls in the press for chicken to be zero-rated, supported by FairPlay's campaign highlighting the potential for chicken to address malnutrition among low-income families.

Subsequently the government tasked the National Agricultural Marketing Council (NAMC) with an investigation into the effects of VAT-free chicken products on the economy and food security. SAPA actively engaged in discussions with the NAMC with the result that the organisation will be given an opportunity to comment on the report before its submission – a major win for the poultry industry.

Motivated by the impetus surrounding the issue, in November SAPA submitted an application to Treasury requesting that frozen bone-in chicken portions and fresh and frozen offal be zero-rated.

### **5.12. Food safety**

The Food Safety Agency (Pty) Ltd (FSA) is mandated to enforce the quality regulations applicable to poultry meat and eggs. Inspections of processing facilities and importers' premises are required by law to ensure compliance with food safety regulations. Producers who are in good standing with the FSA are permitted to display the FSA stamp of approval on packaging.

A concern was raised at a meeting between SAPA and the FSA that some producers were injecting higher-than-permitted levels of brine into chicken products. It was left to the FSA to pursue this issue.

## 6. INDUSTRY STATISTICS

### 6.1. Price comparison of protein sources

The weighted average producer price for total broiler sales realisation (less all discounts, rebates and secondary distribution) for the year 2024 was R31.83/kg; a 0.4% annual increase (Table 1). Eggs were more expensive at R36.54/kg. Chicken meat remained competitive in relation to beef abattoir prices. The producer prices and the annual percentage changes are shown in Figure 1 (source: AMT, SAPA).

| Product            | 2023         | 2024         | % change   |
|--------------------|--------------|--------------|------------|
| Fresh              | 40.15        | 40.27        | 0.3        |
| Frozen             | 30.25        | 30.34        | 0.3        |
| <b>Total</b>       | <b>31.70</b> | <b>31.83</b> | <b>0.4</b> |
| IQF mixed portions | 30.26        | 30.28        | 0.1        |
| Whole frozen       | 34.94        | 34.63        | -0.9       |
| Frozen sundry      | 15.16        | 14.75        | -2.7       |

IQF = individually quick frozen

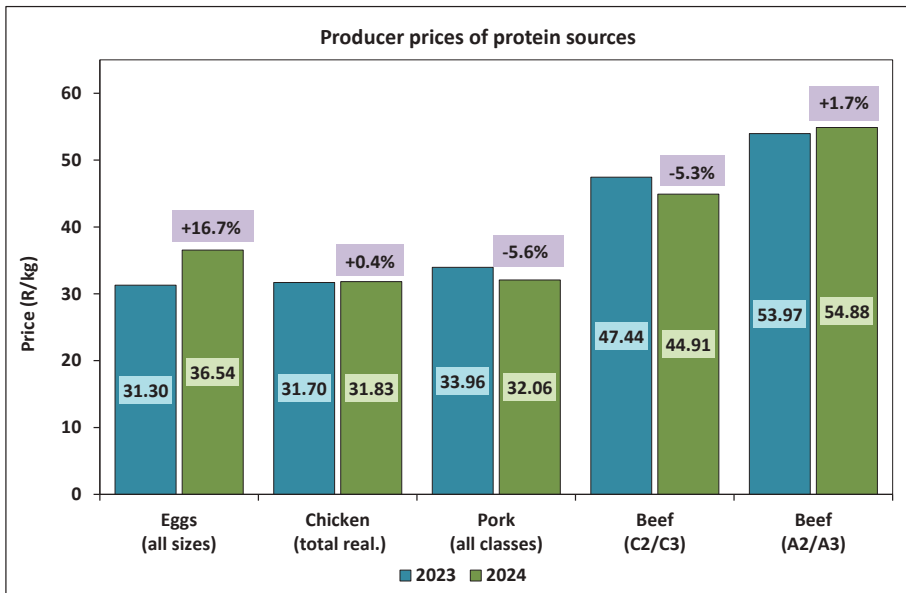


Figure 1: Producer prices of different protein sources

## 6.2. International price competitiveness

According to the United States Department of Agriculture (USDA), the average price in the northeast region of the USA for leg quarters was 49.99c/lb (a 16.0% annual increase) and for deboned and skinless breasts 159.60c/lb (+24.6%). Using the average exchange rate of R18.31 to the US dollar for the year 2024, the leg quarter price equates to R20.18/kg and the deboned, skinless breast price to R64.42/kg. The South African price for fresh and frozen leg quarters was R41.04/kg and R34.54/kg respectively, and for fresh and frozen filleted breast R53.40/kg and R49.81/kg respectively.

Figure 2 shows the trends in three of the portion prices. A contraction in broiler production in the second half of 2020 and early 2021, in part due to persistent hatchability problems, caused prices to rise dramatically. From January 2024 the widening gap between leg quarters and deboned, skinless breasts is evident. Average prices (c/lb) for the various portions are given in Table 2.

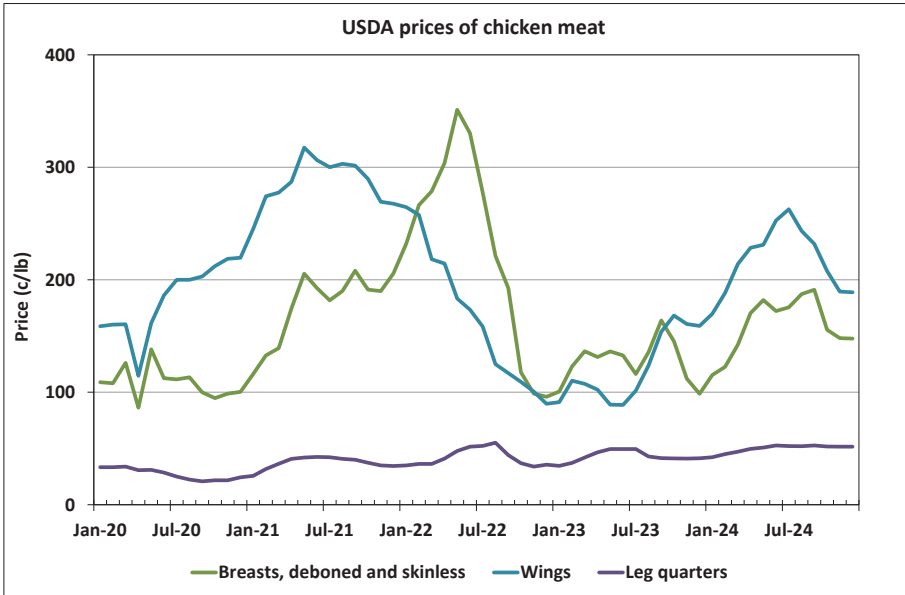


Figure 2: Chicken prices in the USA

| Portion                       | 2023   | 2024   | % change |
|-------------------------------|--------|--------|----------|
| Whole broiler                 | 124.59 | 129.35 | 3.8      |
| Breasts, deboned and skinless | 128.08 | 159.60 | 24.6     |
| Tenderloins                   | 165.68 | 203.04 | 22.6     |
| Breast with ribs              | 136.57 | 129.18 | -5.4     |
| Breast (line run)             | 113.01 | 106.02 | -6.2     |
| Legs                          | 58.42  | 69.75  | 19.4     |
| Leg quarters                  | 43.11  | 49.99  | 16.0     |
| Drumsticks                    | 42.78  | 45.53  | 6.4      |
| Thighs                        | 60.22  | 91.11  | 51.3     |
| Thighs, deboned and skinless  | 124.82 | 161.91 | 29.7     |
| Wings                         | 121.78 | 217.52 | 78.6     |

### 6.3. Broiler breeders

An estimated 6.7% of breeders in rear and 32.7% of breeders in lay were culled in 2023 in efforts to contain the spread of HPAI. To offset the loss of hatching eggs, producers rapidly made adjustments to production programmes by setting eggs from slightly younger flocks and keeping older hens in lay for a few weeks longer. The anticipated shortfall in day-old chicks was made up by imports of hatching eggs which commenced in October 2023.

In total, 9.138 million female parent pullets were placed on farms in 2024; an annual decrease of 5.5%. The average number of parent males and females in rearing during the year was 4.322 million per week; 180 700 birds (-4.0%) less than 2023. According to the avian influenza (AI) database, the number of great-grandparent and grandparent stock in rear and lay was 622 500.

An average broiler breeder laying flock of 6.407 million hens was estimated for the year 2024, 3 500 hens (+0.1%) more than the previous year. Figure 3 shows the five-year trends in the annual placements of day-old female parents and the average size of the national broiler breeder flock.

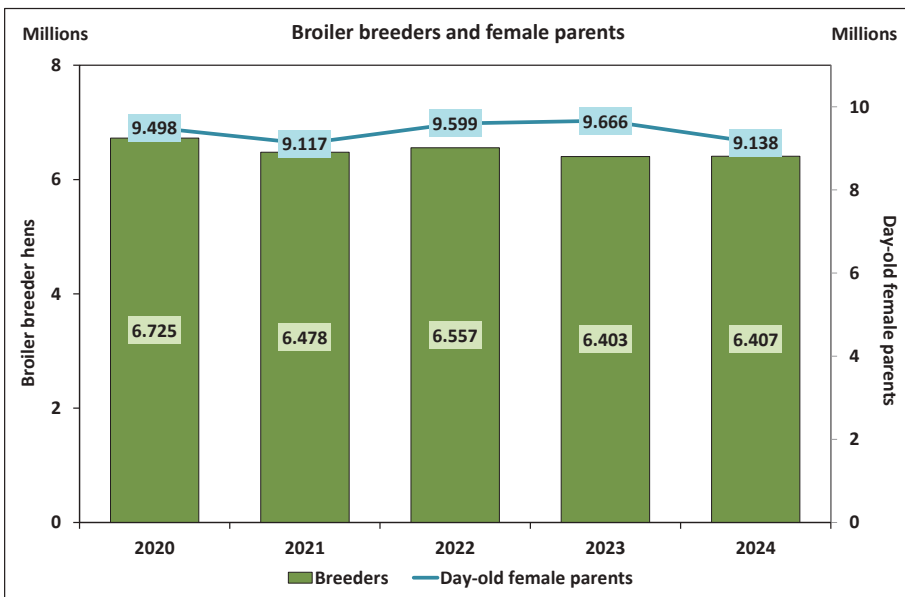


Figure 3: Trends in the breeder flock and female parents hatched

### 6.4. Day-old chicks and broiler production

Figure 4 illustrates the five-year trend in the actual number of chicks hatched and the estimated number of broilers slaughtered. In 2024 the total hatch increased by 5.5% to 1 174 million. A total of 1 113 million broilers were slaughtered; a growth of 49.9 million (+4.7%) birds compared to the previous year. These figures are in line with the hatch and slaughter figures for 2022 which demonstrates the effectiveness of the industry’s recovery strategy. Bird numbers are summarised in Table 3.

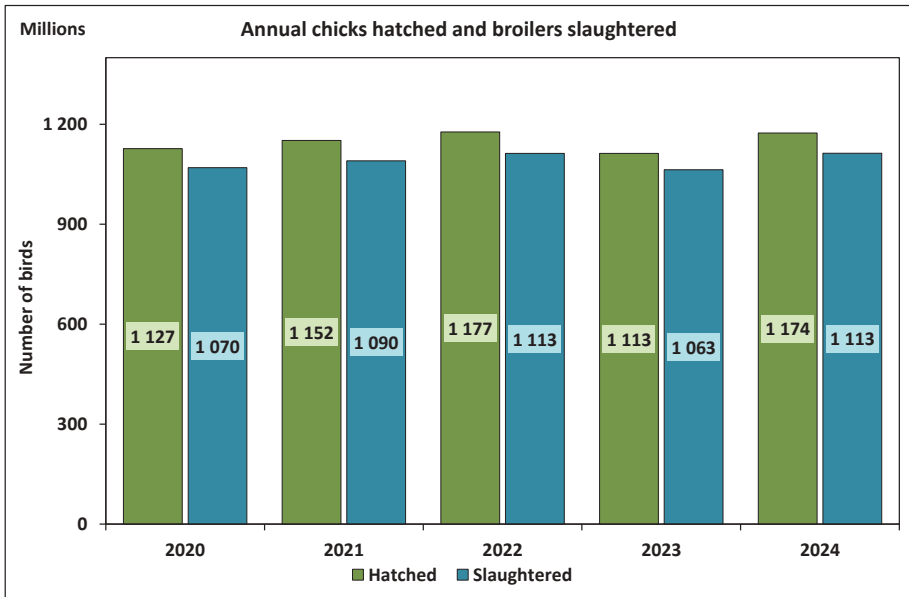


Figure 4: Trends in the broiler flock

| Year     | Broiler breeders |        | Breeders<br>Per week | Broiler chicks hatched |           | Broilers<br>Per week | Broilers slaughtered |           |
|----------|------------------|--------|----------------------|------------------------|-----------|----------------------|----------------------|-----------|
|          | Rearing          | Laying |                      | Per week               | Per annum |                      | Per week             | Per annum |
| 2023     | 4.502            | 6.403  | 10.906               | 21.337                 | 1 112.75  | 95.472               | 20.389               | 1 063.40  |
| 2024     | 4.322            | 6.407  | 10.729               | 22.452                 | 1 173.98  | 99.960               | 21.293               | 1 113.28  |
| Change   | -0.181           | 0.004  | -0.177               | 1.115                  | 61.24     | 4.488                | 0.904                | 49.89     |
| % change | -4.0             | 0.1    | -1.6                 | 5.2                    | 5.5       | 4.7                  | 4.4                  | 4.7       |

Figure 5 shows the distribution of the broiler and breeder birds per local municipality (source: AI surveillance monitor: 4Q2024). The highest densities of birds belonging to the broiler industry were in Victor Khanye and Lekwa, both in Mpumalanga.

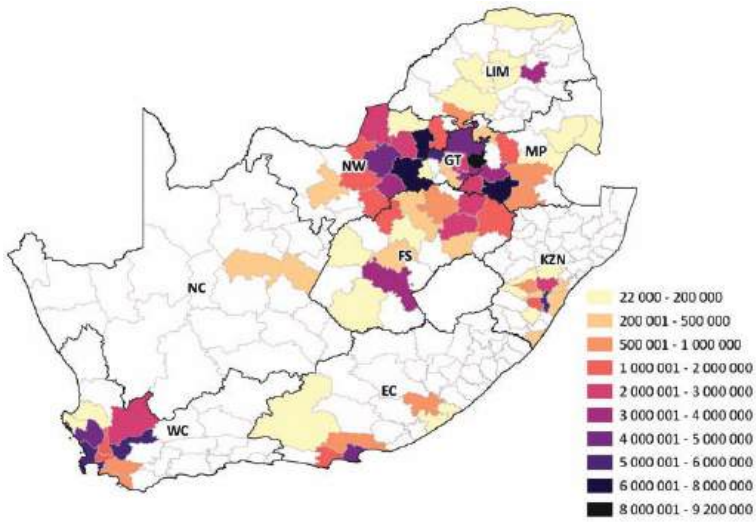


Figure 5: Distribution of birds per local municipality

### 6.5. Prospects for 2025

Based on the number of day-old parent pullets placed to December 2024, the size of the breeder laying flock is expected to contract from 6.73 million birds in December 2024 to 6.61 million birds (-1.8%) in May 2025.

### 6.6. Feed cost

The average broiler feed price for 2024 was R8 452 per tonne (-3.1%) and for broiler breeder feed R7 240 per tonne (-4.7%). The prices include distribution cost, but exclude medication, additives and VAT. The movement in the two feed prices over a five-year period is shown in Figure 6. From January 2022 prices increased at an alarming rate before gradually dropping in 2023. In 2024 feed prices remained fairly constant.

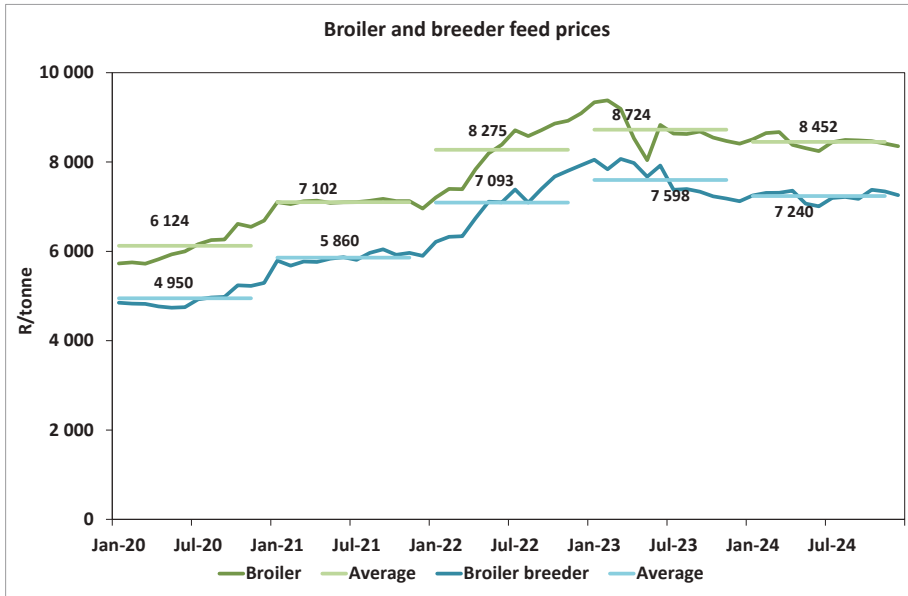


Figure 6: Movement in broiler and breeder feed price

The year-on-year percentage changes in the broiler feed price and the producer price are shown in Figure 7. From May 2022 producers were under enormous pressure to survive because they were unable to recover the soaring feed cost in broiler price increases. In December 2022 broiler feed cost 30.6% more than in December 2021; a record high. The situation changed from May 2023, as broiler prices continued to show positive growth year-on-year, while feed prices declined.

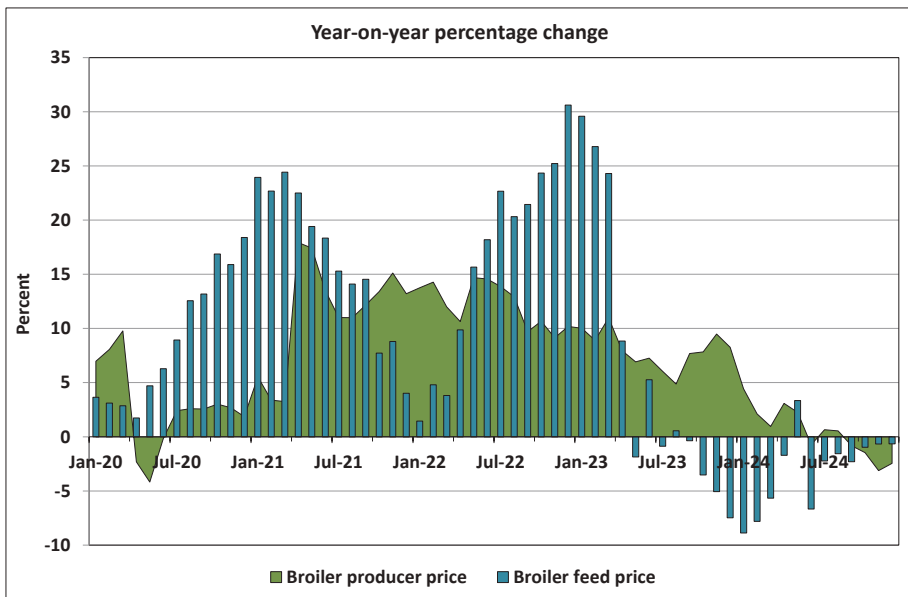


Figure 7: Yearly percentage changes in producer price and broiler feed price

Figure 8 illustrates the ratios between the chicken price and two feed ingredient prices, namely yellow maize and soya beans. The higher the value of the ratio, the more favourable it is for poultry farmers. The slight drop in the broiler–maize ratio in 2024 put pressure on margins, because maize makes up about 70% of a broiler diet.

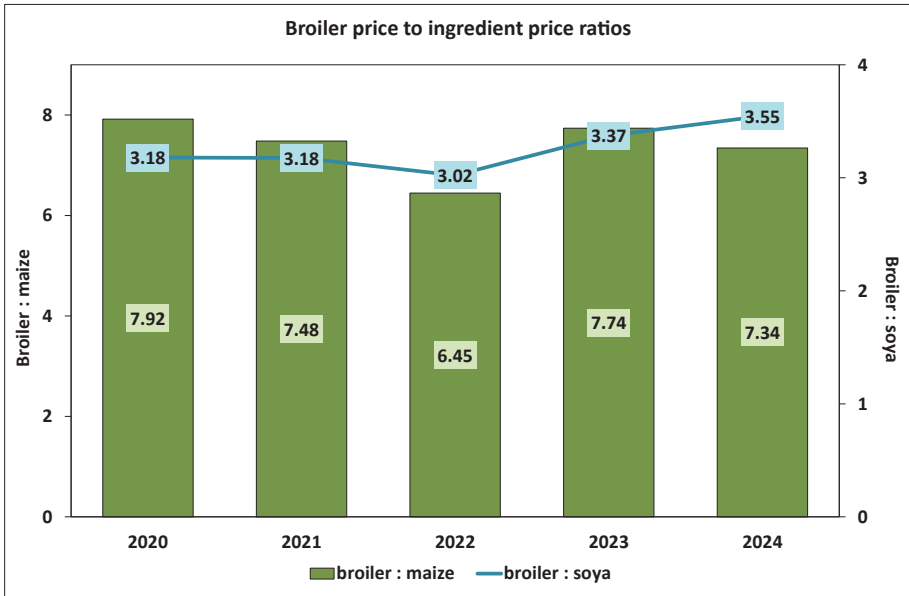


Figure 8: The trend in ratios between broiler and feed ingredient prices

### 6.7. Feed usage

The feed usage for broiler breeders and broilers is summarised in Table 4. Total feed consumption increased by 4.1% in 2024.

| Year            | Broiler breeders |         | Total breeding stock |          | Broilers  |          | Total broiler industry |          |
|-----------------|------------------|---------|----------------------|----------|-----------|----------|------------------------|----------|
|                 | Rearing          | Laying  | Per annum            | Per week | Per annum | Per week | Per annum              | Per week |
| 2023            | 104 353          | 398 536 | 502 889              | 9 644    | 2 763 425 | 52 997   | 3 266 314              | 62 642   |
| 2024            | 100 526          | 400 428 | 500 954              | 9 581    | 2 900 097 | 55 466   | 3 401 051              | 65 047   |
| <b>Change</b>   | -3 827           | 1 892   | -1 935               | -63      | 136 672   | 2 469    | 134 737                | 2 406    |
| <b>% change</b> | -3.7             | 0.5     | -0.4                 | -0.7     | 4.9       | 4.7      | 4.1                    | 3.8      |

According to AFMA, members’ feed sales from 1 April 2023 to 31 March 2024 for breeders and broilers amounted to 3.534 million tonnes. This includes 202 740 tonnes manufactured in other SADC countries. The regional breakdown is given in Table 5; tonnages were calculated from the percentages given in the AFMA annual report.

| Province/region      | Broiler          |            | Broiler breeder |            |
|----------------------|------------------|------------|-----------------|------------|
|                      | Tonnes           | %          | Tonnes          | %          |
| Eastern Cape         | 178 550          | 6.0        | 27 902          | 5.0        |
| Free State           | 446 374          | 15.0       | 39 063          | 7.0        |
| Gauteng              | 595 166          | 20.0       | 111 609         | 20.0       |
| KwaZulu-Natal        | 238 066          | 8.0        | 117 189         | 21.0       |
| Limpopo              | 89 275           | 3.0        | 0               | 0.0        |
| Mpumalanga           | 416 616          | 14.0       | 50 224          | 9.0        |
| North West           | 416 616          | 14.0       | 39 063          | 7.0        |
| Northern Cape        | 0                | 0.0        | 0               | 0.0        |
| Other SADC countries | 119 033          | 4.0        | 83 707          | 15.0       |
| Western Cape         | 476 132          | 16.0       | 89 287          | 16.0       |
| <b>Total</b>         | <b>2 975 828</b> | <b>100</b> | <b>558 044</b>  | <b>100</b> |

If feeds derived from concentrates are included, the total becomes 3.540 million tonnes. The overall national feed production figure, estimated by modelling, is 3.552 million tonnes. This means that AFMA members have 99.7% of the market (source: AFMA).

For the same period, SAPA estimated feed consumption at 3.155 million tonnes; 397 500 tonnes less (-11.2%) than national feed sales. If the feed manufactured by other SADC countries is removed from the calculation, the difference drops to 194 800 tonnes (-5.8%). SAPA's estimate does not include feed for grandparent and great-grandparent flocks.

### 6.8. Meat production

Total production of poultry meat (all saleable products) for 2024 was 1.897 million tonnes; an annual increase of 3.2% (Table 6) (source: SAPA).

|                       | 2023            | 2024            | %<br>of total | %<br>change |
|-----------------------|-----------------|-----------------|---------------|-------------|
| Broilers              | 1 718.46        | 1 799.07        | 94.8          | 4.7         |
| Cull breeders         | 29.77           | 31.09           | 1.6           | 4.4         |
| Cull laying hens      | 37.17           | 30.10           | 1.6           | -19.0       |
| Commercial production | 1 785.40        | 1 860.26        | 98.1          | 4.2         |
| Subsistence farming   | 51.55           | 35.98           | 1.9           | -30.2       |
| Ducks                 | 0.78            | 0.77            | 0.0           | -1.1        |
| <b>Total</b>          | <b>1 837.73</b> | <b>1 897.02</b> | <b>100.0</b>  | <b>3.2</b>  |

DALRRD estimated the total production of poultry meat at 1.915 million tonnes, up 3.1% from 2023. The department’s estimate is 0.9% more than SAPA’s production estimate.

### 6.9. Consumption

According to SAPA’s calculations, chicken meat consumption amounted to 2.240 million tonnes in 2024, equating to a per capita consumption of 35.6 kg (Table 7). This includes the sale of spent hens from the broiler breeder and commercial layer industries and all edible offal.

|                     | DALRRD |       |          | SAPA  |       |          |
|---------------------|--------|-------|----------|-------|-------|----------|
|                     | 2023   | 2024  | % change | 2023  | 2024  | % change |
| <b>Poultry meat</b> |        |       |          |       |       |          |
| Tonnes (thousand)   | 2 235  | 2 287 | 2.3      | 2 204 | 2 254 | 2.2      |
| Per capita (kg)     | 35.39  | 35.99 | 1.7      | 35.39 | 35.76 | 1.1      |
| <b>Chicken meat</b> |        |       |          |       |       |          |
| Tonnes (thousand)   |        |       |          | 2 190 | 2 240 | 2.3      |
| Per capita (kg)     |        |       |          | 35.16 | 35.55 | 1.1      |

### 6.10. Gross value

The gross value of primary agricultural production from poultry meat (inclusive of all types of poultry) for the year 2024 was R72.09 billion, reflecting an annual increase of 9.8% (source: DALRRD). Poultry meat contributed 36.4% to the gross value of animal products (up from 35.2% in 2023) and 15.7% to all agricultural production (up from 14.9% in 2023).

DALRRD uses monthly R/kg prices obtained from Stats SA to calculate the gross value. Ostrich meat is not included in this figure.

### 6.11. Industry turnover

The estimated turnover from the broiler industry is shown in Table 8. Average day-old chick prices were calculated from a relatively small sample size of 15%.

| Year            | DOC industry     |                         | Broiler industry         |                         |                         |                        | Total<br>Turnover<br>(R million) |          |
|-----------------|------------------|-------------------------|--------------------------|-------------------------|-------------------------|------------------------|----------------------------------|----------|
|                 | Price<br>(R/doc) | Turnover<br>(R million) | Producer price<br>(R/kg) | Turnover<br>(R million) | Cull birds<br>(million) | Cull price<br>(R/bird) |                                  |          |
| <b>2023</b>     | 10.53            | 11 716.9                | 31.70                    | 54 600.1                | 7.382                   | 52.64                  | 388.6                            | 66 705.6 |
| <b>2024</b>     | 8.00             | 9 387.7                 | 31.83                    | 57 264.5                | 7.741                   | 58.00                  | 449.0                            | 67 101.3 |
| <b>Change</b>   | -2.53            | -2 329.1                | 0.13                     | 2 664.4                 | 0.359                   | 5.4                    | 60.4                             | 395.6    |
| <b>% change</b> | -24.1            | -19.9                   | 0.4                      | 4.9                     | 4.9                     | 10.2                   | 15.5                             | 0.6      |

DOC = day-old chick

## 7. SUBSISTENCE AND SMALL COMMERCIAL FARMERS

These statistics summarise detailed telephonic surveys covering the warmer months (October 2023 to March 2024) and cooler months (April to September 2024). All prices exclude transport and VAT. Weighted averages were calculated throughout.

The survey indicated that 107 broiler producers stopped farming during the year due to various difficulties that were encountered. The majority of these respondents planned to resume farming at some stage.

### 7.1. Hatcheries

Eight hatcheries, located in Gauteng, Limpopo, Mpumalanga and North West, responded to the survey.

A total of 375 800 hatching eggs were purchased during the year at an average cost of R4.85 per egg; a 25.5% annual price increase. Of the chicks hatched, 114 200 were kept by the respondents for their own broiler farms and 246 800 were sold at an average price of R12.51 each (+37.9%). The total value of the day-old chick sales was R3.12 million.

### 7.2. Broiler producers

A total of 286 broiler farmers (down from 329 in 2023), from all 9 provinces, took part in the survey. The provincial representation of broiler farms was Eastern Cape (12), Free State (15), Gauteng (51), KwaZulu-Natal (26), Limpopo (147), Mpumalanga (18), North West (16), Northern Cape (3), and Western Cape (2). The farms had slightly more female (53%) than male ownership.

The average purchase price of a day-old chick in 2024 was R12.55; a 21.8% annual increase. The sum of chicks placed per cycle was 212 500 (-16.6%) and the average number of chicks placed per cycle per farm was 753. The average utilisation of the broiler farms was 20.4% of capacity; down from 27.0% the previous year. The reported average mortality rate per cycle was 6.2%.

### 7.3. Broiler feed

Bagged feed was purchased by 98% of the respondents in 2024. The prices are summarised in Table 9 and exclude VAT and transport. The majority of the farmers had to travel between 10 and 50 kilometres to reach a feed supplier.

| <b>Feed</b>      | <b>Bags (R/50 kg)</b> | <b>% change</b> |
|------------------|-----------------------|-----------------|
| Broiler starter  | 452.15                | -0.5            |
| Broiler grower   | 427.61                | -1.2            |
| Broiler finisher | 410.25                | -1.9            |

Total bagged feed purchased by small broiler farmers for the year amounted to 5 587 tonnes, which equates to approximately 399 bags per farmer. The value of bagged feed purchases for 2024 was R41.51 million; a 32.6% year-on-year decrease. Figure 9 illustrates the five-year trend in the bagged feed cost and price of day-old chicks for the producers.

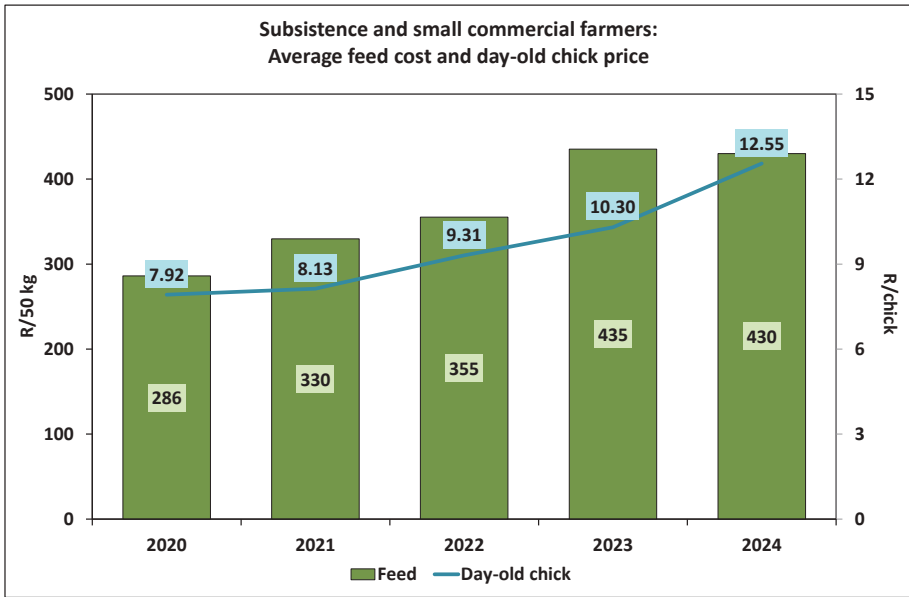


Figure 9: The trend in feed and day-old chick prices

An additional 798 tonnes of bulk feed was purchased.

#### 7.4. Broiler sales

The average cycle length (from placement to placement) was 7.5 weeks, and the average age at which broilers were sold live was 5.9 weeks (41 days). The sales figures for the year 2024 are summarised in Table 10. The total value of these broiler sales was R102.43 million. The average slaughter fee charged by abattoirs was R7.83 per bird and the average weight at slaughter was 1.77 kg. Figure 10 shows the five-year trend in the prices of live and slaughtered broilers.

| Marketing channel | % of birds | Quantity  | Price (R/bird) | Price (R/kg) | Total value (R million) |
|-------------------|------------|-----------|----------------|--------------|-------------------------|
| Live sales        | 83.5       | 1 031 188 | 83.50          |              | 86.16                   |
| Abattoir          | 16.5       | 203 687   | 93.80          | 38.65        | 16.27                   |
| Total             | 100.0      | 1 234 875 | 85.20          |              | 102.43                  |

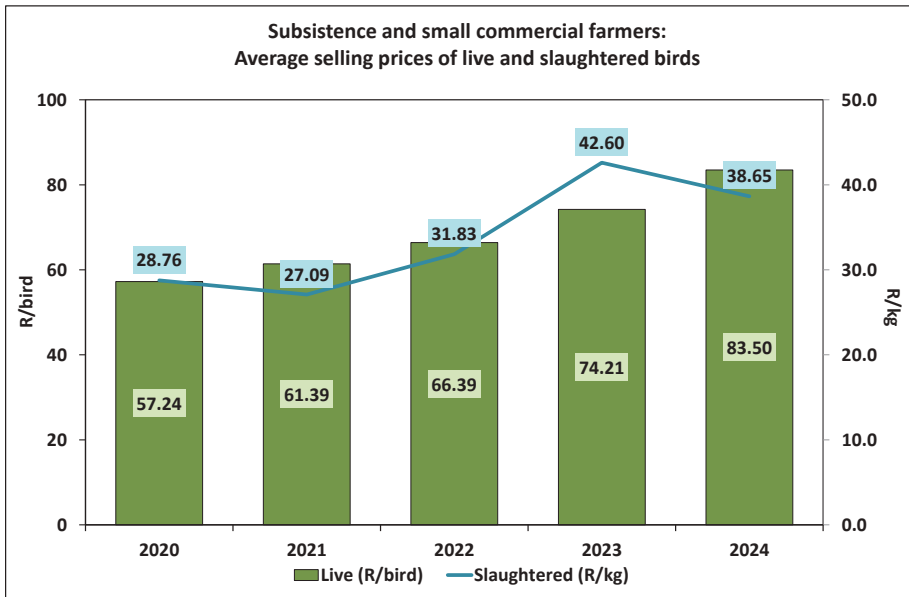


Figure 10: : The trend in the selling prices of live and processed broilers

## 7.5. Contract growers

The larger contract growers rearing more than 40 000 birds per cycle are included in the subsistence and small commercial farmer surveys as a means of collecting their data. Twenty-three contract growers from five provinces responded to the survey in 2024. These farms were located in Gauteng (7), Limpopo (7), Mpumalanga (4), North West (4) and KwaZulu-Natal (1). Farm ownership was heavily skewed in favour of men (76%).

A total of 4.388 million chicks were placed on contract farms per cycle, with a farm average of 198 200 chicks placed per cycle. The capacity utilisation of the broiler farms was 90.3%. The average mortality rate on the contract growers' farms was 4.6% and the average age at slaughter was 4.7 weeks (32.8 days).

## 7.6. Abattoirs

Twelve abattoir owners responded to the survey in 2024. These businesses were located in Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga and Western Cape. Only 39% of the businesses were owned by women.

The average number of birds slaughtered per day was 486, down from 533 in 2023. The abattoirs operated on average four days per week. An estimated 1.101 million birds were slaughtered during the year. Their average slaughter fee was R8.96 per bird and the average selling price for dressed birds was R43.12/kg; an annual increase of 9.2%.

## 8. TRADE

### 8.1. Poultry imports

Annual poultry imports totalled 415 091 tonnes (source: SARS); this was an increase of 116 tonnes (+0.03%) compared to 2023. The bulk of this was chicken, but 14 470 tonnes of turkey meat at a value of R457.7 million and 226 tonnes of other poultry meat valued at R14.8 million were also imported during the year. The FOB value of poultry imports amounted to R5.40 billion; an increase of R624.7 million (+13.1) from the 2023 value.

Poultry imports made up 18.4% of poultry meat consumption, compared to 18.8% in 2023.

For the eighth consecutive year, Brazil was the main country of origin of poultry imports, accounting for 81.3% (down from 82.4% in 2023) or 337 602 tonnes. Argentina was the second largest country of origin, with 6.2% or 25 741 tonnes; followed by Spain (3.5% or 14 340 tonnes); and the USA (3.3% or 13 850 tonnes). As a whole, the EU contributed 7.7% (31 834 tonnes) to total poultry imports, compared to 2.3% in 2023.

## 8.2. Chicken imports

Chicken imports amounted to 400 394 tonnes; 692 tonnes more (+0.2%) than in 2023 (Figure 11; source: SARS). Chicken imports represented 96.5% of total poultry imports. Of the total chicken meat imported, 399 610 tonnes was frozen (99.8%), 78.3 tonnes was fresh and 705.7 tonnes was processed.

Chicken meat imports were equivalent to 21.1% of domestic chicken meat production and 17.9% of consumption in 2024.

The FOB value of chicken imports amounted to R4.928 billion; an annual increase of R681.1 million or 16.0%. The main contributors were frozen MDM at R2.569 billion and frozen bone-in portions at R0.871 billion; 52.1% and 17.7% of the value of chicken imports respectively.

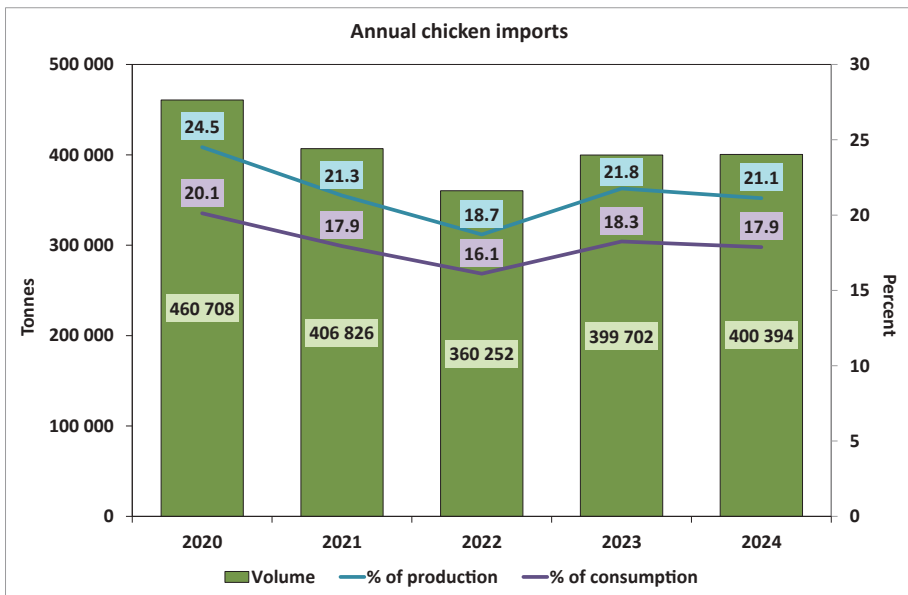


Figure 11: Annual chicken meat imports from all countries

Table 11 reflects the different frozen products in terms of volume and value, and their percentage changes, compared to the previous year (source: SARS). Of the 39 790 tonnes of bone-in portions, 59.3% were leg quarters, 19.5% wings, 16.4% drumsticks, 1.2% bone-in breast portions, 1.0% thighs, and 2.6% other bone-in cuts.

| Table 11: Frozen chicken imports |                 |            |                   |             |
|----------------------------------|-----------------|------------|-------------------|-------------|
| Product                          | Volume (tonnes) | % change   | Value (R million) | % change    |
| MDM                              | 239 089         | 6.1        | 2 569.3           | 42.7        |
| Bone-in portions                 | 39 790          | -44.0      | 870.5             | -31.4       |
| Whole frozen birds               | 9 073           | 97.2       | 231.8             | 96.5        |
| Carcasses                        | 14 362          | 57.6       | 120.3             | 63.8        |
| Boneless portions                | 2 664           | -2.6       | 72.2              | -4.6        |
| Offal                            | 94 632          | 9.7        | 1 031.4           | 15.7        |
| <b>Total</b>                     | <b>399 610</b>  | <b>0.1</b> | <b>4 895.5</b>    | <b>15.8</b> |

Chicken imports from Brazil decreased by 0.5% in 2024 to 327 892 tonnes (Figure 12). Brazil's contribution to total chicken imports was 81.9%. These imports were mostly MDM (218 198 tonnes; 66.5% of total) and frozen offal (83 524 tonnes; 25.5% of total). The average price was R11.21/kg; MDM and frozen offal landed at R10.76/kg and R10.77/kg respectively.

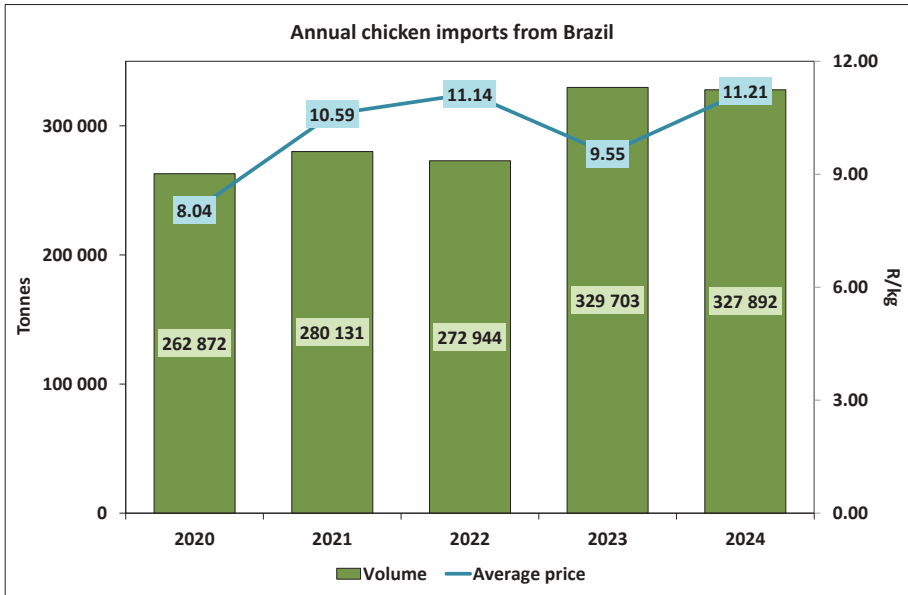


Figure 12: Chicken imports from Brazil

Imports of chicken from the EU amounted to 29 195 tonnes in 2024, compared to 8 928 tonnes the previous year; a 227% increase (Figure 13). These imports landed in South Africa at R20.30/kg and accounted for 7.3% of total chicken imports. Frozen MDM (8 448 tonnes) made up 28.9% of the EU imports, landing at an average price of R9.51/kg. Imports remained constrained owing to the widespread HPAI H5N1 and H5N5 outbreaks in Europe.

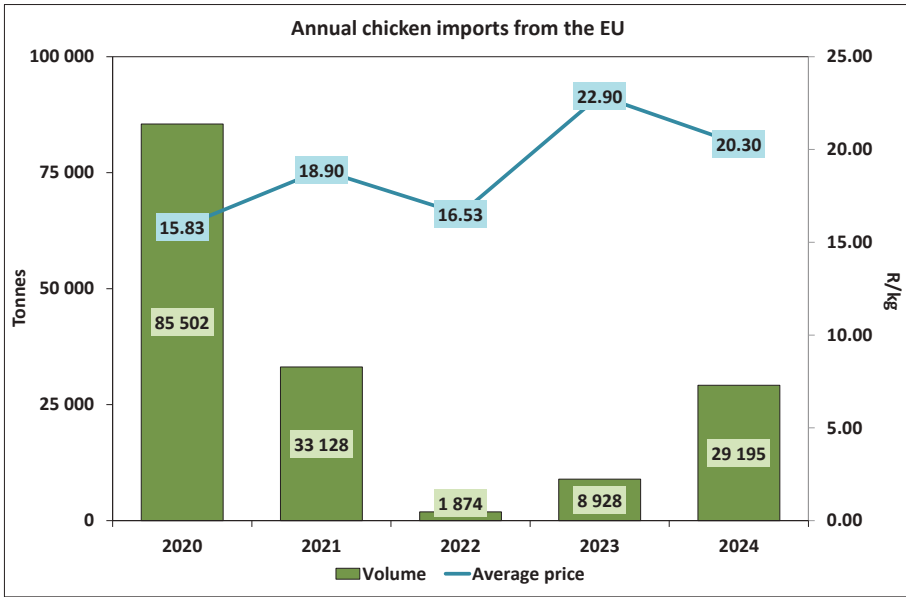


Figure 13: Chicken imports from the EU

Imports of chicken from the USA totalled 12 154 tonnes in 2024, a 68.6% annual decrease (Figure 14). These imports accounted for 3.0% of total chicken imports. Imports of frozen bone-in portions were 11 463 tonnes at an average price of R19.92/kg. Frozen leg quarters (7 022 tonnes) and frozen drumsticks (4 091 tonnes) made up the bulk of these bone-in portion imports (61.2% and 35.7% respectively). Imports from the USA were restricted owing to widespread outbreaks of HPAI H5N1.

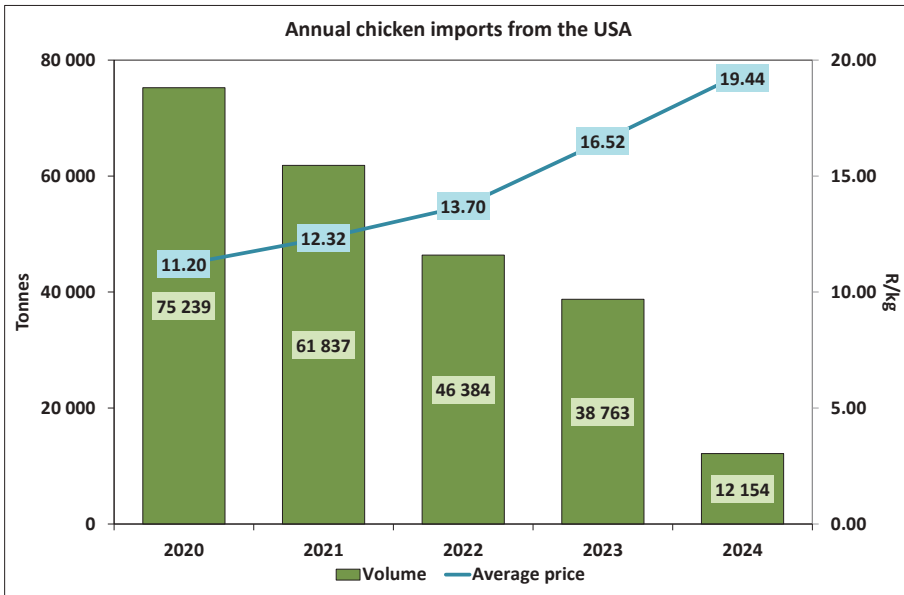


Figure 14: Chicken imports from the USA

In 2024 imports of frozen bone-in portions from the USA and Brazil continued to decline (Figure 15).

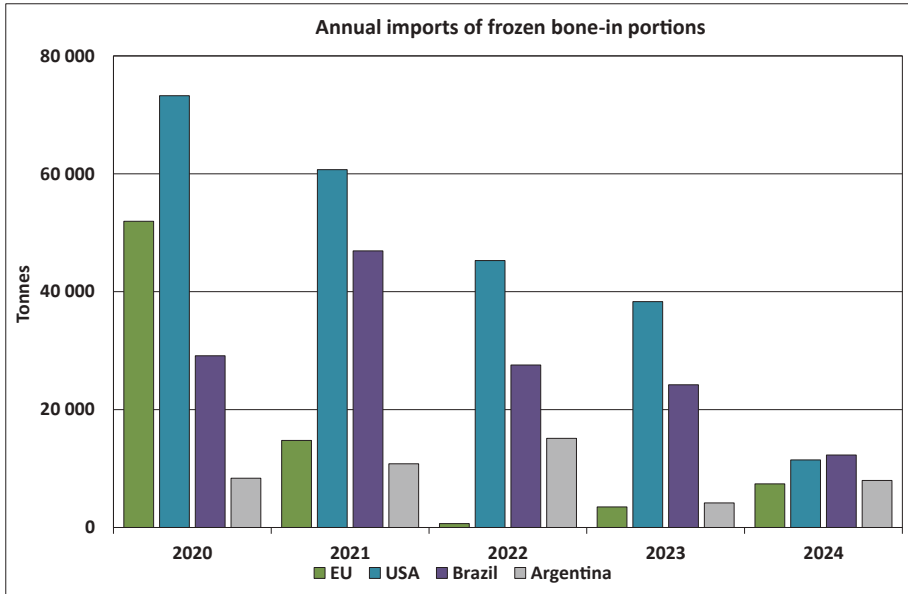


Figure 15: Frozen bone-in portion imports

### 8.3. Poultry exports

Annual poultry and chicken meat exports increased in 2024 (Table 12; source: SARS). The five-year trend is shown in Figure 16.

| Year       | Poultry         |                   | Chicken         |                   |
|------------|-----------------|-------------------|-----------------|-------------------|
|            | Volume (tonnes) | Value (R million) | Volume (tonnes) | Value (R million) |
| 2023       | 48 534          | 1 384.0           | 46 789          | 1 304.8           |
| 2024       | 58 471          | 1 799.3           | 56 535          | 1 711.2           |
| Difference | 9 937           | 415.3             | 9 746           | 406.4             |
| % change   | 20.5            | 30.0              | 20.8            | 31.1              |

According to SARS, chicken meat exports were 96.7% of total poultry exports, with turkey contributing 0.8% (483.5 tonnes), and duck, geese and guinea fowl making up the remaining 2.5% (1 452.0 tonnes).

Chicken meat exports made up 3.0% of domestic chicken meat production in 2024, compared to 2.5% the previous year.

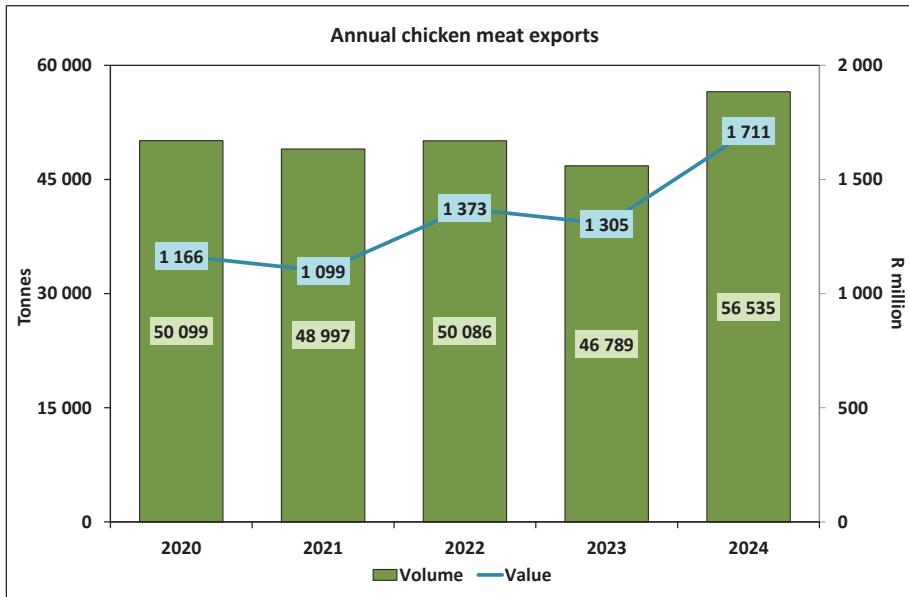


Figure 16: Annual exports of chicken meat

The main destination countries for chicken exports were Lesotho (37.9%), Namibia (19.7%), Mozambique (18.6%), Botswana (11.0%), Eswatini (6.9%), and the UAE (2.9%). The remaining 25 destination countries collectively received 3.0% of the exports.

## 9. THE GLOBAL BROILER INDUSTRY

Global production of poultry meat is expected to increase by 2.5% in 2024, from 146.0 to 149.7 million tonnes (source: Food and Agriculture Organization (FAO), 2024. *Food outlook: biannual report on global food markets: November 2024.*). Total meat production is forecast to increase by 1.4% to reach 373.4 million tonnes. This is driven by increases in poultry meat due to its affordability, and in beef due to record-high slaughtering of cattle, chiefly in Brazil.

Global trade in poultry meat is forecast to increase by 0.9%, from 16.2 to 16.3 million tonnes, while trade in all meat will increase by 3.2% to 41.9 million tonnes. The growth in trade is largely owing to higher demand for beef imports by the USA. The lifting of animal disease-related trade bans will also bolster global meat trade (source: FAO, 2024. *Food outlook: biannual report on global food markets: November 2024.*).

The poultry meat statistics for 2024 are summarised in Table 13. While Asia was responsible for 40.6% of the production of poultry meat, the continent absorbed 49.2% of the imports and consumed 43.7% of the global utilisation. The biggest exporters were South America and North America, achieving a combined total of 56.8% (source: FAO, 2024. *Food outlook: biannual report on global food markets: November 2024.*). Africa's estimated population in 2023 was 1.481 billion people, making up 18.3% of the global population (source: United Nations, Department of Economic and Social Affairs, Population Division, 2024. *World population prospects 2024.*), while the continent's share of production and consumption are only 5.3% and 6.8% respectively. This highlights the opportunity for African countries to expand their agricultural production, reduce the reliance on imports and deliver affordable protein to their people.

| Table 13: Poultry meat statistics for 2024 (thousand tonnes) |                |              |               |              |               |              |                |              |
|--|----------------|--------------|---------------|--------------|---------------|--------------|----------------|--------------|
| Region   | Production     | %            | Imports       | %            | Exports       | %            | Utilisation    | %            |
| Africa   | 7 894          | 5.3          | 2 349         | 15.3         | 111           | 0.7          | 10 132         | 6.8          |
| Asia   | 60 832         | 40.6         | 7 536         | 49.2         | 3 468         | 21.3         | 64 965         | 43.7         |
| Central America  | 6 086          | 4.1          | 2 051         | 13.4         | 41            | 0.3          | 8 096          | 5.4          |
| Europe   | 23 728         | 15.8         | 2 429         | 15.9         | 3 356         | 20.6         | 22 801         | 15.3         |
| North America  | 25 699         | 17.2         | 440           | 2.9          | 3 783         | 23.2         | 22 382         | 15.0         |
| South America  | 23 739         | 15.9         | 406           | 2.6          | 5 478         | 33.6         | 18 667         | 12.5         |
| Oceania  | 1 726          | 1.2          | 111           | 0.7          | 73            | 0.4          | 1 764          | 1.2          |
| <b>World</b>   | <b>149 704</b> | <b>100.0</b> | <b>15 322</b> | <b>100.0</b> | <b>16 310</b> | <b>100.0</b> | <b>148 807</b> | <b>100.0</b> |

The USDA predicts global chicken meat production of 104.9 million tonnes in 2025; an annual increase of close to 2%. Most of the expansion in production is expected in China, the USA, Türkiye, the EU, Brazil and Mexico. Global exports for the year are forecast to be a record 13.8 million tonnes, with Brazil capturing the largest share of the growth (source: USDA, 11 October 2024. *Livestock and poultry: world markets and trade.*). Figure 17 shows a comparison of the USDA statistics, expressed as percentages of the global total, for four major players: the USA, Brazil, the EU and China. Brazil is expected to produce 14% of the world’s chicken meat, but to export a staggering 36% of the global total. China, on the other hand, is balanced in terms of its production and consumption.

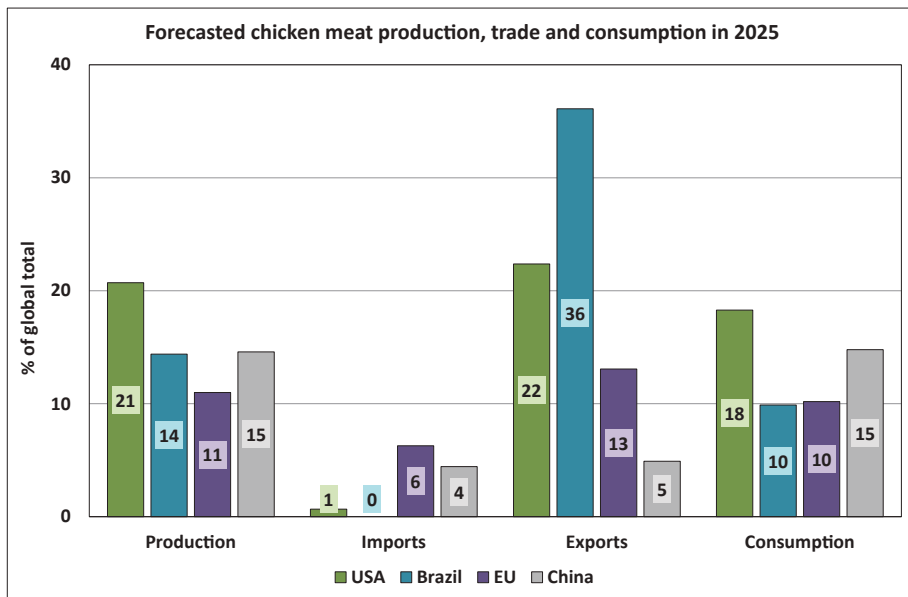


Figure 17: USDA forecasts expressed as a percentage of the global total

Figure 18 shows the annual trend in global meat prices since 2020 (source: FAO, 2024. *Food outlook: biannual report on global food markets: November 2024.*).

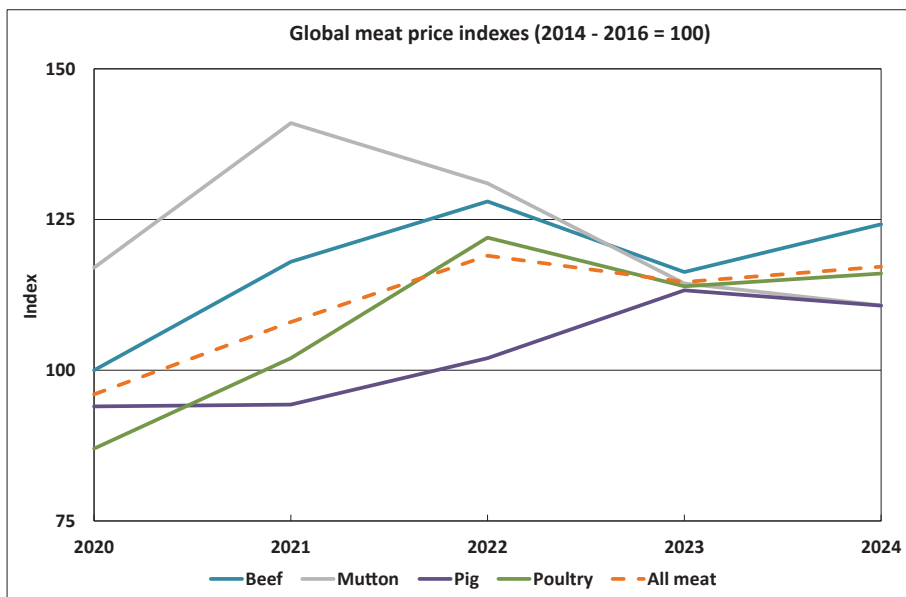


Figure 18: Annual global meat price indexes

## 10. PROMOTIONAL ACTIVITIES AND MEDIA EXPOSURE

During the year the BO's public relations campaign revolved around two important issues. Several press releases emphasised SAPA's support for the removal of VAT from chicken products, which would include those that are predominantly consumed by impoverished households. Chicken was promoted as an affordable source of animal protein that could assist with tackling malnourishment in poorer communities.

The need to protect South Africa's poultry flocks from the ravages of HPAI by allowing vaccination and the struggle for farmers who are not being compensated for culled birds were brought to the attention of the public. It is important that poultry producers are not seen in a negative light and that consumers understand the challenges faced by the industry.

The public relations contract with FairPlay was terminated at the end of April 2024. With all the anti-dumping duties in place, it was felt that their services were no longer required in this area; however, their weekly email bulletin continued to be vocal in support of the VAT-free stance.

## 11. FUNDING

A voluntary contribution funding model remains in place to sustain the important work being done by SAPA, the BO and CEO Izaak Breitenbach on behalf of the industry.

## 12. SUCCESSES

- Growth of the poultry meat industry from R65.6 billion to R72.1 billion;
- Growth in membership of the BO;
- The industry's recovery from the HPAI crisis and rebuilding of breeder flocks;
- The ability to meet the demand for chicken despite the challenges faced during the HPAI outbreak;
- The absence of HPAI outbreaks in 2024;
- The suspension of national load shedding;
- Anti-dumping duties in place against nine countries;
- A decline in bone-in portion imports;

- The tariff rebates being restricted to the first quarter of 2024;
- SARS charging several transgressors with illegal trade;
- Submission of the amended residue monitoring programme to the EU;
- Submission of the salmonella control programme to UK trade authorities;
- Submission of an application to Treasury for three VAT-free chicken products;
- Chicken being positioned as the most affordable source of animal protein;
- A marginal increase in per capita consumption;
- The stabilisation in feed prices;
- Contributions to the rural economy and food security by small commercial farmers;
- The increase in chicken meat exports.

### 13. CHALLENGES

- The lack of compensation for birds culled as a disease control measure against HPAI;
- Difficulties caused by deteriorating municipal services and national rail infrastructure;
- The financial burden of legal challenges initiated by AMIE;
- Reaching consensus with government on feasible HPAI vaccine protocols;
- Higher feed prices from the 2024 drought;
- Pressure on profit margins;
- The influx of imports of MDM and offal;
- Dealing with the complexities of trade with the Middle East.

### 14. OUTLOOK

- The outcome of the Competition Commission’s inquiry into the poultry market;
- The heightened risk of further outbreaks of HPAI;
- Finding a workable solution around the stringent HPAI vaccination protocols;
- Breeder farms being given the approval to vaccinate against H5 and H7;
- The outcome of the legal actions launched by AMIE against anti-dumping duties;
- Implementing phase two of the poultry value chain masterplan;
- The revision of all trade measures as per the masterplan;
- Ongoing focus on illegal trade activities;
- A decision on South Africa’s continued participation in AGOA;
- Growing production to catch up with the capacity of expanded facilities;
- Ongoing focus on transformation in the sector;
- VAT-free bone-in chicken portions and fresh and frozen offal;
- Inspection of poultry facilities by UK authorities;
- Gaining access to export markets in the UK, EU and Middle East;
- Expanding exports into Africa.

### 15. CONCLUSION

The broiler industry has once again proved its adaptability and resilience in the face of severe adversity. Producers can only hope that tomorrow holds a brighter future for all concerned.

Izaak Breitenbach and the team at SAPA are to be thanked for the vital work they do for the BO – their efforts are much appreciated.

# *Financial Statements*



*"Embracing the future"*  
Small footprint. **Big impact.**

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### General Information

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|  |  |
|--|--|
| <b>Country of incorporation and domicile</b>       | South Africa   |
| <b>Nature of business and principal activities</b> | A non-profit farmers association for commercial poultry farmers  |
| <b>Board Members</b>                               | A Sulliman<br>C Steenhuisen<br>W Bosoga<br>A Brinkhuis<br>A Fischer<br>M Stander<br>G Arnold<br>J Mokwene  |
| <b>Registered office</b>                           | Wild Fig Business Park, Block C<br>1494 Cranberry Street<br>Honeydew Ext 19<br>2194  |
| <b>Postal address</b>                              | P.O. Box 1202<br>Honeydew<br>2040  |
| <b>Auditors</b>                                    | BVA Gauteng Inc<br>Chartered Accountants (S.A.)<br>Registered Auditors   |
| <b>PBO number</b>                                  | 930014951  |
| <b>Level of assurance</b>                          | These annual financial statements have been audited in compliance with the applicable requirements of the Constitution of the South African Poultry Association. |

**THE SOUTH AFRICAN POULTRY ASSOCIATION**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**Preparer**                      The annual financial statements were independently compiled by:  
Synedrio Consulting Service Proprietary Limited  
Mr GJ Viviers CA(SA)

**Issued**                         16 April 2025

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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The reports and statements set out below comprise the annual financial statements presented to the board:

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| Board's Report .....  | 97          |
| Independent Auditor's Report .....  | 99          |
| Statement of Financial Position .....   | 102         |
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# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Board's Responsibilities and Approval

---

The board is required by the Constitution of the South African Poultry Association, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The annual financial statements comprise of:

- the statement of financial position;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows; and
- the accounting policies and notes to the annual financial statements.

The board acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the board to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

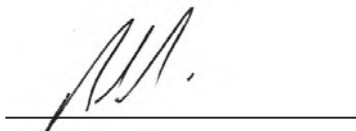
The board satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 102 to 126.

The annual financial statements set out on pages 102 to 126, which have been prepared on the going concern basis, were approved by the board on 16 April 2025 and were signed on its behalf by:



A Sulliman



I Breitenbach

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Board's Report

---

The board has pleasure in submitting their report on the annual financial statements of South African Poultry Association for the year ended 31 December 2024.

#### 1. Nature of business

South African Poultry Association was incorporated in 1904 in South Africa as a public benefit organisation. The entity is a non profit farmers association for commercial poultry farmers which discusses and decides on matters of mutual interest and communicates on behalf of the industry.

There have been no material changes to the nature of the business from the prior year.

#### 2. Reporting

The annual financial statements have been prepared in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Constitution of the South African Poultry Association. The accounting policies have been applied consistently compared to the prior year.

The entity recorded a profit after tax for the year ended 31 December 2024 of R3,637,233 (2023: R3,284,686).

#### 3. Board members

The board members in office at the date of this report are as follows:

| Board members | Designation                          | Nationality   |
|---------------|--------------------------------------|---------------|
| A Sulliman    | Chairman                             | South African |
| C Steenhuisen | Vice Chairman/Board member - SAPA    | South African |
| G Arnold      | Executive member/Board member - SAPA | South African |
| W Bosoga      | Board member - SAPA                  | South African |
| A Brinkhuis   | Board member - SAPA                  | South African |
| A Fischer     | Board member - SAPA                  | South African |
| M Stander     | Board member - SAPA                  | South African |
| J Mokwene     | Board member - SAPA                  | South African |

#### 4. Events after the reporting period

The board is not aware of any material event which occurred after the reporting date and up to the date of this report.

#### 5. Going concern

The board believe that the entity has adequate financial resources to continue in operation for the foreseeable future.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Accordingly, the board have satisfied themselves that the entity is in a sound financial position and that it has access to sufficient borrowing facilities and support from its holding entity to meet its foreseeable cash requirements. The board is also not aware of any material non compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the entity.

The annual financial statements have accordingly been prepared on the basis of accounting policies applicable to a going concern.

### **6. Litigation statement**

During the financial year, The Association of Meat Importers and Exporters (AMIE) entered into a legal dispute with the South African Poultry Association (SAPA) regarding anti dumping duties implemented on chicken imported from Brazil and four other European Union countries, namely Denmark, Ireland, Poland and Spain. Refer to note 19 of the annual financial statements for detailed disclosure.

Same as recorded above, the directors are not aware of any other legal or arbitration proceedings, including proceedings that are pending or threatened that may have a material effect on the financial position of the company.

### **7. Auditors**

BVA Gauteng Inc. continued in office as auditors for the entity for 2024.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024



BVA Gauteng Inc  
IRBA No: 948168  
Reg No: 2015/239766/21  
Directors: G Cornelissen CA(SA), LJ Fourie CA(SA)  
L Edwards CA(SA)

### Independent Auditor's Report

To the Board of the South African Poultry Association

Report on the Audit of the Annual Financial Statements

#### Opinion

We have audited the annual financial statements of the South African Poultry Association (“the Association”), set out on pages 102 - 126, which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the South African Poultry Association as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board and in accordance with the requirements of the Constitution of the South African Poultry Association.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Association in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**BVA BENONI:** 2 Fairbairn Street, Cnr O’Reilly Merry Street,  
Rynfield, Benoni, 1501  
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# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Independent Auditor's Report (continued)

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#### Responsibilities of the Board for the Annual Financial Statements

The Board is responsible for the preparation and fair presentation of these annual financial statements in accordance with the IFRS for SMEs and the requirements of the Constitution of the South African Poultry Association, and for such internal control as the Board determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- Conclude on the appropriateness of the board use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Independent Auditor's Report (continued)

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to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

As part of our audit, we have considered the provisions of the Constitution of the South African Poultry Association that may have a financial reporting or compliance impact. In our opinion, nothing has come to our attention that causes us to believe that the Association has not complied, in all material respects, with the relevant provisions of the Constitution applicable to financial reporting.

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BVA Gauteng Inc has been the auditor of South African Poultry Association for 7 years.

**BVA Gauteng Inc.**  
**Chartered Accountants (S.A.)**  
**Registered Auditors**

**Per: Graham Cornelissen**  
**Chartered Accountant (S.A.)**  
**Registered Auditor**

**16 April 2025**  
**7 Zinal Place**  
**Midstream Hill**  
**Centurion**  
**1692**

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Statement of Financial Position as at 31 December 2024

| Figures in Rand                     | Notes | 2024              | 2023              |
|-------------------------------------|-------|-------------------|-------------------|
| <b>Assets</b>                       |       |                   |                   |
| <b>Non-Current Assets</b>           |       |                   |                   |
| Property, plant and equipment       | 2     | 83 041            | 61 761            |
| Intangible assets                   | 3     | 2                 | 2                 |
|                                     |       | <b>83 043</b>     | <b>61 763</b>     |
| <b>Current Assets</b>               |       |                   |                   |
| Loans to group entities             | 5     | 300 000           | 475 000           |
| Trade and other receivables         | 6     | 6 501 978         | 4 360 299         |
| Cash and cash equivalents           | 7     | 11 806 793        | 7 371 042         |
|                                     |       | <b>18 608 771</b> | <b>12 206 341</b> |
| <b>Total Assets</b>                 |       | <b>18 691 814</b> | <b>12 268 104</b> |
| <b>Equity and Liabilities</b>       |       |                   |                   |
| <b>Equity</b>                       |       |                   |                   |
| Special reserves                    | 8     | 4 952 563         | 1 539 163         |
| Accumulated funds                   |       | 9 262 055         | 9 379 803         |
|                                     |       | <b>14 214 618</b> | <b>10 918 966</b> |
| <b>Liabilities</b>                  |       |                   |                   |
| <b>Current Liabilities</b>          |       |                   |                   |
| Deferred income                     | 9     | 3 330 797         | -                 |
| Trade and other payables            | 10    | 1 146 399         | 1 349 138         |
|                                     |       | <b>4 477 196</b>  | <b>1 349 138</b>  |
| <b>Total Equity and Liabilities</b> |       | <b>18 691 814</b> | <b>12 268 104</b> |

The accounting policies on pages 106 to 116 and the notes on pages 117 to 126 form an integral part of the annual financial statements.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Statement of Profit or Loss and Other Comprehensive Income

| Figures in Rand                                | Notes | 2024              | 2023              |
|--|-------|-------------------|-------------------|
| Revenue  | 11    | 32 992 637        | 29 851 195        |
| Project related costs                          | 12    | (91 102)          | (2 628 946)       |
| <b>Gross profit</b>                            |       | <b>32 901 535</b> | <b>27 222 249</b> |
| Other income                                   | 13    | 332 138           | 5 979 544         |
| Operating expenses                             | 14    | (30 016 930)      | (30 348 023)      |
| <b>Operating profit</b>                        |       | <b>3 216 743</b>  | <b>2 853 770</b>  |
| Investment revenue                             | 15    | 420 490           | 447 702           |
| Finance costs                                  | 16    | -                 | (16 786)          |
| <b>Profit before tax</b>                       |       | <b>3 637 233</b>  | <b>3 284 686</b>  |
| Tax  | 17    | -                 | -                 |
| <b>Profit for the year</b>                     |       | <b>3 637 233</b>  | <b>3 284 686</b>  |
| Other comprehensive income                     |       | -                 | -                 |
| <b>Total comprehensive income for the year</b> |       | <b>3 637 233</b>  | <b>3 284 686</b>  |

The accounting policies on pages 106 to 116 and the notes on pages 117 to 126 form an integral part of the annual financial statements.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Statement of Changes in Equity

| Figures in Rand                    | Special reserves | Accumulated funds | Total equity      |
|------------------------------------|------------------|-------------------|-------------------|
| <b>Balance at 01 January 2023</b>  | <b>9 479 715</b> | <b>5 647 560</b>  | <b>15 127 275</b> |
| Profit for the year                | -                | 3 284 686         | 3 284 686         |
| Transfer from special reserves     | (45 288 122)     | 30 298 752        | (14 989 370)      |
| Transfer to special reserves       | 37 347 570       | (29 851 195)      | 7 496 375         |
| <b>Balance at 01 January 2024</b>  | <b>1 539 163</b> | <b>9 379 803</b>  | <b>10 918 966</b> |
| Profit for the year                | -                | 3 637 233         | 3 637 233         |
| Transfer from special reserves     | (29 779 237)     | 29 237 656        | (541 581)         |
| Transfer to special reserves       | 33 192 637       | (32 992 637)      | 200 000           |
| <b>Balance at 31 December 2024</b> | <b>4 952 563</b> | <b>9 262 055</b>  | <b>14 214 618</b> |

The accounting policies on pages 106 to 116 and the notes on pages 117 to 126 form an integral part of the annual financial statements.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Statement of Cash Flows

| Figures in Rand   | Notes | 2024              | 2023             |
|---|-------|-------------------|------------------|
| <b>Cash flows from operating activities</b>             |       |                   |                  |
| Cash generated from operations                          | 18    | 4 231 545         | 7 315 613        |
| Investment income                                       |       | 420 490           | 447 702          |
| Finance costs   |       | -                 | (16 786)         |
| <b>Net cash from operating activities</b>               |       | <b>4 652 035</b>  | <b>7 746 529</b> |
| <b>Cash flows from investing activities</b>             |       |                   |                  |
| Acquisition of property, plant and equipment            | 2     | (49 704)          | (14 589)         |
| Cash receipts on repayments of loans to group companies |       | 175 000           | -                |
| <b>Net cash from investing activities</b>               |       | <b>125 296</b>    | <b>(14,589)</b>  |
| <b>Cash flows from financing activities</b>             |       |                   |                  |
| Net (payments to) proceeds from special reserves        |       | (341 580)         | (7 492 995)      |
| <b>Total cash movement for the year</b>                 |       | <b>4 435 751</b>  | <b>238 945</b>   |
| Cash at the beginning of the year                       |       | 7 371 042         | 7 132 097        |
| <b>Total cash at end of the year</b>                    | 7     | <b>11 806 793</b> | <b>7 371 042</b> |

The accounting policies on pages 106 to 116 and the notes on pages 117 to 126 form an integral part of the annual financial statements.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Accounting Policies

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#### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

These accounting policies are consistent with the previous period.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

The accounting policies detailed below have been consistently applied to the entity's financial statements.

#### Functional and presentation currency

These financial statements are presented in Rand, which is the fund's functional currency and presentation currency. All amounts are rounded to the nearest Rand.

#### Approval

The annual financial statements were authorised for issue by the chairman on 16 April 2025 and are subject to the approval of the board at the Annual General Meeting.

#### 1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Accounting Policies (continued)

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#### Trade receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for loans and receivables is based on the amounts outstanding, which management feel, will not be collected or only partially collected.

#### Impairment testing

The recoverable amounts of individual assets have been determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of assets.

#### Key sources of estimation uncertainty

#### Useful lives, depreciation methods and residual values

Useful lives, depreciation methods and residual values of the items of property, plant and equipment are reviewed annually. For residual values the estimate is made after taking into account the condition of the item, age and judgement relating to useful lives.

#### 1.2 Control

Management considered the various elements, as set out in IFRS for SME section 9: Consolidated and Separate Financial Statements, on determining whether it controls and should consolidate the interests held in subsidiary and special purpose entity ("SPE") as listed in note 4.

Management has made considerations whether the entity:

- has power over the subsidiary and SPE;
- is exposed to, or has rights to, variable returns from its involvement with the subsidiary and SPE; and
- has the ability to affect those returns through its power over the entity.

The entity has the power to appoint and remove the majority of the board members of the subsidiary and SPE and has the power to direct the relevant activities of the subsidiary and SPE. Therefore, the board of the entity concluded that the entity has the practical ability to direct the relevant activities of the subsidiary and SPE unilaterally and hence the entity has control. Based on these indicators the subsidiary and SPE's are controlled by the entity.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Accounting Policies (continued)

---

#### 1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

#### Depreciation

Depreciation is the systematic allocation of the depreciable amount of an item of plant and equipment over its estimated useful life. Plant and equipment are depreciated and is recognised in profit and loss on the straight line basis over their expected useful lives to their estimated residual value.

Depreciation is recognised on the depreciable amount, of an item of plant and equipment. The depreciable amount is the difference between the cost of an item of plant and equipment and its residual value.

Residual value is the estimated amount that the entity would currently obtain from disposal of an item of plant and equipment, after deducting the estimated costs of disposal, if the item were already of age and in the condition expected at the end of its useful life. The useful lives and residual values of the individual items of plant and equipment are reviewed on an annual basis and any revision to these are accounted for as a change in accounting estimate.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item                          | Depreciation method | Average useful life |
|-------------------------------|---------------------|---------------------|
| Furniture and fixtures        | Straight line       | 4 years             |
| Office equipment              | Straight line       | 4 years             |
| IT equipment                  | Straight line       | 3 years             |
| Laboratory research equipment | Straight line       | 5 years             |

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Accounting Policies (continued)

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#### 1.3 Property, plant and equipment (continued)

##### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised. Gains are not included in revenue.

#### 1.4 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Accounting Policies (continued)

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Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

| Item              | Useful life |
|-------------------|-------------|
| Computer software | 3 years     |

### 1.5 Financial instruments

#### Initial recognition and measurement

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments. The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Classification is re assessed on an annual basis.

Financial instruments are measured initially at fair value. Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

#### Effective interest method

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received) that form an integral part of the effective interest rate, transaction cost and other premiums or discounts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at fair value through profit or loss.

#### Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Accounting Policies (continued)

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#### 1.5 Financial instruments (continued)

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

#### Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### Derecognition

##### Financial asset

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the entity neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

##### Financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Accounting Policies (continued)

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#### 1.5 Financial instruments (continued)

##### Subsequent measurement

##### Financial assets

The subsequent measurement of financial assets depends on their classification as follows:

- **Loans to related entities**

These include loans to related entities and are recognised initially at fair value plus direct transaction costs. Loans to group companies are classified as loans and receivables.

- **Trade and other receivables**

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

- **Cash and cash equivalents**

Cash and cash equivalents comprise of cash balances and call deposits with maturities of three months or less from the acquisition date. Cash equivalents are short term, highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in fair value. Interest earned on cash invested with financial institutions is recognised on an accrual basis using the effective interest method.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Accounting Policies (continued)

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#### 1.5 Financial instruments (continued)

##### Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit and loss or at amortised cost, as appropriate. The entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings at amortised costs, plus directly attributable transaction costs.

The entity's financial liabilities include trade and other payable.

Subsequent measurement of financial liabilities depends on their classification as follows:

- **Trade and other payables**

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

#### 1.6 Income received in advance

Income received in advance comprises out of congress income received not recognised until such events has taken place. Congress income is recognised in profit and loss in the period in which these events take place.

#### 1.7 Stated capital and special reserves

##### Special reserves

The entity has separate projects and disclose the funds for each project separate in special reserves. The board from time to time authorises the transfers between the relevant reserves as funds are received and used for the expenses relating to that particular project.

#### 1.8 Government grants

Government grants are recognised when there is reasonable assurance that:

- the entity will comply with the conditions attaching to them; and
- the grants will be received

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Accounting Policies (continue)

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Government grants are recognised as other income, and disclosed separately in special reserves projects. The costs incurred relating to the specific grant are recognised in the period in which the expense has occurred in project related costs, and is disclosed separately in the special reserves projects. When the grant has been received and the utilisation thereof stretch over a long period of time, the funds are deposited in an interest bearing investment, and the interest accrued is recognised in interest income, and disclosed separately in the special reserves projects.

The special reserves projects disclose the funds still available per project in the closing balance.

### 1.9 Revenue

Revenue comprises of:

- Membership fees; and
- Additional membership fees.

### Recognition

Revenue earned by the entity is recognised on the following basis:

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

### Interest received

Interest is recognised, in profit or loss, using the effective interest method.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Accounting Policies (continued)

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#### 1.10 Employee benefits

##### Short-term employee benefits

The cost of short term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted. The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

##### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense when incurred.

#### 1.11 Contingent liabilities and contingent assets

A description of contingent liabilities and contingent assets are disclosed in the annual financial statements unless the possibility of the outflow or inflow of economic benefits is remote. Assessment of the likelihood of the economic outflows, and/or inflow taking place, is reviewed on a continual basis.

The contingent liabilities and contingent assets are disclosed by providing an estimate of the financial effect as well as any uncertainties in relation to the financial effects and the timing of the economic outflow/inflow that may take place.

#### 1.12 Events after the reporting period

Should events after the reporting period but prior to authorisation of the annual financial statements be confirmation of circumstances existing prior to the end of the reporting period, the annual financial statements will be accordingly adjusted to include the effects of the events. However, should such events not have any bearing on circumstances that existed prior to the end of the reporting period, such events will be disclosed separately in the notes the financial statements. Such disclosure includes the nature of the event and its estimated financial effects.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Accounting Policies (continued)

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#### 1.13 Related parties

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority, control and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

#### 1.14 Cash flow statement

The cash flow statement is prepared on the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed.

For purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks net of bank overdrafts, all of which are available for use by the entity unless otherwise stated.

Investing and financing operations that do not require the use of cash and cash equivalents are excluded from the cash flow statement.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Notes to the Annual Financial Statements

#### 2. Property, plant and equipment

|                               | 2024             |                          |                | 2023             |                          |                |
|-------------------------------|------------------|--------------------------|----------------|------------------|--------------------------|----------------|
|                               | Cost             | Accumulated depreciation | Carrying value | Cost             | Accumulated depreciation | Carrying value |
| Furniture and fixtures        | 368 335          | (363 587)                | 4 748          | 368 335          | (361 815)                | 6 520          |
| Office equipment              | 365 631          | (309 716)                | 55 915         | 341 914          | (286 673)                | 55 241         |
| IT equipment                  | 514 346          | (491 969)                | 22 377         | 488 359          | (488 360)                | (1)            |
| Laboratory research equipment | 28 000           | (27 999)                 | 1              | 28 000           | (27 999)                 | 1              |
| <b>Total</b>                  | <b>1 276 312</b> | <b>(1 193 271)</b>       | <b>83 041</b>  | <b>1 226 608</b> | <b>(1 164 847)</b>       | <b>61 761</b>  |

#### Reconciliation of property, plant and equipment - 2024

|                               | Opening balance | Additions     | Depreciation    | Closing balance |
|-------------------------------|-----------------|---------------|-----------------|-----------------|
| Furniture and fixtures        | 6 520           | -             | (1 772)         | 4 748           |
| Office equipment              | 55 241          | 23 716        | (23 042)        | 55 915          |
| IT equipment                  | (1)             | 25 988        | (3 610)         | 22 377          |
| Laboratory research equipment | 1               | -             | -               | 1               |
|                               | <b>61 761</b>   | <b>49 704</b> | <b>(28 424)</b> | <b>83 041</b>   |

#### Reconciliation of property, plant and equipment - 2023

|                               | Opening balance | Additions     | Depreciation    | Closing balance |
|-------------------------------|-----------------|---------------|-----------------|-----------------|
| Furniture and fixtures        | 22              | 14 589        | (8 091)         | 6 520           |
| Office equipment              | 67 767          | -             | (12 526)        | 55 241          |
| IT equipment                  | 4 232           | -             | (4 233)         | (1)             |
| Laboratory research equipment | 1               | -             | -               | 1               |
|                               | <b>72 022</b>   | <b>14 589</b> | <b>(24 850)</b> | <b>61 761</b>   |

#### Contractual commitments

No current contractual commitments exist to purchase items of plant and equipment.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Notes to the Annual Financial Statements (continued)

#### 3. Intangible assets

|                   | 2024  |                          |                | 2023  |                          |                |
|-------------------|-------|--------------------------|----------------|-------|--------------------------|----------------|
|                   | Cost  | Accumulated amortisation | Carrying value | Cost  | Accumulated amortisation | Carrying value |
| Computer software | 4 668 | (4 666)                  | 2              | 4 668 | (4 666)                  | 2              |

#### 4. Investments in controlled entities

| Name of subsidiary                                 | % holding 2024 | % holding 2023 | Carrying amount 2024 | Carrying amount 2023 |
|--|----------------|----------------|----------------------|----------------------|
| Poultry Bulletin Publications Proprietary Limited  | 100%           | 100%           | -                    | -                    |
| The Levy Administrator of the SAPA (SPE)           | 100%           | 100%           | -                    | -                    |
| The Table Egg Levy Administrator of the SAPA (SPE) | 100%           | 100%           | -                    | -                    |
|  |                |                | -                    | -                    |

#### Consolidated financial statements

The annual financial statements presented are not consolidated annual financial statements as the entity prepares separate consolidated financial statements in addition to these separate financial statements.

The consolidated annual financial statements can be obtained from the entity's registered address.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Notes to the Annual Financial Statements (continued)

|   | 2024             | 2023             |
|---|------------------|------------------|
| <b>5. Loans to group entity</b>   |                  |                  |
| <b>Related entity</b>   |                  |                  |
| Poultry Bulletin Publications Proprietary Limited                                     | 300 000          | 475 000          |
| The loan is unsecured, bears no interest and is payable within 9 months or on demand. |                  |                  |
| <b>6. Trade and other receivables</b>   |                  |                  |
| Trade receivables   | 5 410 476        | 4 272 999        |
| Employee loans  | 18 843           | -                |
| Prepayments   | 726 385          | -                |
| Deposits  | 87 300           | 87 300           |
| VAT   | 258 974          | -                |
|   | <b>6 501 978</b> | <b>4 360 299</b> |

### 7. Cash and cash equivalents

Cash and cash equivalents consist of:

|                     |                   |                  |
|---------------------|-------------------|------------------|
| Cash on hand        | 1 303             | 1 303            |
| Bank balances       | 5 548 350         | 1 533 090        |
| Short-term deposits | 6 257 140         | 5 836 649        |
|                     | <b>11 806 793</b> | <b>7 371 042</b> |

Bank balances bear interest at rates linked to the prime lending rate. There are no other external restrictions on the entity's cash and cash equivalents.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Notes to the Annual Financial Statements (continued)

|  | 2024                   | 2023               |                     |                        |
|--|------------------------|--------------------|---------------------|------------------------|
| <b>8. Special reserves - projects</b>      |                        |                    |                     |                        |
| <b>2024 Reconciliation of reserves</b>     | <b>Opening balance</b> | <b>Transfer in</b> | <b>Transfer out</b> | <b>Closing balance</b> |
| AgriSETA - Poultry meat examiners training | 147 924                | -                  | -                   | 147 924                |
| Broiler organisation                       | (589 711)              | 29 750 809         | (25 362 797)        | 3 798 301              |
| Egg organisation                           | 1 293 426              | 3 241 828          | (3 874 859)         | 660 395                |
| AgriSETA interns                           | 13 763                 | 200 000            | -                   | 213 763                |
| New small member funding reserve           | 14 002                 | -                  | -                   | 14 002                 |
| Reserve - Egg aggregation packstation      | 659 759                | -                  | (541 581)           | 118 178                |
|  | <b>1 539 163</b>       | <b>33 192 637</b>  | <b>(29 779 237)</b> | <b>4 952 563</b>       |
| <b>2023 Reconciliation of reserves</b>     | <b>Opening balance</b> | <b>Transfer in</b> | <b>Transfer out</b> | <b>Closing balance</b> |
| AgriSETA - Poultry meat examiners training | 147 924                | -                  | -                   | 147 924                |
| Broiler organisation                       | 241 340                | 26 287 261         | (27 118 312)        | (589 711)              |
| Egg organisation                           | 909 931                | 3 563 935          | (3 180 440)         | 1 293 426              |
| AgriSETA interns                           | 13 763                 | -                  | -                   | 13 763                 |
| New small member funding reserve           | 14 002                 | -                  | -                   | 14 002                 |
| Reserve - Egg aggregation packstation      | 8 152 755              | 7 496 374          | (14 989 370)        | 659 759                |
|  | <b>9 479 715</b>       | <b>37 347 570</b>  | <b>(45 288 122)</b> | <b>1 539 163</b>       |

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Notes to the Annual Financial Statements (continued)

| Figures in Rand  | 2024              | 2023              |
|--|-------------------|-------------------|
| <b>9. Deferred income</b>  |                   |                   |
| Congress 2025 income   | 3 330 797         | -                 |
|  |                   |                   |
| Deferred income relates to the Congress 2025 income received in advance.     |                   |                   |
| <b>10. Trade and other payables</b>  |                   |                   |
| VAT  | -                 | 47 539            |
| Accrued leave pay  | 635 854           | 485 611           |
| Accrued expense  | 510 545           | 715 048           |
| Other payables   | -                 | 100 940           |
|  |                   |                   |
|  | <b>1 146 399</b>  | <b>1 349 138</b>  |
|  |                   |                   |
| Trade payables are generally interest free and settled within 14 to 30 days. |                   |                   |
| <b>11. Revenue</b>   |                   |                   |
| Broiler organisation   | 29 750 809        | 26 287 261        |
| Egg organisation   | 3 241 828         | 3 563 934         |
|  |                   |                   |
|  | <b>32 992 637</b> | <b>29 851 195</b> |
|  |                   |                   |
| <b>12. Project related costs</b>   |                   |                   |
| Congress expenses  | 91 102            | 2 628 946         |
|  |                   |                   |

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Notes to the Annual Financial Statements (continued)

| Figures in Rand   | 2024           | 2023             |
|---|----------------|------------------|
| <b>13. Other income</b>                                 |                |                  |
| Administration and management fees received             | -              | 270 000          |
| Congress  | -              | 5 709 544        |
| Gauteng Department of Agriculture and Rural Development | 320 000        | -                |
| Galliovo attendance                                     | 12 000         | -                |
| Recoveries  | 138            | -                |
|   | <b>332 138</b> | <b>5 979 544</b> |

### Government grants received

Government grants received relate to the funds received from the various institutes for training or research projects expenses, and the income are separately disclosed in special reserve - projects note 7. The special reserves projects disclose the funds still available for utilisation per project.

### 14. Operating profit

Operating profit for the year is stated after accounting for the following:

#### Auditor's remuneration - external

|            |         |         |
|------------|---------|---------|
| Audit fees | 167 375 | 176 087 |
|------------|---------|---------|

#### Operating lease charges

|                       |         |         |
|-----------------------|---------|---------|
| Premises              | 478 714 | 445 996 |
| • Contractual amounts |         |         |

|   |            |            |
|---|------------|------------|
| Depreciation on property, plant and equipment     | 28 424     | 24 850     |
| Employee costs                                    | 9 150 960  | 8 341 047  |
| Broiler organisation expenses (refer to page 129) | 13 055 545 | 16 392 471 |
| PDMA expenses                                     | 1 262 095  | 1 203 218  |
| Statistics  | 2 032 278  | 1 825 908  |
| Travel and subsistence                            | 42 686     | 57 099     |

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Notes to the Annual Financial Statements (continued)

| Figures in Rand  | 2024             | 2023             |
|--|------------------|------------------|
| <b>15. Investment revenue</b>  |                  |                  |
| <b>Interest income</b>   |                  |                  |
| Bank   | -                | 76 788           |
| Fixed term deposits  | 420 490          | 370 914          |
|  | <b>420 490</b>   | <b>447 702</b>   |
| <b>16. Finance costs</b>   |                  |                  |
| Late payments of tax   | -                | 16 786           |
|  |                  | <b>16 786</b>    |
| <b>17. Tax</b>   |                  |                  |
| <p>The entity is exempt from tax in terms of Section 10(1)(d)(iv)(bb) of the Income Tax Act and has been approved by the South African Revenue Services.</p> <p>It is required that the entity should be re accredited as a tax exempt body by the South African Revenue Services on an annual basis upon receipt of the annual income tax return, and certain conditions being met.</p> |                  |                  |
| <b>18. Cash generated from operations</b>  |                  |                  |
| Net profit before taxation   | 3 637 233        | 3 284 686        |
| <b>Adjustments for:</b>  |                  |                  |
| Depreciation   | 28 424           | 24 850           |
| Investment income  | (420 490)        | (447 702)        |
| Finance costs  | -                | 16 786           |
| <b>Changes in working capital:</b>   |                  |                  |
| Trade and other receivables  | (2 141 679)      | 7 776 165        |
| Trade and other payables   | (202 740)        | (47 794)         |
| Income received in advance   | 3 330 797        | (3 291 378)      |
|  | <b>4 231 545</b> | <b>7,315,613</b> |

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Notes to the Annual Financial Statements (continued)

| Figures in Rand | 2024 | 2023 |
|-----------------|------|------|
|-----------------|------|------|

#### 19. Contingencies

##### The AMIE SA matter

During the previous years, The Association of Meat Importers and Exporters (AMIE) entered into a legal dispute with the South African Poultry Association (SAPA) regarding anti dumping duties implemented on chicken imported from Brazil and four other European Union countries, namely Denmark, Ireland, Poland and Spain.

The anti dumping duty was deemed necessary by SAPA, as dumped imports are causing material injury to the domestic industry, due to the abovementioned countries selling frozen chicken portions to the South African market at prices lower than the local production costs, or lower than the selling prices in the South African local markets.

The Association of Meat Importers & Exporters (AMIE) are opposing the anti dumping duties. The AMIE believes that SAPA's application was flawed and that there was no clear evidence of material injury to the local industry due to dumping. Furthermore, the AMIE is of the opinion that these tariffs are aimed at discontinuing imports completely and creating a monopoly in the local industry. The objective of the legal case dispute imposed by the AIME, is to have the anti dumping duties reduced or eliminated completely.

These court cases endeavour to remove anti dumping duties and will not hold a financial liability to SAPA should we lose the cases. The only costs relating to these court cases are the cost of defending the matters in court and the company has budgeted for the expenses. No provision has been raised, however this contingent liability is disclosed. It was expected that the this issue will be resolved within 12 months. Management is aware of this matter, although there have been no further developments in terms of this case.

##### Tax

The entity has an exemption from tax in terms of Section 10(1)(d)(iv)(bb) of the Income Tax Act and has been approved by the South African Revenue Services. It is required that these entities should be re accredited as tax exempt bodies by the South African Revenue Services on an annual basis upon receipt of the annual income tax returns, and certain conditions being met.

There are no other known material contingent assets or contingent liabilities at year end.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Notes to the Annual Financial Statements (continued)

| Figures in Rand   | 2024   | 2023           |
|---|--|----------------|
| <b>20. Related parties</b>  |  |                |
| <b>Relationships</b>  |  |                |
| Subsidiaries  | Poultry Bulletin Publications Proprietary Limited  |                |
| Special purpose entity  | The Levy Administrator of the South African Poultry Association<br>The Table Egg Levy Administrator of the South African Poultry Association |                |
| Members of key management   | I Breitenbach<br>A Balarane  |                |
| <b>Related party balances and transactions with entities over which the entity has control or significant influence</b> |  |                |
| <b>(a) Related party balances</b>   |  |                |
| <b>Amounts owing by related parties</b>   |  |                |
| Poultry Bulletin Publications Proprietary Limited   | 300 000  | 475 000        |
| <b>Amounts included in trade and other receivables regarding related parties</b>  |  |                |
| The Table Egg Levy Administrator of the South African Poultry Association   | -  | 536 874        |
| Poultry Bulletin Publications Proprietary Limited   | 310 500  | 310 500        |
|   | <b>310 500</b>   | <b>847 374</b> |

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Notes to the Annual Financial Statements (continued)

| Figures in Rand   | 2024             | 2023             |
|---|------------------|------------------|
| <b>(b) Related party transactions</b>                                     |                  |                  |
| <b>Revenue recieved from related parties</b>                              |                  |                  |
| The Table Egg Levy Administrator of the South African Poultry Association | (3 995 324)      | (3 108 369)      |
| <b>Administration and consulting fees received from related parties</b>   |                  |                  |
| The Table Egg Levy Administrator of the South African Poultry Association | (199 415)        | (455 563)        |
| - 10% charge on admin fee   |                  |                  |
| Poultry Bulletin Publications Proprietary Limited                         | -                | (270 000)        |
|   | <b>(199 415)</b> | <b>(725,563)</b> |
| <b>Compensation to members of key management</b>                          |                  |                  |
| Short-term employee benefits  | 5 659 057        | 5 239 562        |

### 21. Going concern

The board believes that the entity has adequate financial resources to continue in operation for the foreseeable future.

Accordingly, the board have satisfied themselves that the entity is in a sound financial position and that it has access to sufficient borrowing facilities and support from its holding entity to meet its foreseeable cash requirements. The board is also not aware of any material non compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the entity.

The annual financial statements have accordingly been prepared on the basis of accounting policies applicable to a going concern.

### 22. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this reports.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Detailed Income Statement

| Figures in Rand   | Notes | 2024                | 2023                |
|---|-------|---------------------|---------------------|
| <b>Revenue</b>  |       |                     |                     |
| Broiler organisation                                    |       | 29 750 809          | 26 287 261          |
| Egg organisation  |       | 3 241 828           | 3 563 934           |
|   | 11    | <b>32 992 637</b>   | <b>29 851 195</b>   |
| <b>Project related costs</b>                            |       |                     |                     |
|   | 12    | <b>(91 102)</b>     | <b>(2 628 946)</b>  |
| <b>Gross profit</b>                                     |       | <b>32 901 5359</b>  | <b>27 222 249</b>   |
| <b>Other income</b>                                     |       |                     |                     |
| Administration and management fees received             |       | -                   | 270 000             |
| Bad debts recovered                                     |       | 138                 | -                   |
| Congress  |       | -                   | 5 709 544           |
| Galliovo attendance                                     |       | 12 000              | -                   |
| Gauteng Department of Agriculture and Rural Development |       | 320 000             | -                   |
|   |       | <b>332 138</b>      | <b>5 979 544</b>    |
| <b>Expenses (Refer to page 128)</b>                     |       | <b>(29 823 922)</b> | <b>(30 348 023)</b> |
| <b>Operating profit</b>                                 |       | <b>3 409 751</b>    | <b>2 853 770</b>    |
| Interest received                                       |       | 420 490             | 447 702             |
| Finance costs   | 15    | -                   | (16 786)            |
|   | 16    | <b>420 490</b>      | <b>430 916</b>      |
| <b>Profit for the year</b>                              |       | <b>3 830 241</b>    | <b>3 284 686</b>    |

The supplementary information presented does not form part of the annual financial statements and is unaudited.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Detailed Income Statement

| Figures in Rand                      | Notes | 2024                | 2023                |
|--------------------------------------|-------|---------------------|---------------------|
| <b>Operating expenses</b>            |       |                     |                     |
| Accounting and consulting fees       |       | (77 138)            | (42 228)            |
| Auditors remuneration                |       | (167 375)           | (560)               |
| Bad debts                            |       | (837 309)           | -                   |
| Bank charges                         |       | (35 174)            | (33 163)            |
| Broiler organisation expenses        |       | (13 055 545)        | (16 392 471)        |
| Cleaning                             |       | (6 851)             | (4 443)             |
| Communications                       |       | (72 056)            | (57 693)            |
| Data base maintenance                |       | (387 157)           | (358 341)           |
| Depreciation                         |       | (28 424)            | (24 850)            |
| Egg organisation expenses            |       | (326 022)           | (83 982)            |
| Employee costs                       |       | (9 150 960)         | (8 341 047)         |
| General expenses                     |       | (5 025)             | (2 510)             |
| Golf day expenses                    |       | (735 878)           | -                   |
| IT expenses                          |       | (188 600)           | (169 079)           |
| IT licence fees (Accounting package) |       | (12 800)            | (12 712)            |
| Insurance                            |       | (68 983)            | (67 631)            |
| Lease rentals on operating lease     |       | (478 714)           | (445 996)           |
| Legal expenses                       |       | (198 546)           | (350 281)           |
| Maintenance copiers                  |       | (107 468)           | (97 989)            |
| Municipal expenses                   |       | (76 911)            | (69 383)            |
| PDMA expenses                        |       | (1 262 095)         | (1 203 218)         |
| Postage                              |       | (3 735)             | (5 537)             |
| Printing and stationery              |       | (27 574)            | (31 465)            |
| Repairs and maintenance              |       | (29 900)            | (7 513)             |
| Security                             |       | (5 660)             | (6 161)             |
| Small office equipment               |       | (3 437)             | (7 362)             |
| Staff recruitment                    |       | -                   | (157 933)           |
| Staff welfare                        |       | (29 601)            | (22 731)            |
| Statistics                           |       | (2 032 278)         | (1 825 908)         |
| Subscriptions                        |       | (26 425)            | (105,015)           |
| Telephone and fax                    |       | (69 954)            | (76 669)            |
| Training                             |       | (18 560)            | (1 539)             |
| Transformation                       |       | (71 277)            | (107 779)           |
| Travel and subsistence               |       | (42 686)            | (57 099)            |
| Web page management                  |       | (183 804)           | (177 735)           |
|                                      |       | <b>(29 823 922)</b> | <b>(30 348 023)</b> |

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Summary of cost per broiler organisation

| Figures in Rand                   | 2024              | 2023              |
|-----------------------------------|-------------------|-------------------|
| <b>1. Broiler organisation</b>    |                   |                   |
| <b>Own expenses</b>               |                   |                   |
| AMIE                              | 1 462 482         | 2 091 045         |
| Brazil / Argentina threat         | -                 | 1 059 072         |
| Committee expenses                | 463 363           | 96 522            |
| Fairplay program                  | 5 119 500         | 5 003 957         |
| Galliova                          | 451 123           | 345 114           |
| IPC                               | 171 920           | 101 185           |
| Rebate on tariff legal work       | 17 640            | -                 |
| Genesis                           | 198 000           | -                 |
| Market enquiry                    | 460 166           | -                 |
| Trade mark                        | 39 586            | -                 |
| Vat Free campaign                 | 1 344 160         | -                 |
| Other assistance                  | -                 | 1 811 707         |
| Public relations                  | 123 870           | 793 132           |
| Trade research                    | 68 758            | 1 881 872         |
| EU, USA AD sunset review          | 35 838            | 2 884 460         |
| Rebate Apps Finlar BRM Matad      | -                 | 76 505            |
| Rebate investigation              | 3 099 139         | 247 900           |
| <b>Total</b>                      | <b>13 055 545</b> | <b>16 392 471</b> |
| <b>General projects</b>           |                   |                   |
| Communications                    | 59 086            | 46 155            |
| Data base maintenance             | 317 469           | 286 673           |
| PDMA expenses                     | 1 034 918         | 962 574           |
| Transformation                    | 3 377             | 86 223            |
| Statistics                        | 1 666 468         | 1 460 726         |
| Staff training                    | -                 | 1 232             |
| Web page maintenance              | 150 719           | 142 188           |
| <b>Total</b>                      | <b>3 232 037</b>  | <b>2 985 771</b>  |
| Salaries and administration share | 9 075 215         | 7 740 070         |
| <b>Grand total</b>                | <b>25 362 797</b> | <b>27 118 312</b> |

The supplementary information presented does not form part of the annual financial statements and is unaudited.

# THE SOUTH AFRICAN POULTRY ASSOCIATION

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Summary of cost per egg organisation

| Figures in Rand                   | 2024             | 2023             |
|-----------------------------------|------------------|------------------|
| <b>2. Egg organisation</b>        |                  |                  |
| <b>General projects</b>           |                  |                  |
| Communications                    | 12 970           | 11 539           |
| Data base maintenance             | 69 688           | 71 668           |
| PDMA expenses                     | 227 177          | 240,644          |
| Transformation                    | 741              | 21 556           |
| Statistics                        | 365 810          | 365 182          |
| Staff training                    | -                | 308              |
| Web page maintenance              | 33 085           | 35 547           |
| <b>Total</b>                      | <b>709 471</b>   | <b>746 444</b>   |
| Salaries and administration share | 3 165 388        | 2 433 997        |
| <b>Grand total</b>                | <b>3 874 859</b> | <b>3 180 440</b> |

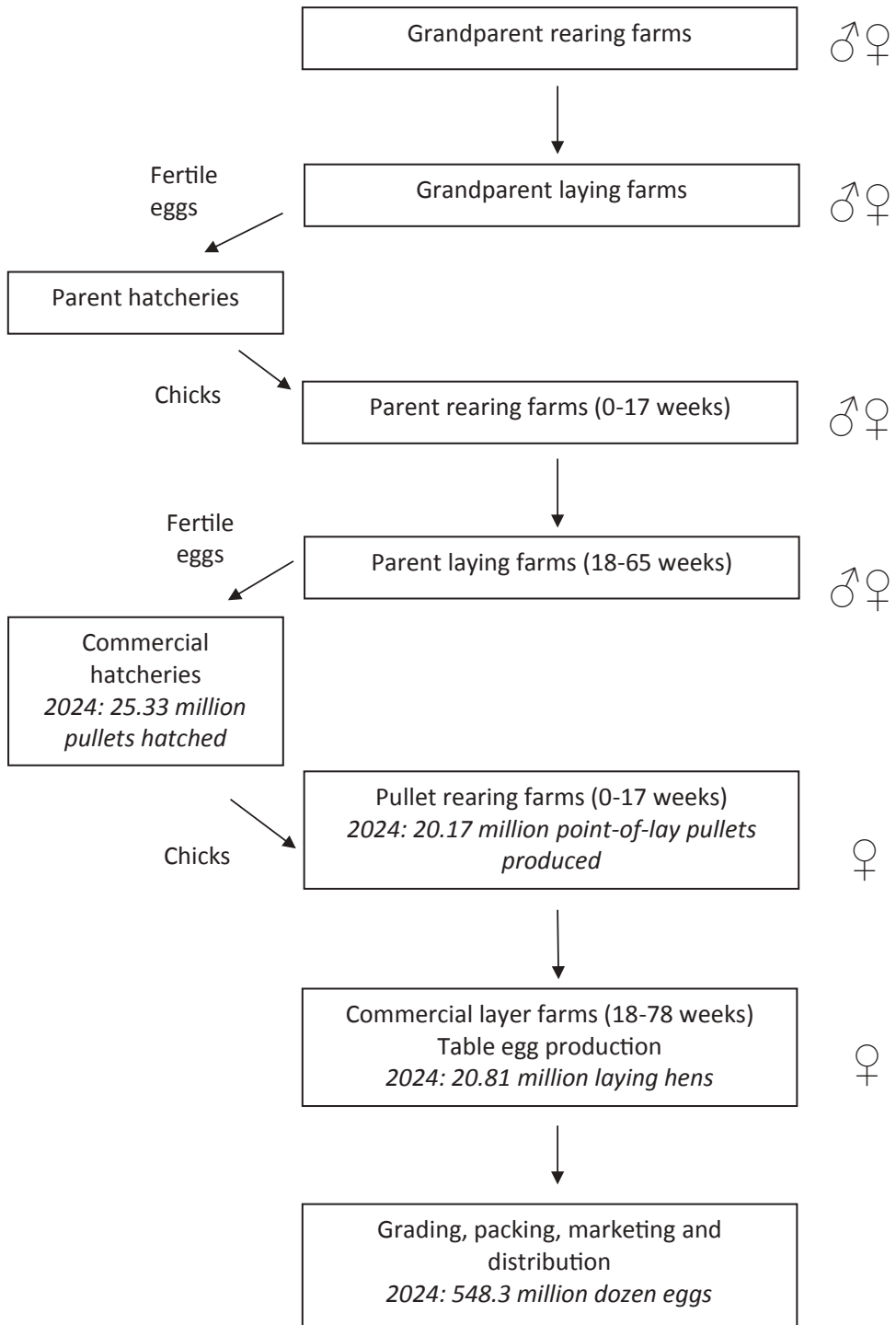
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# *Structures*



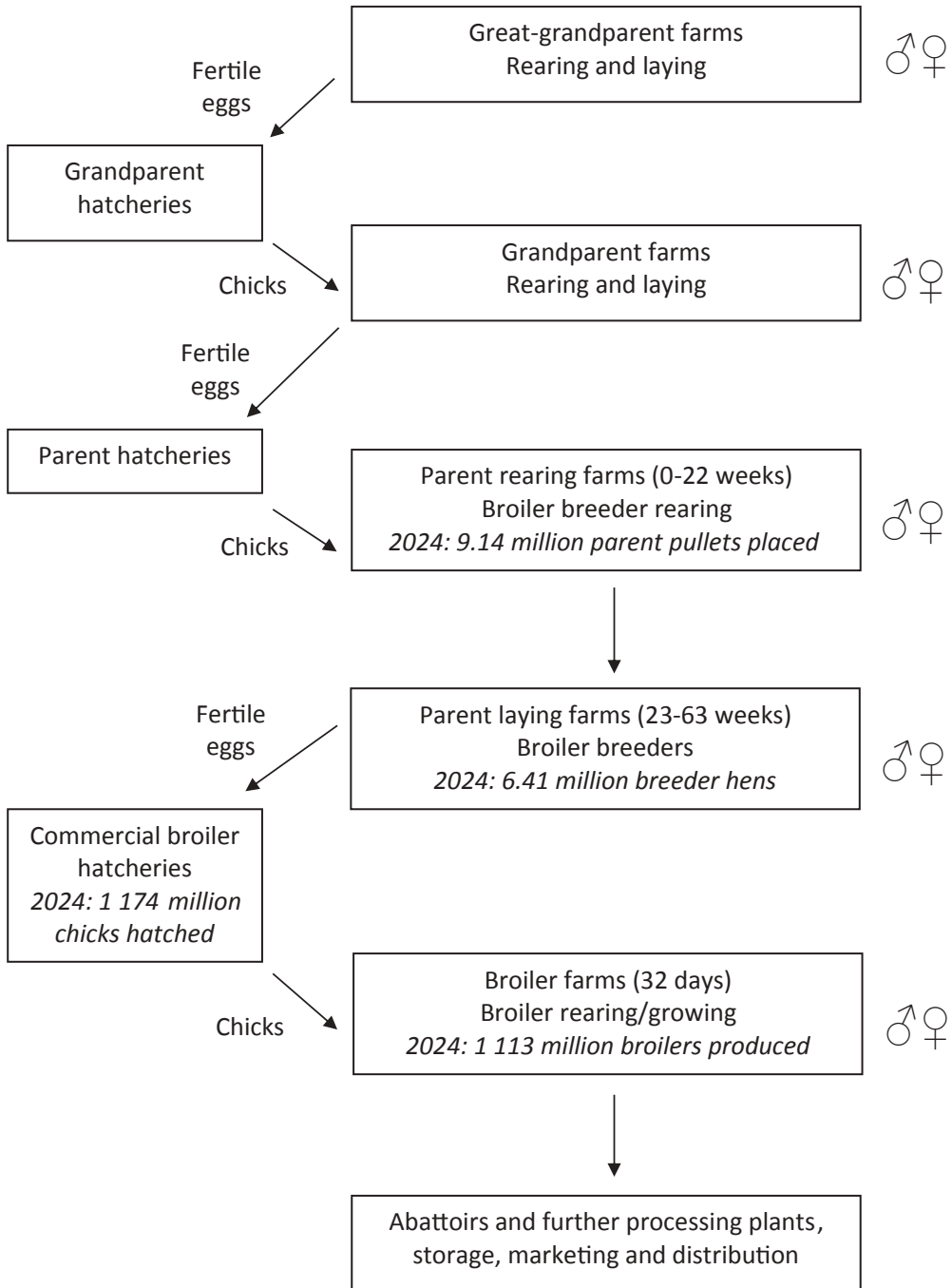
*"Embracing the future"*  
*Small footprint. Big impact.*

## Structure of the Egg Industry



Genetics: Dekalb, Hy-Line, H&N Silver Nick, Lohmann, indigenous

## Structure of the Broiler Industry



Genetics: Abilene, Arbor Acres, Indian River, Ross

***“Embracing the future”***  
***Small footprint. Big impact.***

**South African Poultry Association**

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