

A PROFILE OF THE SOUTH AFRICAN EGG INDUSTRY MARKET VALUE CHAIN

2013

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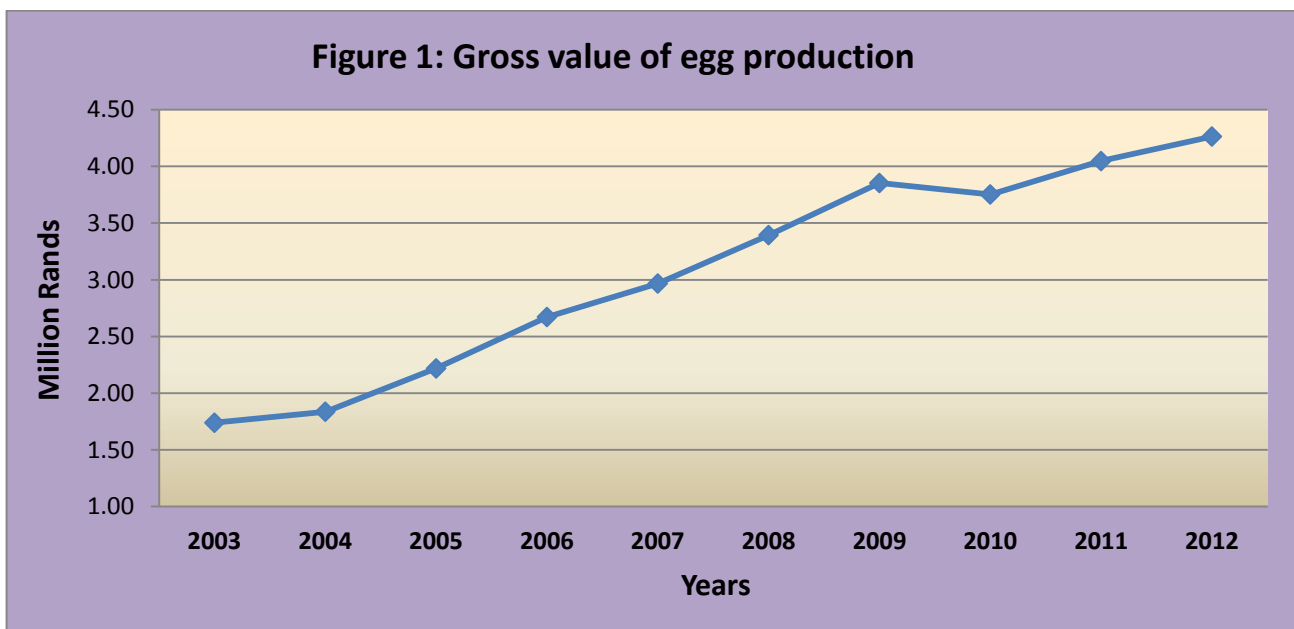
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1. DESCRIPTION OF THE INDUSTRY

The egg industry used to be controlled by the Egg Board which ceased to exist in 1993. Presently South African Poultry Association (SAPA) have organized majority of egg producers under Egg Producer, Chick Producer and Developing Poultry Producers organization. SAPA also launched “Eggs are Magic” marketing campaign to promote eggs.

The egg industry is fragmented with a few major players and a number of small and medium-sized producers. Egg production takes place throughout the country, and rearing of good quality pullets requires an extreme cold temperature; that is why KwaZulu–Natal midlands seems to be pullet rearing capital of South Africa. The laying cycle of chickens was extended by two weeks from 69 weeks to 71 weeks.

On average the annual gross turnover over the 10 year period was R 2.7 million at producer level retaining eggs as the 4th largest animal product in agriculture in South Africa. The contribution of eggs in terms of gross value of agricultural production is illustrated in Figure 1.



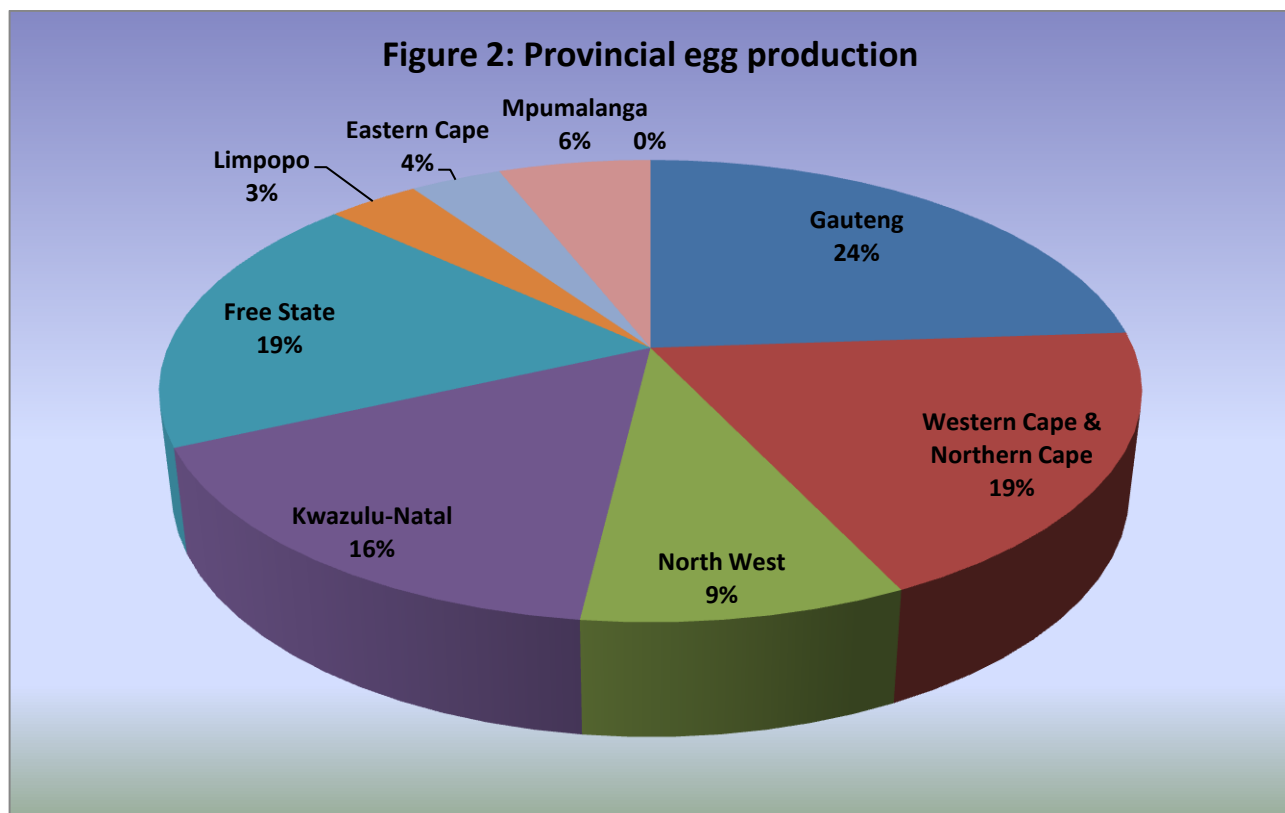
Source: SAPA

Figure 1 shows that the gross value of egg production in the country was increasing throughout the period under review. There is an increase of R2.1 million (129%) in 2011 compared to 2002. This was mainly due to production and price increases.

1.1. PRODUCTION AREAS

Eggs are produced throughout the country. The South African laying flock was estimated at 24.16 million hens in 2011, that is an increase of 4.6% compared to the flock in 2010. The total production of eggs amounted to 371 900 million cases per week in 2011. One case is equivalent to 30 dozen (360 eggs), so the total production of 2011 is estimated at 133.9 million eggs per week. This figure is based on 96% survival rate, 0.13% mortality

rate per week during the laying cycle. The laying cycle was extended by two weeks which will now starts at 18 weeks of age to 71 weeks of age. Eggs are produced at a feed conversion ratio of 2.2 kg per kg of egg. The contribution of various provinces to the total South African egg production is represented in Figure 2.



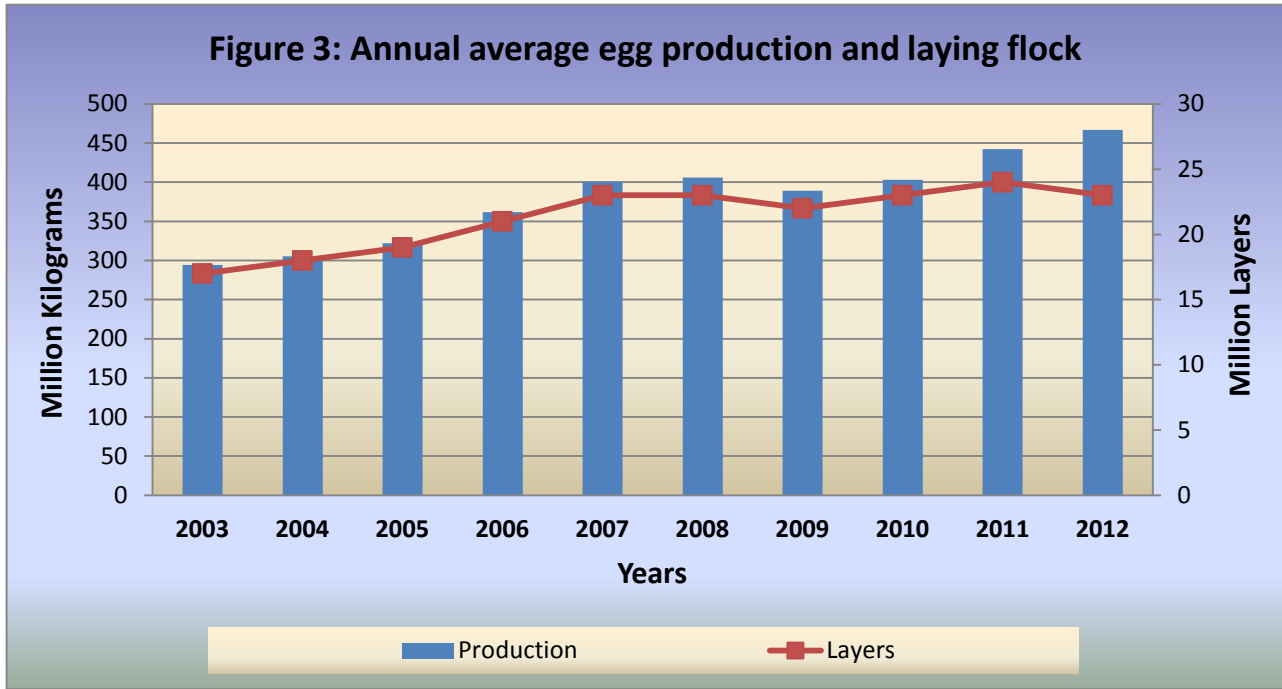
Source: *Statistics and Economic Analysis, DAFF*

Gauteng is the largest producer of eggs in South Africa with the market share of 24% followed by Western Cape, Free State and KwaZulu-Natal provinces with shares of 19%, 17% and 13% respectively. These four provinces account for 73% of the production while the remaining 5 provinces have a combined market share of 27%. This is because production follows consumption areas as eggs are perishable and cannot be transported for long distances.

1.2. PRODUCTION TRENDS

The egg production figures usually include hatching eggs with table eggs. Non-commercial or backyard flocks are not included. Commercial egg production is dominated by three producers, Eggbert, Nulaid and Highveld Cooperative. These three commands around 51% of the market share while the remaining 49% is produced by the Small, Medium and Micro enterprises (SMME's) and developing sector.

The average number of laying flock for 2011 was 241 600 000 hens which has an increased by 64 600 000 hens (36.5%) compared to 2002 flock. Production of eggs and laying hens over the past decade is illustrated in Figure 3 below.



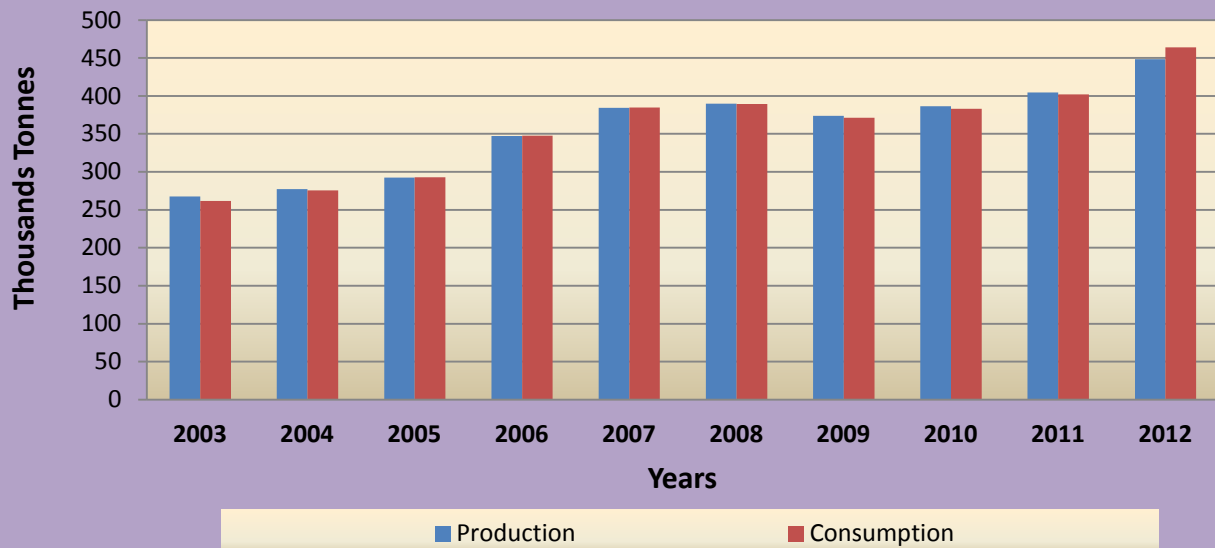
Source: SAPA

The production of eggs and number of laying hens moved at an increasing trend and they followed the same trends between the periods of 2002 to 2011. Production of eggs experienced an increase of 45% in 2011 relative 2002.

1.3. CONSUMPTION vs PRODUCTION

The two key factors impacting on the demand for eggs are population and real income growth. Other factors such as changing of life styles, egg production systems and health scares have a role to play in influencing demand but they are mainly evident in developed countries. In the developing countries, people are much less concerned about whether layers are kept in cages or not, or that eating eggs can have a negative impact on the blood cholesterol levels of a small proportion of the population but other taboos exist that impact negatively on egg consumption. Figure 4 depicts local consumption of eggs comparing it to the local production for each year to determine if the country is self sufficient in terms of eggs or not.

Figure 4: Production vs consumption of eggs



Source: SAPA

Figure 4 above indicates that the total production of eggs was slightly more than the total egg consumption during the periods 2002 to 2004 and 2008 to 2011. In 2005 consumption was equal to production and during 2006 and 2007 consumption was slightly higher than production. During 2002, 2003 and 2004 South Africans consumed 96%, 97% and 99% respectively of the local production and from 2008 to 2011 consumption rate was at 99% of the locally produced eggs. South Africa's egg production was almost sufficient for the local consumption. The demand factors are influenced by many reasons such as improving standards of living amongst the consumers, which push a large number of consumers towards protein filled diets. Other reasons include increased marketing by egg producers, price competitiveness relative to other proteins on the market and a still-low per capita consumption of eggs compared with other economies in the world.

1.4. EMPLOYMENT

The number of egg producers are estimated at about 1 821 (of which 267 are commercial and 1554 constitutes of emerging farmers) and they own nearly 22 230 000 laying hens and employed about 5 011 workers, 530 supervisors and 300 managers during 2011.

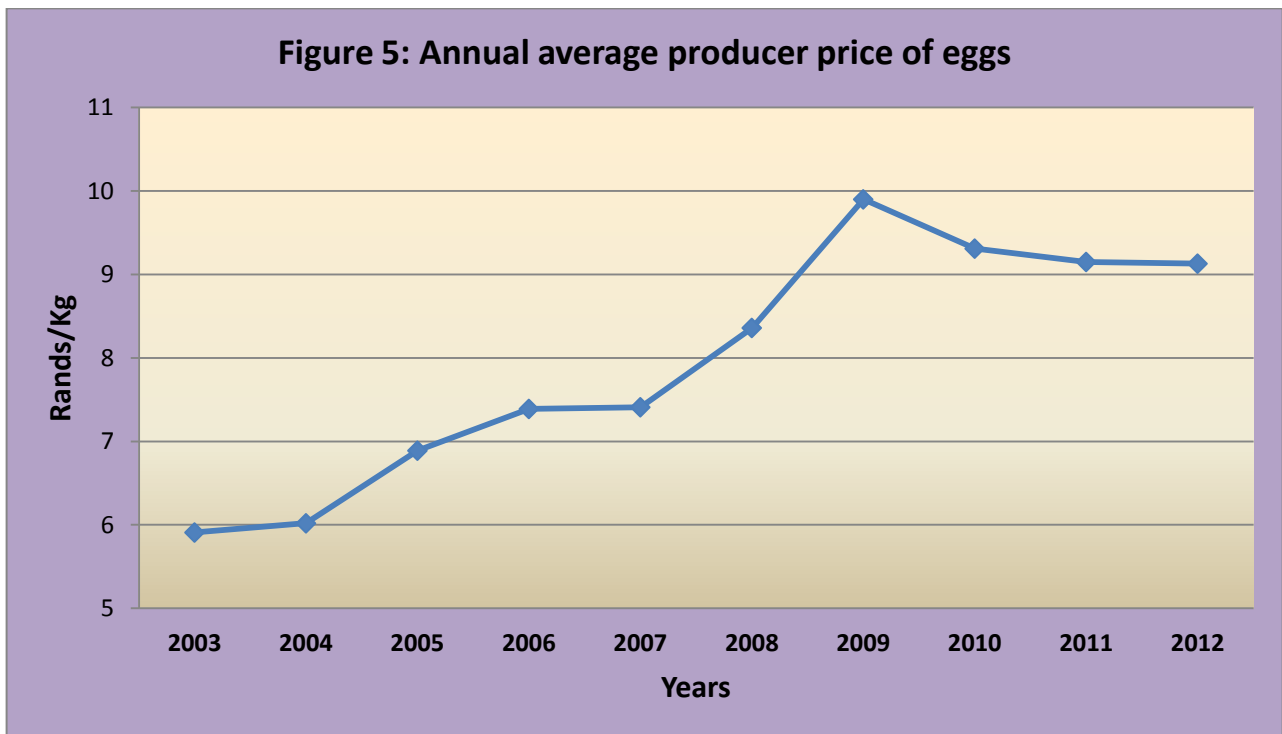
1.5. IMPACT TO THE FEED SECTOR

Egg industry is one of the main customers of the Animal Feed Manufacturers Association (AFMA). According to the AFMA annual reports of April 2011 to March 2012 poultry industry commanded around 67% of AFMA production. Egg industry consumes around 861 482 tons of feed during 2011/2012 period. Employment in the feed industries is estimated at 2 500 workers.

2. MARKET STRUCTURE

2.1. DOMESTIC MARKET AND PRICES

The domestic market consists of 5 main retailers (Pick 'n Pay, Shoprite-Checkers, Spar, Woolworths and MassMart) and SMME's in the retail sector. These retailers buy the largest share of domestic production. In terms of production, commercial egg industry is stable by nature, meaning that, although demand may decrease or increase, supply remains relatively stable as a result of the lengthy production cycle. A small excess supply lead to a rapid price decrease and a small supply shortfall will be reflected in a rapid price increase. In order to manage this imbalance between supply and demand, producers determine the price of their commercial eggs weekly, on a Monday, by taking into account the number of eggs sold in retail stores during the previous week. The producer price of eggs over the past decade is illustrated in Figure 5.



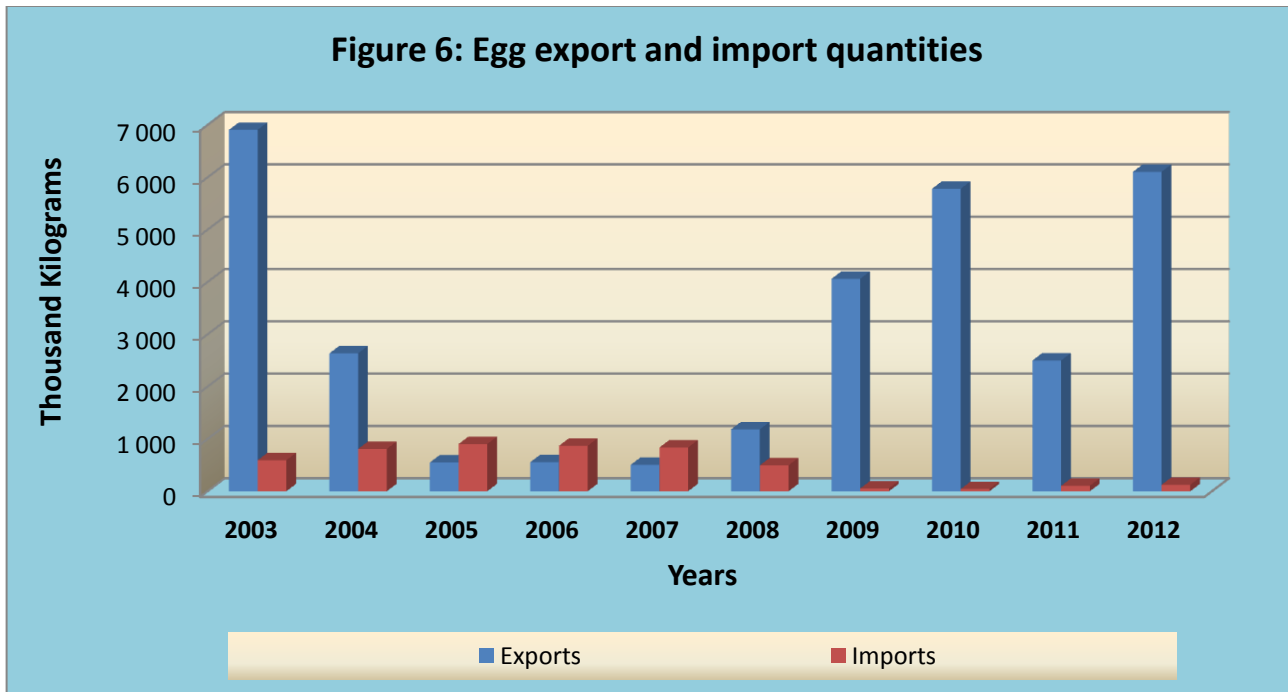
Source: SAPA

The price of eggs increased continuously throughout the production years and reached the peak of R9.90 per Kg in 2009. This increase might have caused by the high feed prices, although there was a decrease of 11% of feed cost in 2010 the feed prices are still high following the increase of 32% experienced in 2008. There is an increase of R3.35/Kg (58%) in 2011 compared to 2002.

2.2. IMPORT – EXPORT ANALYSIS

Imports in South Africa are largely exchange rate driven while exports are mainly affected by sanitary rules that countries like EU and USA apply. Figure 6 compares volumes of imports and exports of eggs from 2002 to 2011.

Figure 6: Egg export and import quantities



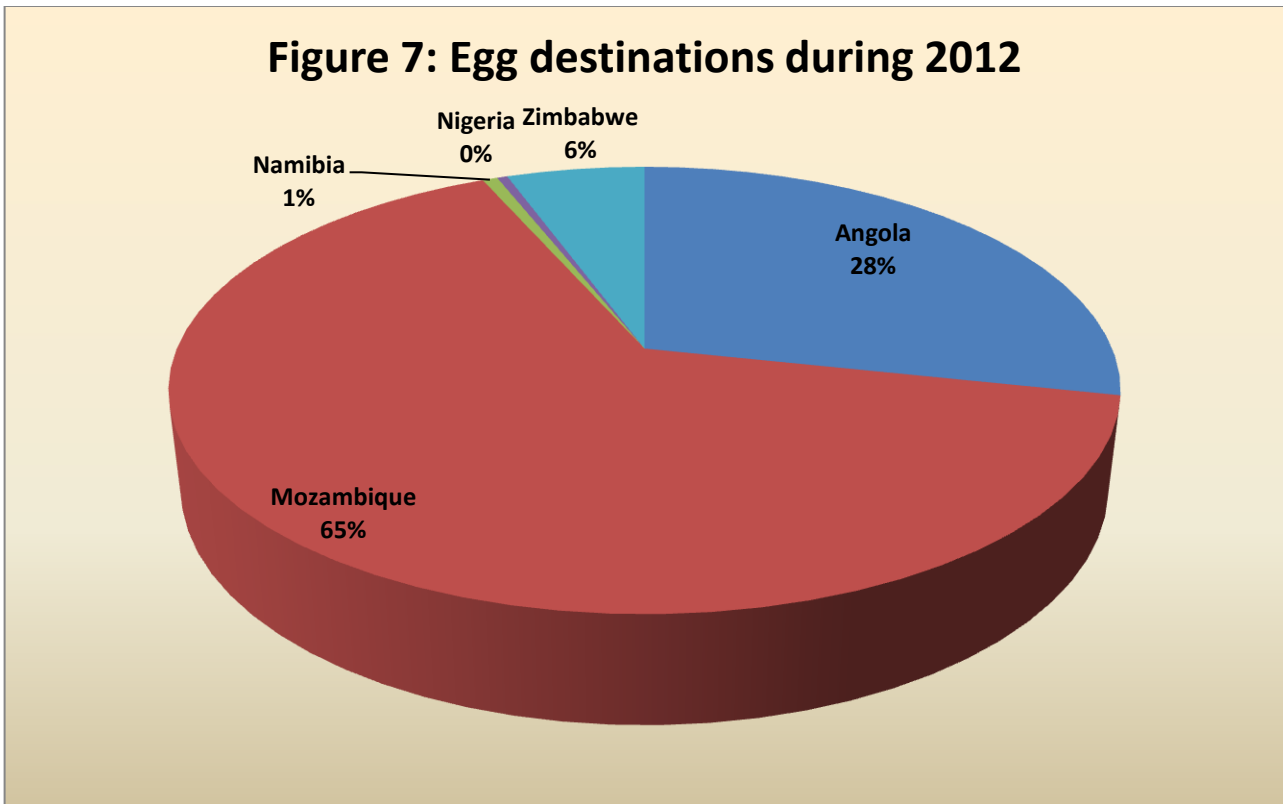
Source: Quantec Easydata

Figure 6 shows that export volume far exceeded import volume from 2002 to 2004. From the year 2005 to 2007 the situation changed when imports exceeded exports but they were effectively below 1000 tons. However during the year 2008 to 2011, export volumes became higher than import volumes again but with a very low margin of 1,183,766 kg which gradually increased to 5,782,313 kg in 2010 and decreased to 2,499,781 kg in 2011. Generally, there is no need for South Africa to import eggs because the local production is sufficient to cater for the local demand.

2.2.1. EXPORTS OF EGGS

Eggs are exported in a shell and as yolks (liquid and dried). Figure 7 show the export destinations of eggs during 2011.

Figure 7: Egg destinations during 2012

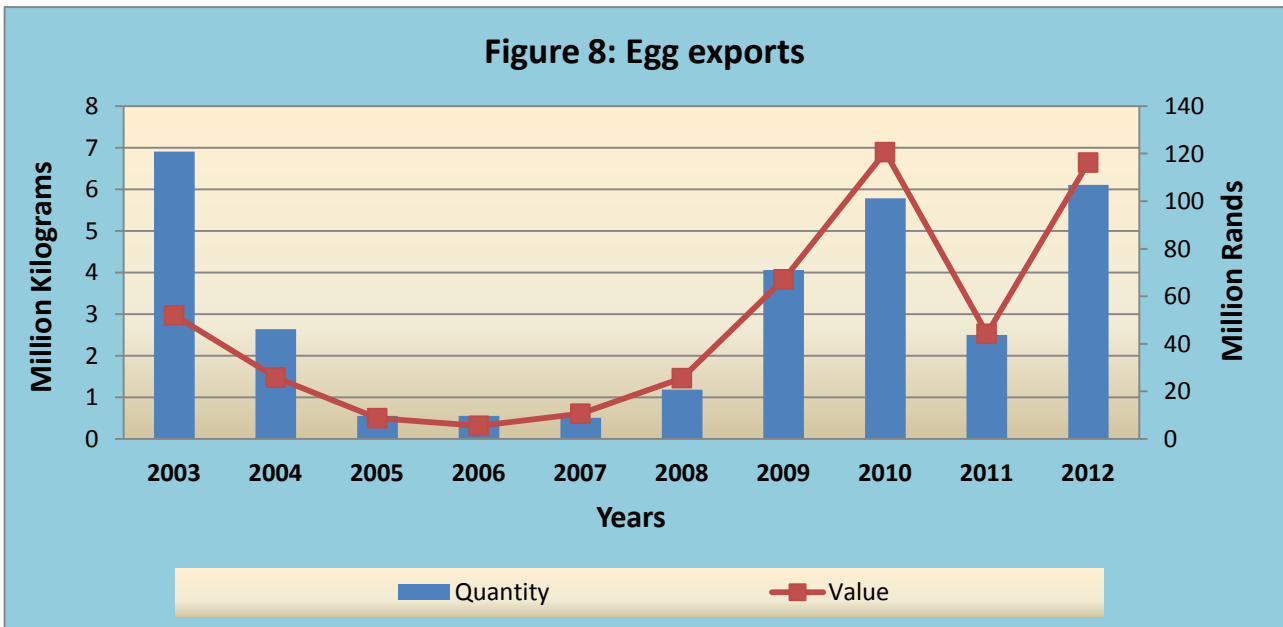


Source: Quantec Easydata

Mozambique was the main importers of South African eggs during 2011. It commanded 84% of South African eggs during 2011 followed at a distance by Angola accounting for 10%. Zimbabwe dropped from being the greatest importer (45%) of South African eggs in 2010 to being the second least importer with a share of 5% during 2011. Kenya had a share of 1% in the export market of South African eggs.

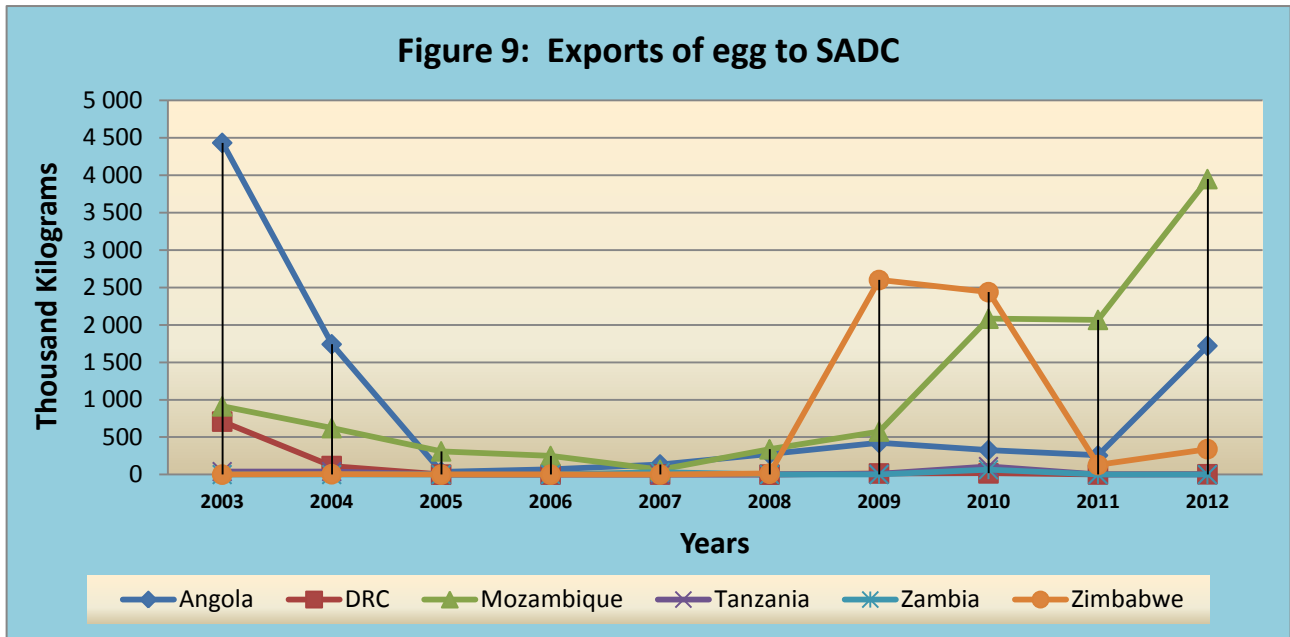
South Africa exported around 35.7 million kg of eggs valued at R453m during the past decade. Figure 8 show exports from 2002 to 2011.

Figure 8: Egg exports



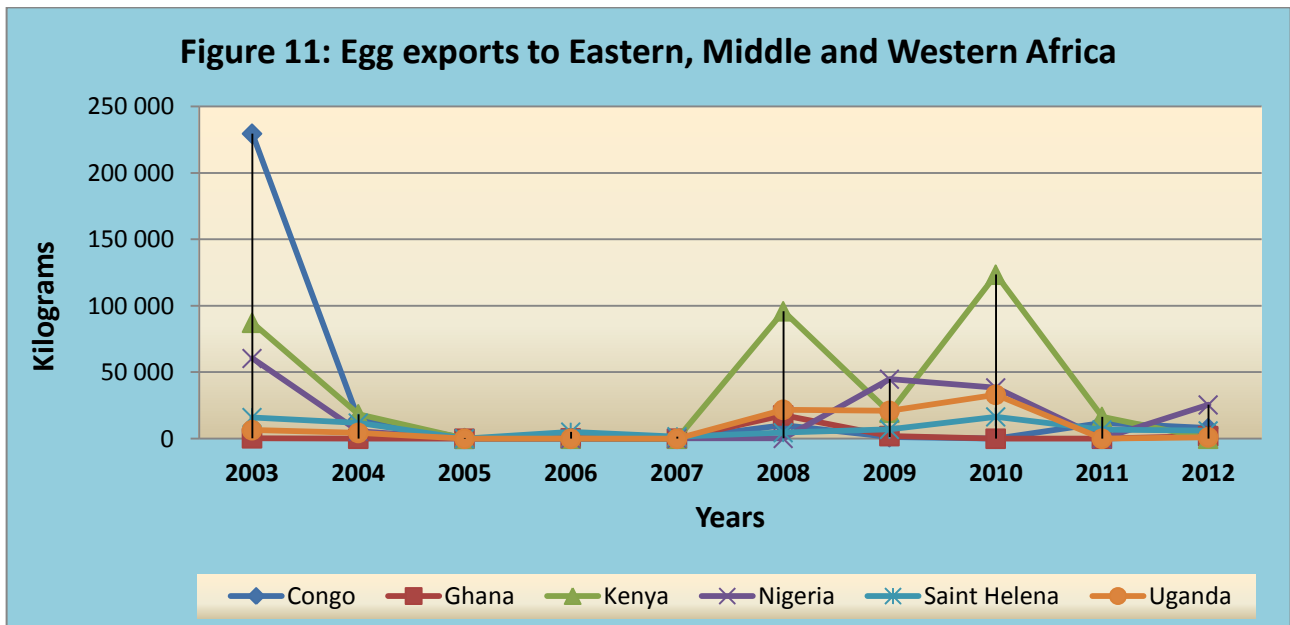
Source: Quantec Easy data

Figure 6 indicates that exports (quantity & value) reached the peak in 2002 and decreased drastically from 2003 to 2007 and increased gradually from 2009 to 2010 before dropping again in 2011. Both exports quantity and value has been following the same trend throughout the period under review but from 2005 to 2011 it was more profitable to export eggs because less quantity has been exported with high value. This might be the impact the weaker South African rand compared to US dollars.



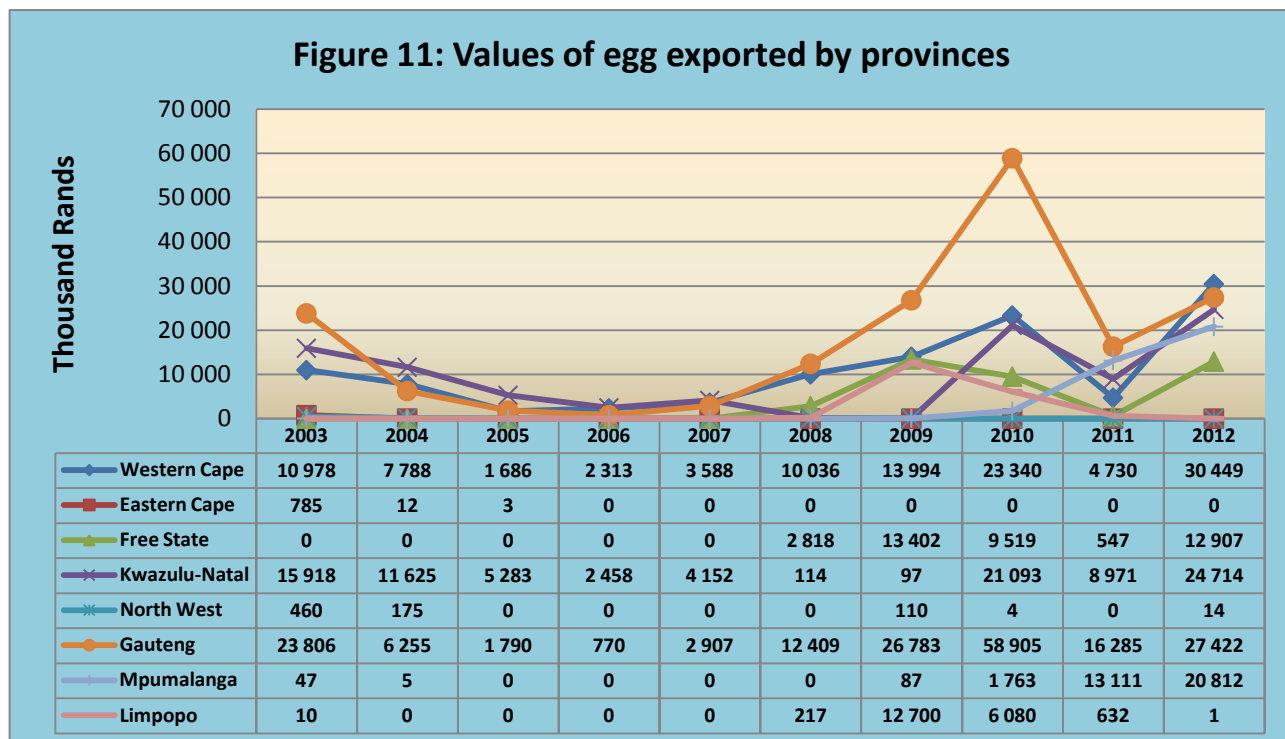
Source: Quantec Easydata

It is clearly indicated from figure 9 above that within SADC majority of South African egg were exported to Angola, Mozambique and Zimbabwe. Angola commanded the highest market shares of eggs from 2001 to 2004 and 2007; Mozambique received the greatest shares during the periods 2005 to 2006, 2008 and 2011 while Zimbabwe was the highest during 2009 to 2010. Generally Angola commanded 51% shares of South African egg market Mozambique by 27% and Zimbabwe by 17% during the period under review.



Source: Quantec Easydata

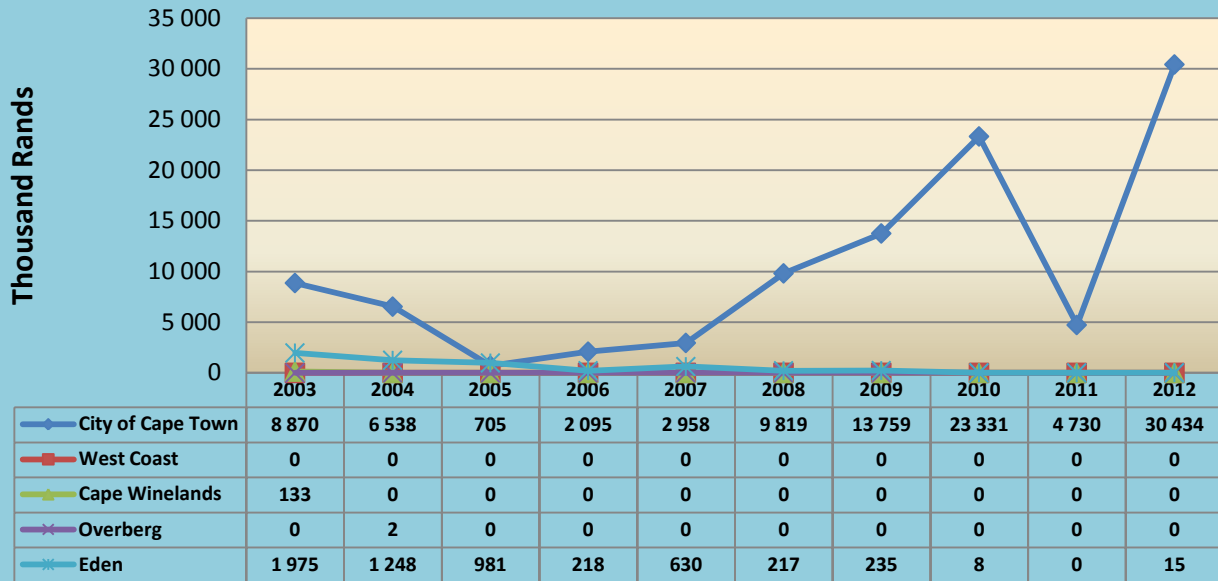
From the other parts of Africa Congo, Kenya, Saint Helena and Nigeria at some stage during the decade imported more South African eggs. Congo which in the middle Africa reported the highest share during the periods 2002 – 2003 and 2005. Kenya from Eastern Africa was the highest during 2004, 2008 and 2010-2011. During 2006 and 2007 the highest shares went to Saint Helena and Nigeria took the lead during 2009. The value of egg exports from regions are represented from Figure 11 to Figure 19.



Source: Quantec Easydata

Figure 12 illustrates that during the past decade Gauteng Province commanded the highest egg exports share with a total of R 205,187,028 followed at a distant by KwaZulu Natal Province (R 93,050,729) and Western Cape by R 85,237,229. This may be due to the fact that these provinces are exit points and they are also main production centers. The highest export value was experienced in 2002 and 2010 by Gauteng Province. The year 2002 recorded high export values from provinces but it was followed by continuous declines until they show steady increases from 2008 to 2010 and dropped again in 2011.

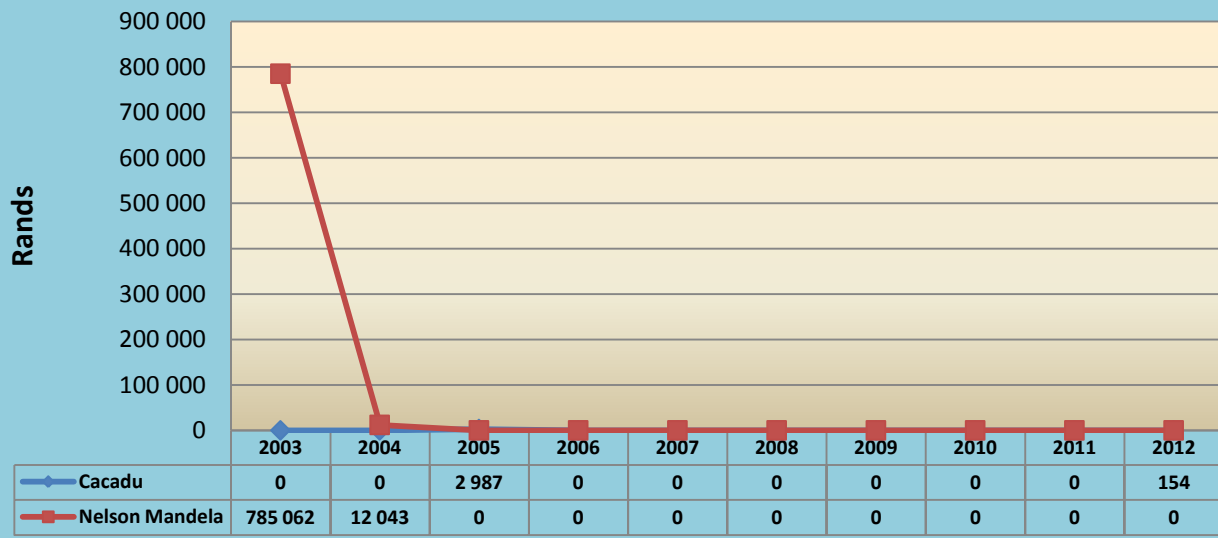
Figure 12: Values of egg exported by Western Cape province



Source: Quantec Easydata

Exports of eggs originating from the Western Cape are mainly from the City of Cape Town and to a lesser extent Cape Winelands. City of Cape Town recorded the highest values throughout the period under review except only in 2005 where Eden recorded the highest. This is because City of Cape Town is the main exit point within the province. Intermittent exports were recorded from Cape Winelands district municipality. Cape Winelands recorded exports of eggs from 2002 to 2003 and diminished during the following years. Eden district municipality recorded exports regularly from 2002 to 2010 and diminished in 2011.

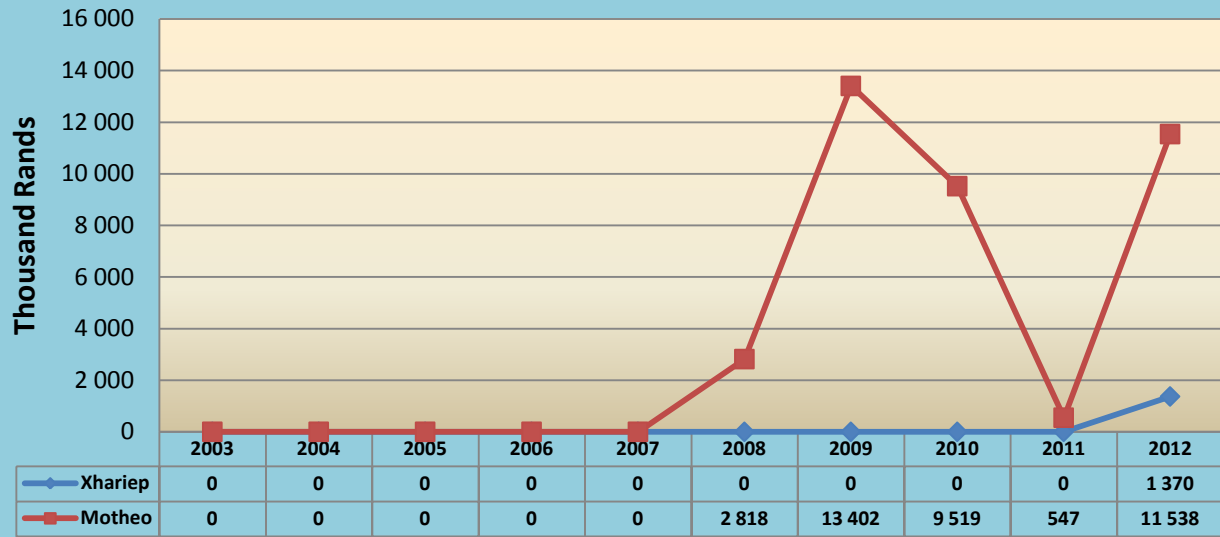
Figure 13: Values of egg exported by Eastern Cape province



Source: Quantec Easydata

In the Eastern Cape province, intermittent exports of eggs were from the Nelson Mandela metropolitan municipality, Cacadu and Amatole district municipalities. There were no records of exports from 2006 to 2011 in Eastern Cape province. Cacadu district municipality recorded exports of eggs in 2005 only and Amatole district municipality exported only in 2002 while Nelson Metropolitan municipality exported during 2002 to 2004.

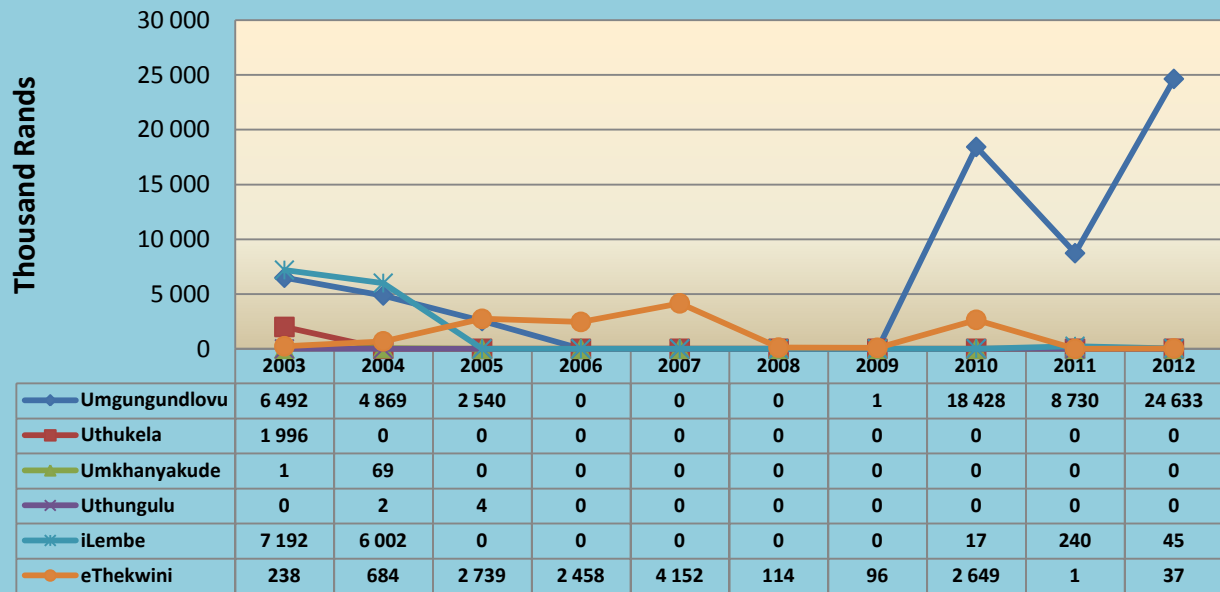
Figure 14: Values of egg exported by Free State province



Source: Quantec Easydata

Exports from the Free State Province were originating mainly from Motheo district municipality. However between the years 2003 and 2007, there were no exports recorded from Free State Province. Exports from Motheo district municipality reached a peak of R 13,402,218 in 2009 and decreased drastically thereafter.

Figure 15: Values of egg exported by Kwa-Zulu Natal province

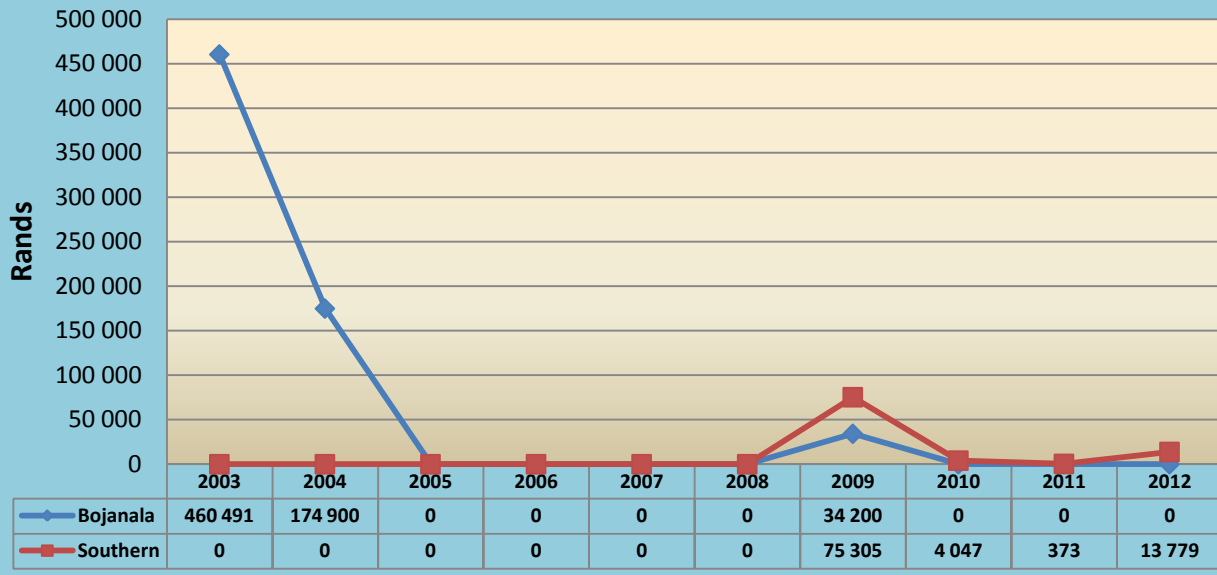


Source: Quantec Easydata

Exports of eggs from KwaZulu–Natal were mainly originating from Umgungundlovu, iLembe and eThekwini district municipalities. Umgungundlovu recorded intermittent egg exports during the period under analysis but it recorded the highest export value of R46,546,293 during the past decade followed by iLembe district municipality by R 24, 096, 821 and eThekwini which recorded continuous exports was the third highest with R

13, 244, 468. KwaZulu-Natal Province recorded regularly but all municipalities within the Province exported fractionally.

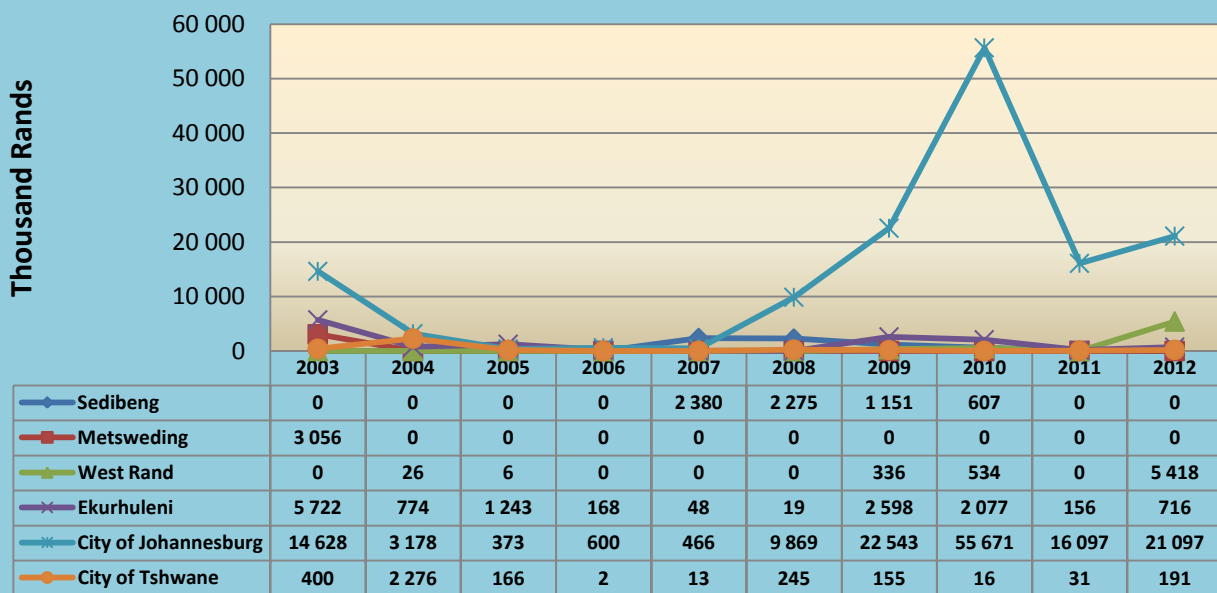
Figure 16: Values of egg exported by North West province



Source: Quantec Easydata

Figure 17 indicates that in North West Province, Bojanala district municipality exported eggs from 2002 to 2004 and they diminished from 2005 into 2008 before resuming again in 2009 and diminished again for the last two years. Southern district started to display records of egg exports values from 2009 to 2011 although moved at a decreasing trend.

Figure 17: Values of egg exported by Gauteng province

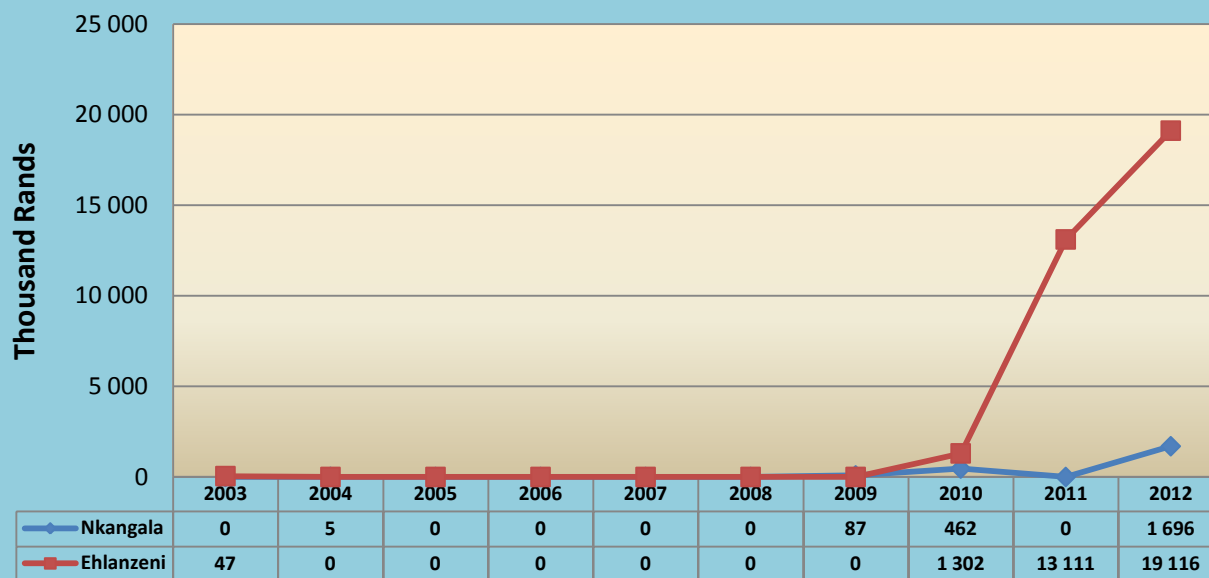


Source: Quantec Easydata

Exports from Gauteng Province were originating mainly from City of Johannesburg as illustrated in Figure 18 above. City of Johannesburg recorded the highest egg exports values during the periods 2002 to 2004, 2006

and 2008 to 2011. City of Johannesburg reached the highest record of R 55, 671,268 during 2010. Regular egg exports were also recorded from City of Tshwane and Ekurhuleni district municipalities and irregular values were recorded from Sedibeng, Metsweding and West Rand district municipalities.

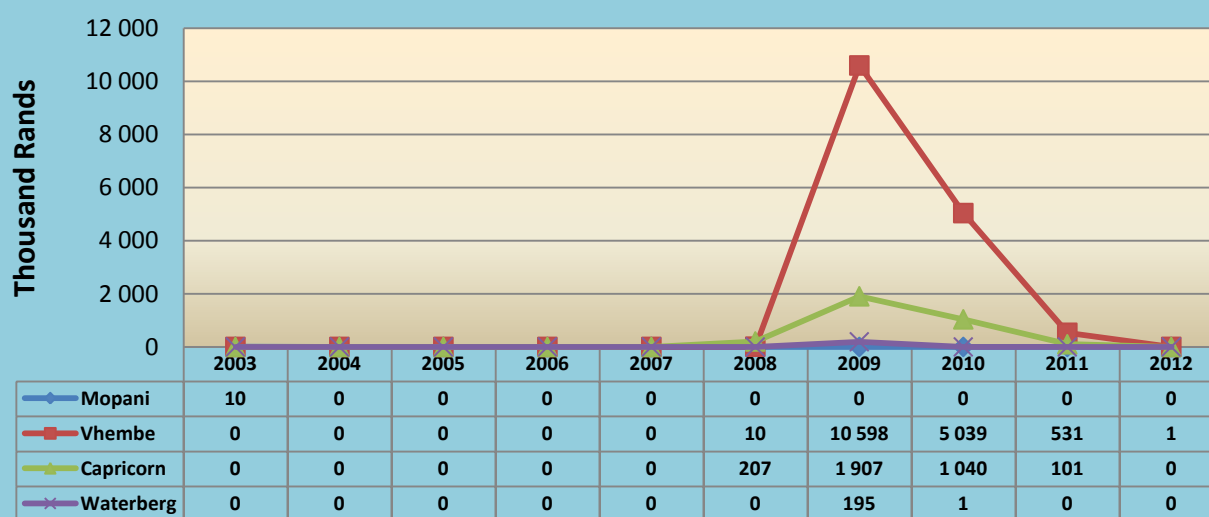
Figure 18: Values of egg exported by Mpumalanga province



Source: QuantecEasy data

Figure 19 show that Mpumalanga Province recorded irregular exports throughout the period under review from Nkangala and Ehlanzeni district municipalities. The highest exports value of R 13, 111 321 was recorded from Ehlanzeni municipality in 201 and Nkangala municipality recorded the highest value of R 87, 030 in 2009.

Figure 19: Values of egg exported by Limpopo province



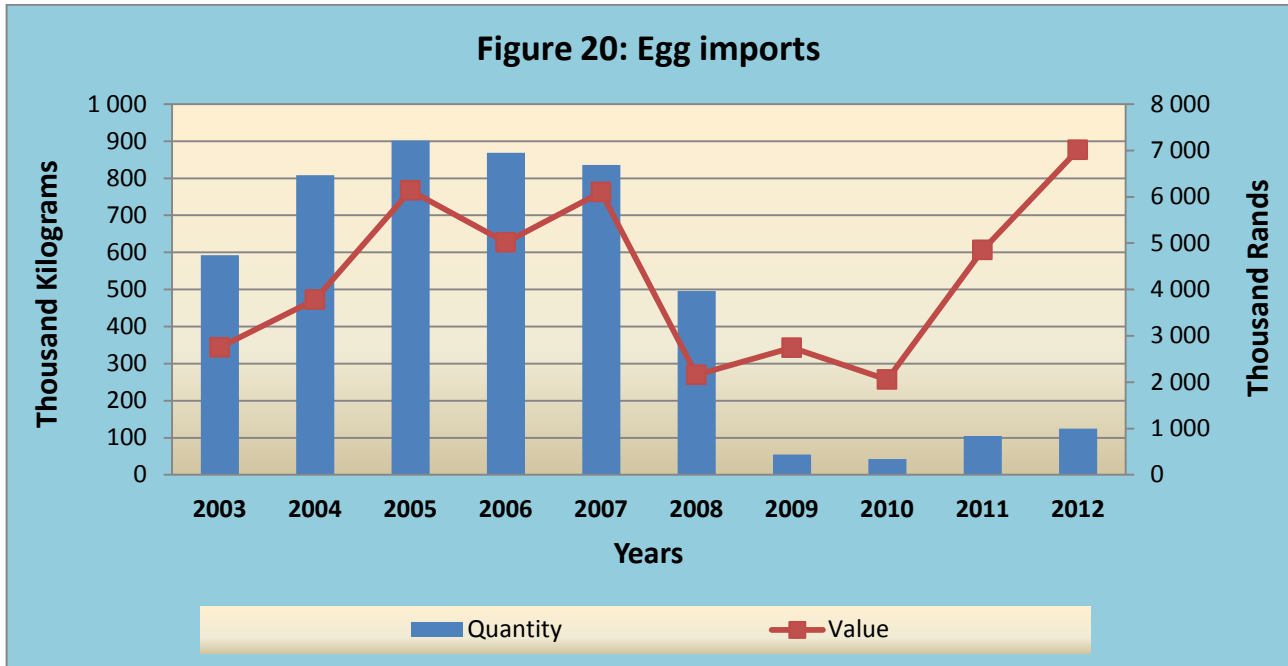
Source: Quantec Easydata

Figure 20 shows that Limpopo province made irregular exports from 2003 to 2011 from four districts (Mopani, Vhembe, Capricorn and Waterberg). There was a sharp increase from Vhembe district municipality in 2009

reaching the peak of R 10,598,342. Generally, there were improved records of egg exports from Limpopo Province in 2009. There is a decrease of values by 95% in 2011 compared to 2009 which was the highest.

2.2.2. IMPORTS OF EGGS

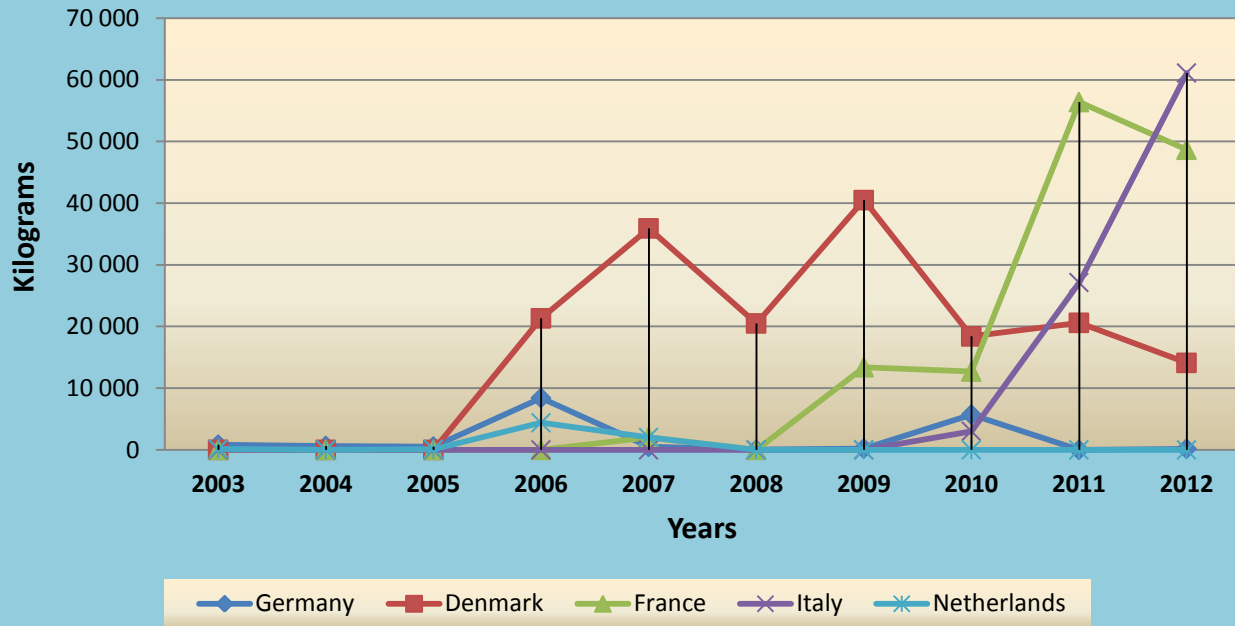
Eggs are imported in a shell and as yolks (liquid or dried). Figure 21 below shows the import of eggs from 2002 to 2011.



Source: Quantec Easydata

Figure 21 shows that egg imports (quantity & value) by South Africa moved in an increasing trend from 2002 to 2005 before a constant decrease from 2006 to 2010. It was generally less expensive for South Africa to import eggs during 2002 to 2005 and 2006 but extremely expensive to import eggs during 2008 to 2011 where very less quantity were imported with a high value.

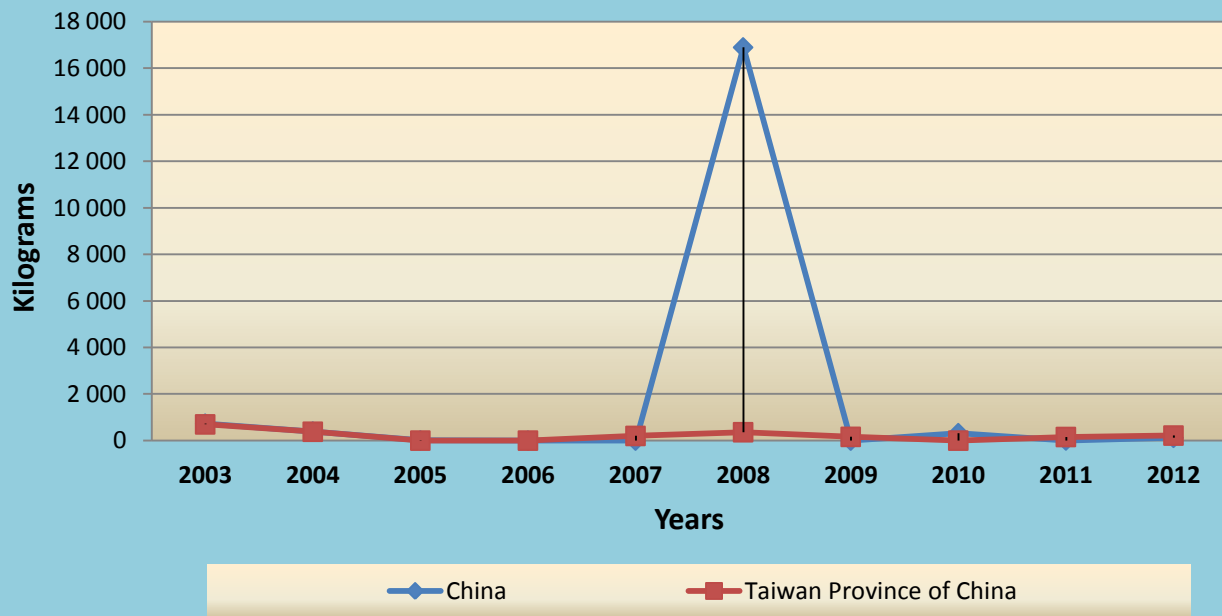
Figure 21: Egg imports from EU



Source: Quantec Easydata

It is clearly indicated from figure 22 that the highest egg imports from the European Union countries to South Africa were from Denmark which commanded the highest import shares from 2006 to 2010. During the same period Germany and France competed for the second greatest commander of South African import market. Denmark exported a total of 157,230 kilograms of eggs to South Africa during the period under analysis followed by France with 84,525 Kg then Germany by 17,798 Kg.

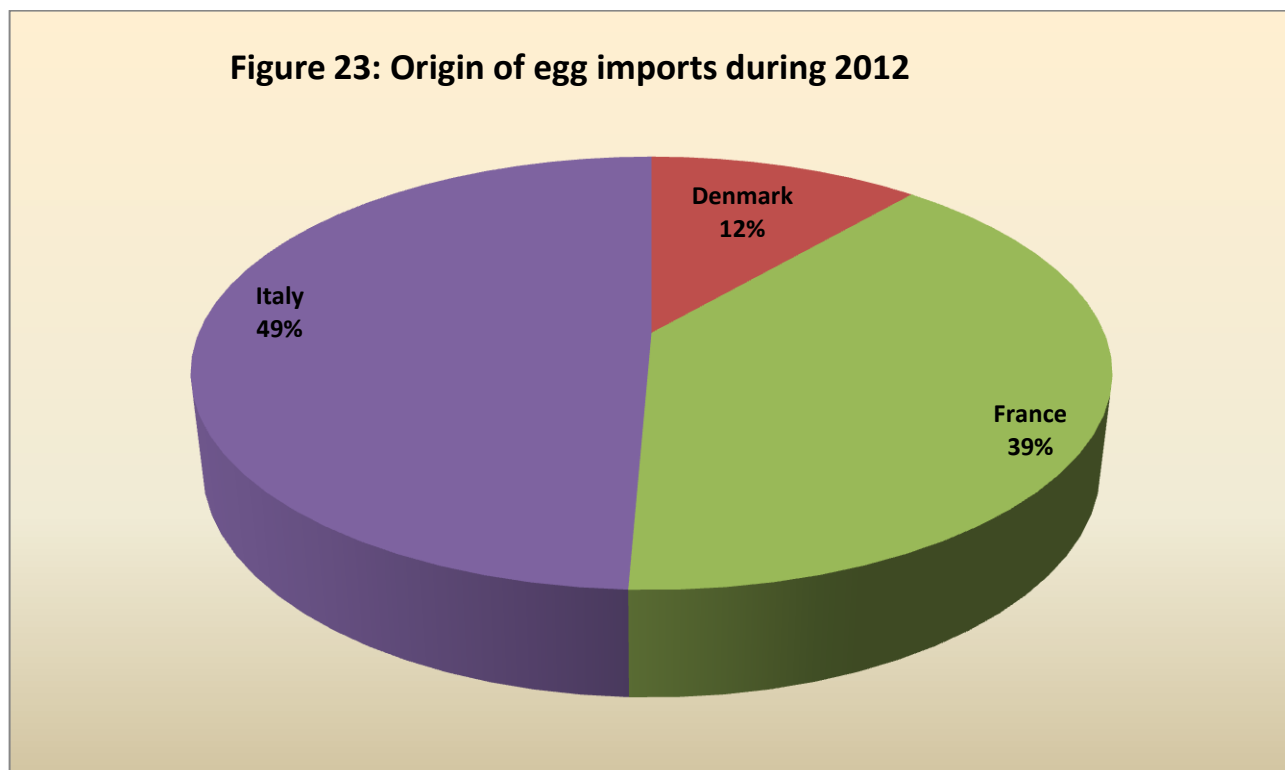
Figure 22: Egg imports from Asia



Source: Quantec Easydata

Figure 23 displays fluctuations of egg imports from Asian countries with the highest egg imports from Taiwan in 2002, 2007 and 2011 while Hong Kong commanded the highest in 2009 and China in 2003 to 2005, 2008 and 2010. The sharp increase of 16,897 Kg of eggs imported was experienced during 2008 from China. Figure 24 below shows countries of origin for eggs imported by South Africa during 2011.

Figure 23: Origin of egg imports during 2012



Source: Quantec Easydata

European Union countries were the main supplier of eggs to South Africa during 2011. France accounted for 54% and 26% was from Italy while France accounted for 20% shares of South African egg imports market.

3. SHARE ANALYSIS

3.1. Export share analysis of eggs

The shares of the various provinces to the total South African exports of eggs during the past ten years are presented in Table 1.

Table 1: Export share analysis of eggs from provinces

Years Province	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Western Cape	21.11	30.12	19.25	41.74	33.70	39.21	20.83	19.34	10.68	26.18
Eastern Cape	1.51	0.05	0.03	0.00	0	0	0	0	0	0
Free State	0	0	0	0	0	11.01	19.95	7.89	1.23	11.10
KwaZulu-Natal	30.61	44.95	60.30	44.36	38.99	0.45	0.14	17.48	20.26	21.25
North West	0.89	0.68	0	0	0	0	0.16	0.00	0.00	0.01
Gauteng	45.78	24.19	20.42	13.89	27.30	48.48	39.87	48.80	36.78	23.57
Mpumalanga	0.09	0.02	0.00	0	0	0	0.13	1.46	29.61	17.89

Years Province	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Limpopo	0.02	0	0	0	0	0.85	18.91	5.04	1.43	0
Total	100	100	100	100	100	100	100	100	100	100

Source: Quantec Easydata

Table 1 indicates that Gauteng province commanded the greatest share of egg exports during the past decade followed by KwaZulu–Natal and Western Cape provinces. This is because they are the main production centers and are also exit points for exports. However fractional exports of eggs occurred in Eastern Cape, Free State, North West, Mpumalanga and Limpopo Provinces. There are no records for egg exports from Northern Cape Province.

Table 2: Export share analysis of eggs from Western Cape Province

Years Districts	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City of Cape Town	80.80	83.95	41.80	90.58	82.45	97.84	98.32	99.96	100	99.95
West Coast	0	0	0	0	0	0	0	0	0	0
Cape Winelands	1.21	0	0	0	0	0	0	0	0	0
Overberg	0	0.02	0.01	0	0	0	0	0	0	0
Eden	17.99	16.03	58.19	9.42	17.55	2.16	1.68	0.04	0	0.05
Total	100	100	100	100	100	100	100	100	100	100

Source: Quantec Easydata

City of Cape Town metropolitan municipality commanded the greatest shares of eggs exports from Western Cape Province. This is because it is the main exit point in the Western Cape Province. Eden and Cape Winelands district municipalities recorded irregular exports throughout the decade. Eden started the decade with regular exports and diminished in 2011.

Table 3: Export share analysis of eggs from Eastern Cape Province

Years Districts	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cacadu	0	0	100	0	0	0	0	0	0	100
Nelson Mandela	100	100	0	0	0	0	0	0	0	0
Total	100	100	100	0	0	0	0	0	0	100

Source: Quantec Easydata

In the Eastern Cape province, Nelson Mandela metropolitan municipality commanded the greatest shares of egg exports from 2001 to 2004 while Cacadu district municipality commanded the greatest shares only in 2005. All municipalities recorded fractional exports and there were no exports records from 2006 to 2011.

Table 4: Export share analysis of eggs from Free State Province

Years Districts	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Xhariep	0	0	0	0	0	0	0	0	0	10.61
Motheo	0	0	0	0	0	100	100	100	100	89.39
Total	0	0	0	0	0	100	100	100	100	100

Source: Quantec Easydata

In the Free State Province, exports of eggs occurred from the Motheo district municipality during the period 2002 and diminished from 2003 to 2006 and resuming in 2007 to 2011.

Table 5: Export share analysis of eggs from KwaZulu–Natal Province

Years Districts	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Umgungundlovu	40.78	41.88	48.07	0	0	0	1.14	87.36	97.32	99.67
Uthukela	12.54	0	0	0	0	0	0	0	0	0
Umkhanyakude	0.00	0.59	0	0	0	0	0	0	0	0
Uthungulu	0	0.01	0.08	0	0	0	0	0	0	0
iLembe	45.18	51.63	0	0	0	0	0	0.08	2.67	0.18
eThekwini	1.49	5.88	51.85	100	100	100	98.86	12.56	0.01	0.15
Total	100	100	100	100	100	100	100	100	100	100

Source: Quantec Easy data.

In the KwaZulu–Natal Province, egg exports shares dominated by Umgungundlovu, eThekwini and iLembe district municipalities although they recorded exports of eggs irregularly. The least exporting district municipalities were Uthugela, Umkhanyakude and Uthungulu.

Table 6: Export share analysis of eggs from North West Province

Years Districts	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Bojanala	100	100	0	0	0	0	31.23	0	0	0
Southern	0	0	0	0	0	0	68.77	100	100	100
Total	100	100	0	0	0	0	100	100	100	100

Source: Quantec Easydata

Bojanala district municipality commanded 100% shares of egg exports originating from North West Province during 2002 to 2004 and diminished from 2005 into 2008, before resuming in 2009 with the share of 31% and diminished during 2010 and 2011. Southern district municipality displayed a share of 69% in 2009 and commanded 100% in 2010 and 2011.

Table 7: Export share analysis of eggs from Gauteng Province

Years District	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Sedibeng	0	0	0	0	81.87	18.33	4.30	1.03	0	0.00
Metsweding	12.84	0	0	0	0	0	0	0	0	0
West Rand	0	0.42	0.36	0	0	0	1.26	0.91	0	19.76
Ekurhuleni	24.04	12.37	69.48	21.78	1.66	0.16	9.70	3.53	0.96	2.61
City of Johannesburg	61.45	50.81	20.87	77.92	16.03	79.53	84.17	94.51	98.85	76.93
City of Tshwane	1.68	36.40	9.29	0.30	0.43	1.98	0.58	0.03	0.19	0.70
Total	100	100	100	100	100	100	100	100	100	100

Source: Quantec Easy data.

In Gauteng Province, City of Johannesburg, Ekurhuleni and Sedibeng district municipalities commanded the greatest shares of exports of eggs during the period under review. However, irregular exports occurred from Sedibeng, Metsweding and West Rand district municipalities.

Table 8: Export share analysis of eggs from Mpumalanga Province

Years Districts	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Nkangala	0	100	0	0	0	0	100	26.18	0	8.15
Ehlanzeni	100	0	0	100	0	0	0	73.82	100	91.85
Total	100	100	0	100	0	0	100	100	100	100

Source: Quantec Easydata

From Mpumalanga Province, fractional exports of eggs occurred from Nkangala and Ehlanzeni district municipalities and they both diminished during the periods 2002, 2005, 2007 to 2008. Ehlanzeni district municipality became the greatest exporter followed at a distance by Nkangala district municipality.

Table 9: Export share analysis of eggs from Limpopo Province

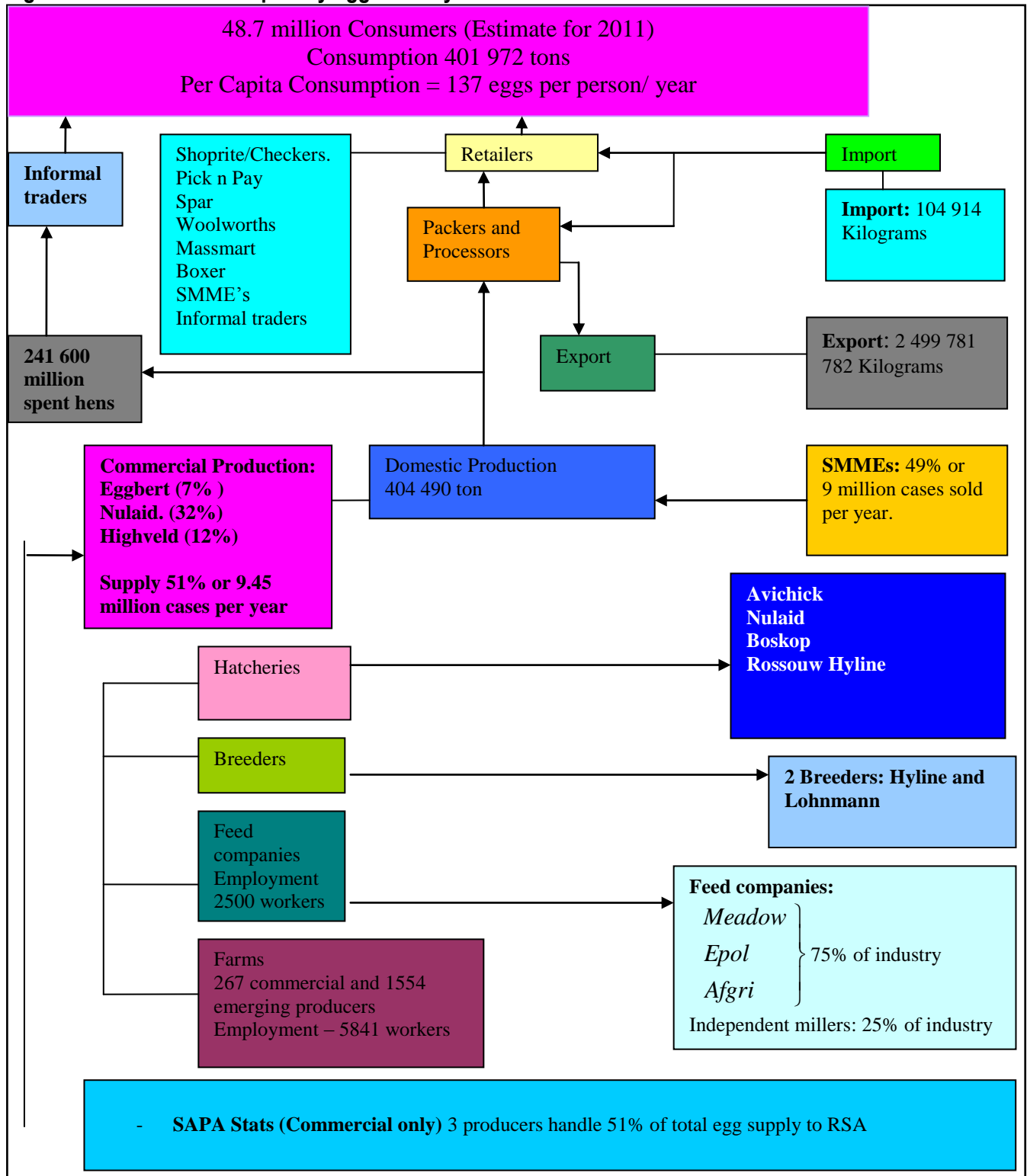
Years Districts	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Mopani	100	0	0	0	0	0	0	0	0	0
Vhembe	0	0	0	0	0	4.47	83.45	82.88	84.02	100
Capricorn	0	0	0	0	0	95.53	15.02	17.10	15.98	0
Waterberg	0	100	0	0	0	0	1.53	0.01	0	0
Total	100	100	0	0	0	100	100	100	100	100

Source: Quantec Easydata

In Limpopo Province, irregular exports of eggs were recorded from the four districts, (Mopani, Vhembe, Capricorn and Waterberg). Vhembe district municipality commanded the highest share of 83% in 2009 & 2010 and 84% in 2011. There were no records of egg exports in Limpopo Province during the periods 2002 and 2005 to 2007.

4. THE EGG VALUE CHAIN

Figure 24: Structure of the poultry egg industry value chain for 2011



Source: Adapted from NAMC and SAPA.

The value chain depicted in Figure 24 consists of 5 stages: grandparents, parent stock, laying flock and commercial egg production and the market. The various operations are linked by a series of arrows.

- a. Egg production starts with the import of genetic stock (known as grandparents) into South Africa as day old chicks. In South Africa there are two genetic breeds of chickens that lay eggs for the commercial market, Lohmann and Hyline. Both breeds are imported.
 - The Lohmann breed emanates from Europe and is imported by Lohmann SA, a joint venture between Pioneer Foods and Golden Lay Farms. Lohmann SA imports the Lohmann genetic stock (known as Lohmann Brown and Silver grandparents) into South Africa as day old chicks. The grandparents are reared to lay eggs, which are incubated to produce day old chicks called parents. It then sells its production of parent stock to its joint venture owners, Pioneer Foods through its Nulaid division, and Golden Lay through Avichick. The company also produces day-old parents to all African states south of the equator.
 - Hyline is an American breed and is imported, solely, by Hyline SA. Hyline SA only imports grandparents, rears them to breed parent stock which in turn produce hatching eggs for day old commercial layers. It sells all its day-old pullets to independent rearing farms and is not involved in rearing point of lay hens.
- b. During the second stage, the parents are reared to maturity and produce fertile hatching eggs. The eggs produced by these parents are incubated and the day-old chicks that hatch are called pullets.
- c. During the third stage, the pullets are then reared on rearing farms until they are mature at 21 weeks and are ready to lay commercial eggs, at which stage they are called Point of Lay hens. Some egg producers in South Africa rear their own Point of Lay hens as it is a very crucial phase in the life of the hen and the quality of the rearing process has direct bearing on the efficiency with which the hen will eventually produce eggs during her laying phase.
- d. The fourth stage involves production of final product, eggs. This stage is dominated by 3 companies (Nulaid, Eggbert and Highveld Co-op) Eggs are produced in various sizes and they are graded. Commercial layers have a production lifespan of approximately one year after which they are culled and sold as spent hens mainly in the rural areas where the demand is high through informal traders.
- e. The fifth stage is the market. Output of the industry is basically eggs and spent hens. There are 6 main retailers, SMME's and informal traders in South Africa that buys eggs from these farms and sell to approximately 48 million consumers countrywide. Informal traders play a big role in distributing spent hens to consumers. The distribution chain in the egg industry tends to be short with approximately 75% of the total production being delivered to the formal trade sector. The greater the distance between producer and consumer, the more complex is the marketing channel.

The whole production process, from grandparent stage to the culling of the hen, runs close to three years. In addition to these production processes there are packing and value addition (liquid egg) functions that are important in the egg value chain. Large companies have integrated or formed subsidiaries to perform these functions while small farms are still struggling and they even sell their eggs as cracked and ungraded.

5. INDUSTRY ASSOCIATIONS

- **The South African Poultry Association (SAPA)**

SAPA is a fully-fledged commercial representative body whose mission is to advance all matters tending towards the improvement of the poultry and allied industries in South Africa by embracing and co-coordinating the objects of subsidiary organisations.

- **Developing Poultry Farmers' Organisation (DPFO)**

A division of SAPA, was established in 2003 to cater for the specific needs and requirements of emerging and small-scale poultry producers.

- **Egg Organisation**

This organization's main mission is improving the egg industry and promoting it on a national level.

- **Chick Producers' Organisation**

This organisation gives specialized attention to matters concerning their members to enable them to supply quality breeding stock for South Africa.

6. MERGERS AND ACQUISITIONS

- In 2004, Nulaid acquired Golden Lay's commercial egg production facilities thereby increasing the market share to 32%. Golden Lay exit the commercial egg market but retain its day-old pullet business, as well as its Point of Lay hen rearing facility in KwaZulu-Natal, to become a specialized rearing firm producing pullets and Point of Lay hens.

7. QUALITY

The quality of the eggs and their stability during storage is largely dependent by their physical structure and chemical composition. Maintaining fresh egg quality from the producer to the consumer is one of the major problems facing those engaged in the marketing of eggs. Proper attention to production, distribution and point of sale phases are of vital importance in maintaining egg quality.

8. EGG GRADING

Agriculture and Agri-Food regulations define three quality grades that apply to eggs for sale to customers. These are:

- Grade A - sold at retail markets for household use
- Grade B - used mostly in bakeries
- Grade C - sent to egg breakers for processing

Only Grade A eggs are sized according to the weight of each egg.

- ✓ Jumbo - at least 70 g
- ✓ Extra Large - at least 63 g
- ✓ Large - at least 56 g
- ✓ Medium - at least 49 g
- ✓ Small - at least 42 g
- ✓ Pee Wee - less than 42 g

9. DIFFERENTIATING EGGS

Eggs are differentiated according to the production systems as follows:

↗ **Organic Free Range**

These eggs are produced by free-range hens that are fed on grains and pulses that are grown without pesticides, chemical fertilisers or any other genetically engineered products.

↗ **Omega 3-enriched**

Omega 3 fats, which are excellent for brain functioning, the immune and nervous systems and healthy hearts, are found in oily fish. The hens that lay these eggs are fed salmon oil as part of their diet. Omega 3-enriched eggs are not necessarily free range.

↗ **Free range**

The chickens that lay these eggs are exposed to sunlight and grass pastures. They have room to scratch, flap and bath in the dust. Their diet is not necessarily vegetarian, it could include insects or fishmeal.

↗ **Barn**

These eggs are produced by chickens that live inside, but are not kept in cages. Barn eggs are laid by chickens that are fed a vegetarian diet of grains and pulses.

↗ **Grain fed**

Grain-fed chickens don't eat commercial feed, which can include fish and chicken meal. These eggs are not free range, and not necessarily barn. The chickens may be kept in cages.

↗ Commercial

These are the cheapest eggs to buy, and so make up the bulk of the eggs consumed in the country. The chickens are kept inside, in cages. They are fed with meal, which includes commercially farmed grains and pulses and processed fish and/or chicken meal. Electric lights are kept on much of the time to encourage the chickens to lay.

10. EMPOWERMENT PLANS BY THE INDUSTRY

- The Agricultural Development Corporation in the Limpopo province assisted emerging farmers to grow eggs for the Mashashane hatchery on a contract basis.
- Workers of Nulaid bought shares in the Nulaid egg-producing farm near Kaalfontein.
- Ukahlamba Poultry Farm (Pty) Ltd trading as Nulaid Eggs KZN is a black farmer who is a contract grower for Nulaid. The eggs produced are sold to Nulaid customers in the KwaZulu-Natal areas.
- The Developing Poultry Farmers Organization (DPFO) and the South African Poultry Association (SAPA) jointly work on strategies to empower the emerging poultry farmers.
- Heidel Eggs in White River a town in the Mpumalanga province, is a 100% black-owned enterprise under the Nkosana 145 Trust. It was in 2001 when the then managers and workers of Heidel Eggs started negotiating the possible purchase of the farm from the then owner, Jan Wilkens. The number of beneficiaries in the trust initially amounted to 241 and the trustees were made up of persons elected by the employees of Heidel Eggs. The new directors are also the trustees of the trust. The new broad based black economic empowerment project is under the general management of Mark Gouws. The funds for the purchase price were raised through a combination of Department of Land Affairs' (DLA's) Land Redistribution for Agricultural Development (LRAD) grant and a loan from Land Bank that was later taken over by Standard Bank. It also has operations in Mozambique and Swaziland. (Makou, undated)
- In 2005 Afgri financed one of the biggest BEE transactions in the egg industry by buying the second biggest egg distributor, Eggbert eggs farm near Boksburg for R 22 million for staff and management.
- El-Azaar poultry farm in Kroonstad (Free State) mentors two projects in Brandfort namely:
 - a. Brandfort Poultry in the Free State province received R 700 000 in 2008 from Masilonyana Municipality through its Local Economic Development Programme. These funds were enough to construct the necessary infrastructure. Started off with 5 200 layers.
 - b. Waya Waya Poultry in Brandfort, Free State province; was allocated a grant to the amount of R 566 500 from the Provincial Department of agriculture in Free State (PDA: FS CPS-SP funding programme) in collaboration with the European Union. They furthermore received an amount of R 318 000 from the Department's CASP funding programme. Started off with 5 200 layers. Their marketing agreement is that the buyer (El-Azaar poultry farm) will buy all the eggs produced at a predetermined price for 5 years (until 2013). The projects have the option to renew the contract after four years. The buyer supplies all packaging material and feed.

11. BARRIERS TO ENTRY

- New entrants are free to enter, the only limitation being the availability of laying flock, capital and expertise.
- Grading, packaging, transportation and bar coding of the eggs hinders formal market access of emerging egg producers to the commercial sector.
- Accessing finance or working capital to procure stock and cover overhead costs is a barrier.
- The major supermarket chains require formalized distribution channels with the ability to supply regionally and nationally.
- Majority of the emerging farmers sell their eggs to hawkers and directly to the consumers. Direct marketing includes the following methods of selling:
 - Sales from farm gate (farm gate)
 - Door-to-door sales
 - Sales to local retail shops

12. OPPORTUNITIES

- ✓ The huge demand for live-birds in South Africa is a lucrative business. Majority of egg producers sell their spent hens. This adds to the income generated by egg producers/farmers.
- ✓ Currently the rooster chicks are useless in the commercial egg industry. An opportunity exists to raise these chicks and sell them as live chickens together with spent hens. This will alleviate the current shortage of chicks in the broiler business.

13. MARKET INTELLIGENCE

This chapter concerns tariffs and non-tariff barriers.

13.1. Export tariffs

Tariffs protect the domestic industries by increasing the price of imported eggs compared to domestic eggs, thereby giving domestic producers a relative price advantage. Tariffs that different importing countries apply to eggs originating from South Africa are shown in Tables 10 and 11.

Table 10: Export tariffs of shelled eggs

Country	Product Code	Trade Regime Description	2011			2012	
			Applied Tariffs	Total Ad Valorem Equivalent Tariff		Applied Tariffs	Total Ad Valorem Equivalent Tariff
Angola	04070010 & 04070090	MFN duties Applied	15.00%	15.00%		15.00%	15.00%

Country	Product Code	Trade Regime Description	2011		2012	
			Applied Tariffs	Total Ad Valorem Equivalent Tariff	Applied Tariffs	Total Ad Valorem Equivalent Tariff
Islamic Republic of Iran	04070011; 04070012; 04070013; 04070013; 04070014; 04070015; 04070016; 04070017; 04070018 & 04070019	General tariff	4.00%	4.00%	4.00%	4.00%
	04070090	General tariff			30.00%	30.00%
Kenya	04070000	MFN duties Applied	25.00%	25.00%	25.00%	25.00%
Mozambique	04070010	MFN duties Applied	2.50%	2.50%	2.50%	2.50%
		Preferential tariff for SA	0.00%	0.00%	0.00%	0.00%
	04070090	MFN duties Applied	20.00%	20.00%	20.00%	20.00%
		Preferential tariff for SA	15.00%	15.00%	15.00%	15.00%
Zimbabwe	04070000	MFN duties Applied	40.00%	40.00%	40.00%	40.00%

Source: MacMap

Table 10 shows that South African exports of shelled eggs received a preferential tariff from Mozambique of 0.00% on HS 04070010 and 15% on HS code 04070090 during 2010 and remained the same in 2011. Zimbabwe applied the highest MFN duties of 40%, this means that Zimbabwean egg market is highly protected compared to other importing countries. Kenya applied the MFN duties of 25% on HS code 04070000 and Angola applied a MFN tariff of 15% on HS code 04070010 & 04070090. Islamic Republic of Iran applied the lowest general tariff of 4% on selected HS codes of eggs from South Africa.

Table 11: Export tariffs of dried eggs

Country	Product Code	Trade Regime Description	2011		2012	
			Applied Tariffs	Total Valorem Equivalent Tariff	Applied Tariffs	Total Valorem Equivalent Tariff
Angola	04081100; 04081900; 04089100 & 04089900	MFN duties Applied	15.00%	15.00%	15.00%	15.00%
Congo	04081100; 04081900; 04089100 & 04089900	MFN duties Applied			30.00%	30.00%
Kenya	04081100; 04081900; 04089100 & 04089900	MFN duties Applied			25.00%	25.00%
Mozambique	04081100; 04081900; 04089100 & 04089900	MFN duties Applied	20.00%	20.00%	20.00%	20.00%
	04081100; 04081900; 04089100 & 04089900	Preferential tariff for SA	0.00%	0.00%	0.00%	0.00%

Source: MacMap

Table 11 shows that South Africa received a preferential tariff 0.00% on HS codes 04081100; 04081900; 04089100 & 0408990 during 2010 and 2011 from Mozambique. Congo applied the highest MFN duties of 30.00% in 2011 for the HS codes 04081100; 04081900, 04089100 & 04089900 and Kenya applied the MFN duties of 25.00% and Angola applied MFN duties of 15% on the same HS codes during 2011.

13.2. NON – TARIFF BARRIERS (NTB's)

Non-tariff barriers (NTB) take the form of strict sanitary and phytosanitary measures or adherence to stringent, certification measures such as ISO 9000 certification. These measures span a product's lifecycle: the raw material a product is made from, the manner the product is fabricated, the management of production process, labeling standards and packaging requirements. Developed countries argue that NTBs are applied to eggs to ensure that imported products satisfy environmental, consumer health, consumer safety and social concerns.

The following discussion about NTBs deals with the EU's standards. The reason for this approach is that the EU is the largest importer of eggs and it is considered to apply stringent NTB's to imported eggs. Therefore by implication if an exporter can satisfy the EU's regulation; his/her product is of the mandated standard to potentially satisfy other countries' NTBs. NTBs on eggs and egg products with special guarantees are listed under Section X of Regulation (EC) No 853/2004 from chapter I to III.

13.2.1. CHAPTER I: EGGS

- ☐ At the producer's premises, and until sale to the consumer, eggs must be kept clean, dry, free of extraneous odour, effectively protected from shocks and out of direct sunshine.
- ☐ Eggs must be stored and transported at a temperature, preferably constant, that is best suited to assure optimal conservation of their hygiene properties.
- ☐ Eggs must be delivered to the consumer within a maximum time limit of 21 days of laying.

13.2.2. CHAPTER II: EGG PRODUCTS

A. REQUIREMENTS FOR ESTABLISHMENTS

Food business operators must ensure that establishments for the manufacture of egg products are constructed, laid out and equipped so as to ensure separation of the following operations:

- Washing, drying and disinfecting dirty eggs were carried out;
- Breaking eggs, collecting their contents and removing parts of shells and membranes; and
- Operations other than those referred to in the above two points.

B. RAW MATERIALS FOR THE MANUFACTURE OF EGG PRODUCTS

Food business operators must ensure that raw materials used to manufacture egg products comply with the following requirements:

- The shells of eggs used in the manufacture of egg products must be fully developed and contain no breaks.
- However, cracked eggs may be used for the manufacture of egg products if the establishment of production or a packing centre delivers them directly to a processing establishment, where they must be broken as soon as possible.
- Liquid egg obtained in an establishment approved for that purpose may be used as raw material. Liquid egg must be obtained in accordance with the requirements of points 1, 2, 3, 4 and 7 of Part III below.

C. SPECIAL HYGIENE REQUIREMENTS FOR THE MANUFACTURE OF EGG PRODUCTS

- Food business operators must ensure that all operations are carried out in such a way as to avoid any contamination during production, handling and storage of egg products, in particular by ensuring compliance with the following requirements:

- Eggs must not be broken unless they are clean and dry.
- Eggs must be broken in a manner that minimizes contamination, in particular by ensuring adequate separation from other operations. Cracked eggs must be processed as soon as possible.
- Eggs other than those of hens, turkeys or guinea fowl must be handled and processed separately. All equipment must be cleaned and disinfected before processing of hens', turkeys' and guinea fowls' eggs is resumed.
- Egg contents may not be obtained by the centrifuging or crushing of eggs, nor may centrifuge be used to obtain the remains of egg whites from empty shells for human consumption.
- After breaking, each particle of the egg product must undergo processing as quickly as possible to eliminate microbiological hazards or to reduce them to an acceptable level. A batch that has been insufficiently processed may immediately undergo processing again in the same establishment, if this processing renders it fit for human consumption. When a batch is found to be unfit for human consumption, it must be denatured so as to ensure that it is not used for human consumption.
- Processing is not required for egg white intended for the manufacture of dried or crystallized albumin destined subsequently to undergo heat treatment.
- If processing is not carried out immediately after breaking, liquid egg must be stored either frozen or at a temperature of not more than 4°C. The storage period before processing at 4°C must not exceed 48 hours. However, these requirements do not apply to products to be de-sugared, if de-sugaring process is performed as soon as possible.
- Products that have not been stabilized so as to be kept at room temperature must be cooled to not more than 4°C. Products for freezing must be frozen immediately after processing.

D. ANALYTICAL SPECIFICATIONS

- The concentration of 3-OH-butyric acid must not exceed 10 mg/kg in the dry matter of the unmodified egg product.
- The lactic acid content of raw material used to manufacture egg products must not exceed 1g/kg of dry matter. However, for fermented products, this value must be the one recorded before the fermentation process.
- The quantity of egg shell remains, egg membranes and any other particles in the processed egg product must not exceed 100 mg/kg of egg product.

E. LABELLING AND IDENTIFICATION MARKING

- In addition to the general requirements for identification marking, consignments of egg products, destined not for retail but for use as an ingredient in the manufacture of another product must have a label giving the temperature at which the egg products must be maintained and the period during which conservation may thus be assured.
- In the case of liquid eggs, the label referred to above must also bear the words: 'non-pasteurized egg products, to be treated at place of destination' and indicate the date and hour of breaking.

13.2.3. CHAPTER III: SPECIAL GUARANTEES

- a. In the case of eggs, packing centers shall provide a guarantee that consignments originate from flocks that have been subjected to a microbiological test with negative results in accordance with legislation.
- b. The test provided for in subparagraph (a), need not be carried out for consignments intended for the manufacture of processed products by a process that guarantees the elimination of salmonella.
- c. A certificate stating that the tests referred to in subparagraph (a) have been carried out with negative results, or that the eggs are destined to be used in the manner referred to in subparagraph (b), must accompany consignments.

13.3. Import tariffs

Tariffs that different South Africa applies to eggs originating from possible countries are shown in Table 12 and 13.

Table 12: Import tariffs of eggs in a shell

Country	Product Code	Trade Regime Description	2011		2012	
			Applied Tariffs	Total Ad Valorem Equivalent Tariff	Applied Tariffs	Total Ad Valorem Equivalent Tariff
Germany & China	04071110; 04071190; 04071910; 04071990; 04072110; 04072910; 04072990; 04079010; 04079020 & 04079090	MFN duties Applied	0.00%	0.00%	0.00%	0.00%

Source: MacMap

Table 12 shows that imports of shelled eggs in South Africa are duty free from all possible countries during 2010 and 2011.

Table 13: Import tariffs of dried eggs

Country	Product HS Code (Trade Regime Description	2012	
			Applied Tariffs	Total Ad Valorem Equivalent Tariff
Denmark, France & Italy	0408112000; 0408192000; 0408912000 & 0408992000	MFN duties Applied	0.00%	0.00%

Country	Product HS Code (Trade Regime Description	2012	
			Applied Tariffs	Total Ad Valorem Equivalent Tariff
	0408118000; 0408198100; 0408198900; 0408918000 & 0408998000	Preferential tariff for European Union countries	0.00%	0.00%

Source: MacMap

Table 13 shows that South Africa has the preferential applied tariff for European Union countries and MFN duties of 0.00% for HS codes 0408112000, 0408192000, 0408912000 and 0408992000 in 2011. European Union countries exporting eggs to South Africa are Denmark, France and Italy.

Table 14: Imports of eggs under Marrakesh Agreement

TARIFF HEADING	DESCRIPTION	EXTENT OF REBATE	ANNUAL QUOTA TONNAGE	CONDITIONS FOR THE ISSUING OF PERMITS
04.08	Birds' Eggs, Not in Shell, and Egg Yolks, Dried, Cooked by Steaming or by Boiling in Water, Moulded, Frozen or Otherwise Preserved, Whether or Not Containing Added Sugar or Other Sweetening Matter	Full duty less 3.8%	9 000	In addition to the conditions stipulated in Item 2 of the Schedule, the following conditions must be complied with: (a) Permits will be issued on a quarterly basis and will be valid for four months. (b) The quota will be allocated on a ratio basis of 50% for shelled eggs and 50% for liquid eggs and powdered eggs. (c) <i>Bona fide</i> egg producers will be eligible for shelled eggs, while historical importers, wholesalers, processors and distributors will be eligible for liquid/frozen and powdered egg products. (d) Applicants must compare the extent of rebate with the applied rate of duty to determine the most beneficial rate of duty.

Source: Government Gazette Notice 1125 of 2008

14. COMPETITIVENESS OF THE EGG INDUSTRY

14.1. COMPETITIVENESS OF EGG IDUSTRY EXPORTS

Table 15: List of importing markets for shelled eggs (HS 0407) exported by South Africa in 2012

Importers	Trade Indicators												Tariff (estimated) faced by South Africa (%)
	Exported value 2012 (USD thousand)	Trade balance 2012 (USD thousand)	Share in South Africa's exports (%)	Exported quantity 2012	Quantity unit	Unit value (USD/unit)	Exported growth in value between 2008-2012 (% p.a.)	Exported growth in quantity between 2008-2012 (% p.a.)	Exported growth in value between 2011-2012 (% p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)	Total import growth in value of partner countries between 2008-2012 (% p.a.)	
World	10932	10927	100	4264	Tons	2564	28	24	51		100	8	
Mozambique	7215	7215	66	2987	Tons	2415	72	74	37	58	0.2	25	7.5
Angola	1967	1967	18	876	Tons	2245	42	23	203	11	1.9	24	8.5
Zimbabwe	1567	1567	14.3	341	Tons	4595	68	50	248	87	0.1	81	40
Nigeria	83	83	0.8	25	Tons	3320		-21	-25	63	0.1	140	20
Congo	24	24	0.2	8	Tons	3000	32	-5	-4	77	0.1	7	17.5
Uganda	22	22	0.2	1	Tons	22000	-37	-53	-37	188	0	-38	25
Saint Helena	13	13	0.1	6	Tons	2167	18	4	-19	189	0	13	
Democratic Republic of the Congo	9	9	0.1	5	Tons	1800		-30	-47	85	0.1	23	12.5
Namibia	8	8	0.1	4	Tons	2000				193	0	21	0
United Republic of Tanzania	8	8	0.1	1	Tons	8000	-3	-6	-91	73	0.1	50	25

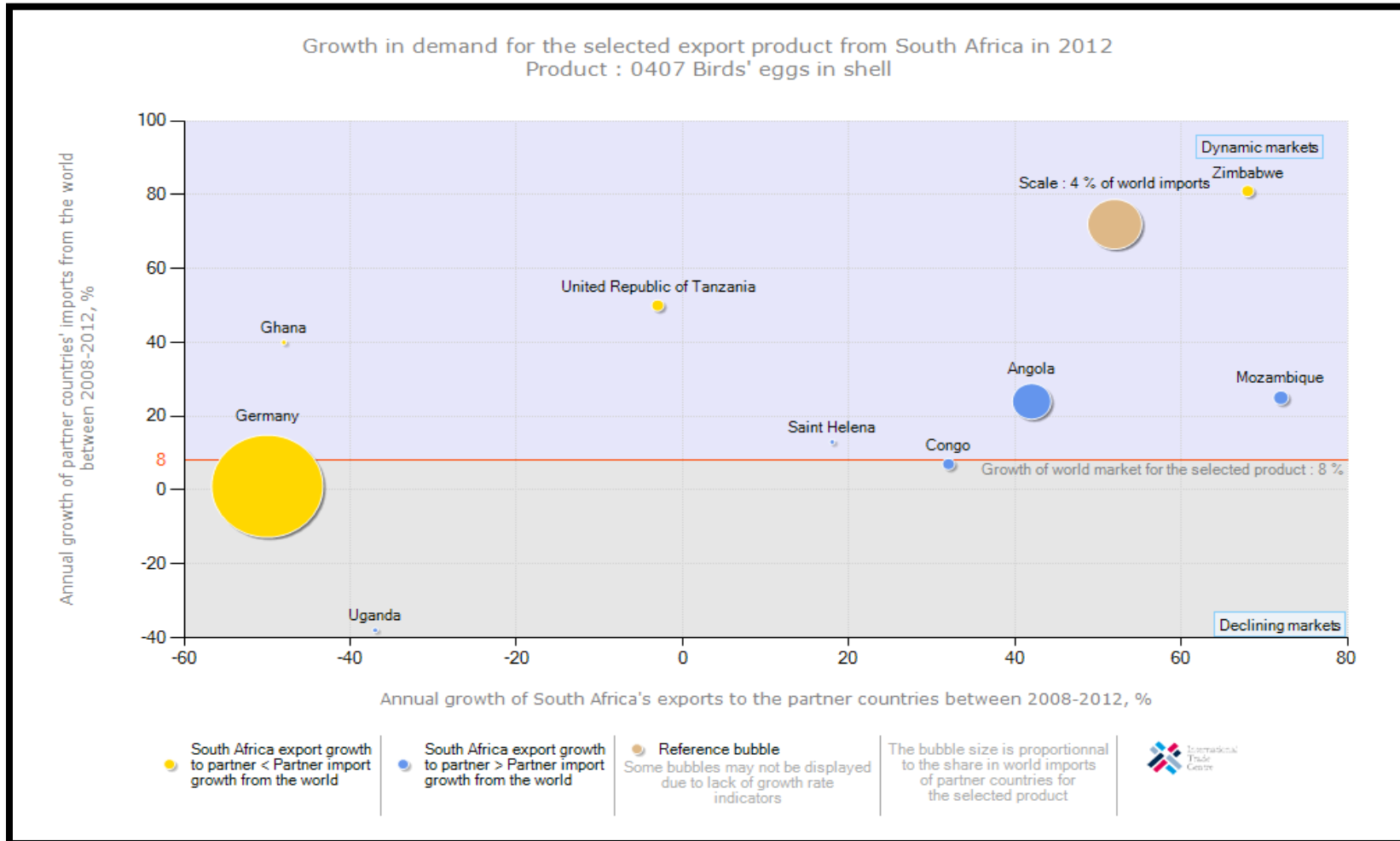
Source: ITC calculations based on COMTRADE statistics.

South Africa's exports represent **0.23%** of world exports for shelled eggs; its ranking in world exports is **37**. Table 15 shows that during 2011 South Africa exported a total of 2 592 tons of shelled eggs at an average value of US\$ 2 792/unit. South Africa exported greater quantities of shelled eggs to Mozambique, Angola and Zimbabwe. The greatest shares of South African shelled eggs exports were destined to Mozambique which commanded 73% share during the year 2011 followed at a distance by Angola with 9% share and Zimbabwe by 6.2% share.

South African shelled eggs export to the world increased by 62% in value and quantity per annum between the periods 2007 and 2011. During the same period, exports value and quantity of shelled eggs to Mozambique increased by 175% and 139% respectively.

Exports of shelled eggs from South Africa decreased by 56% in value between 2010 and 2011. At the same period the value of shelled eggs exports to Mozambique decreased by 24%.

Figure 25: Growth in demand for eggs in shell exported by South Africa in 2012

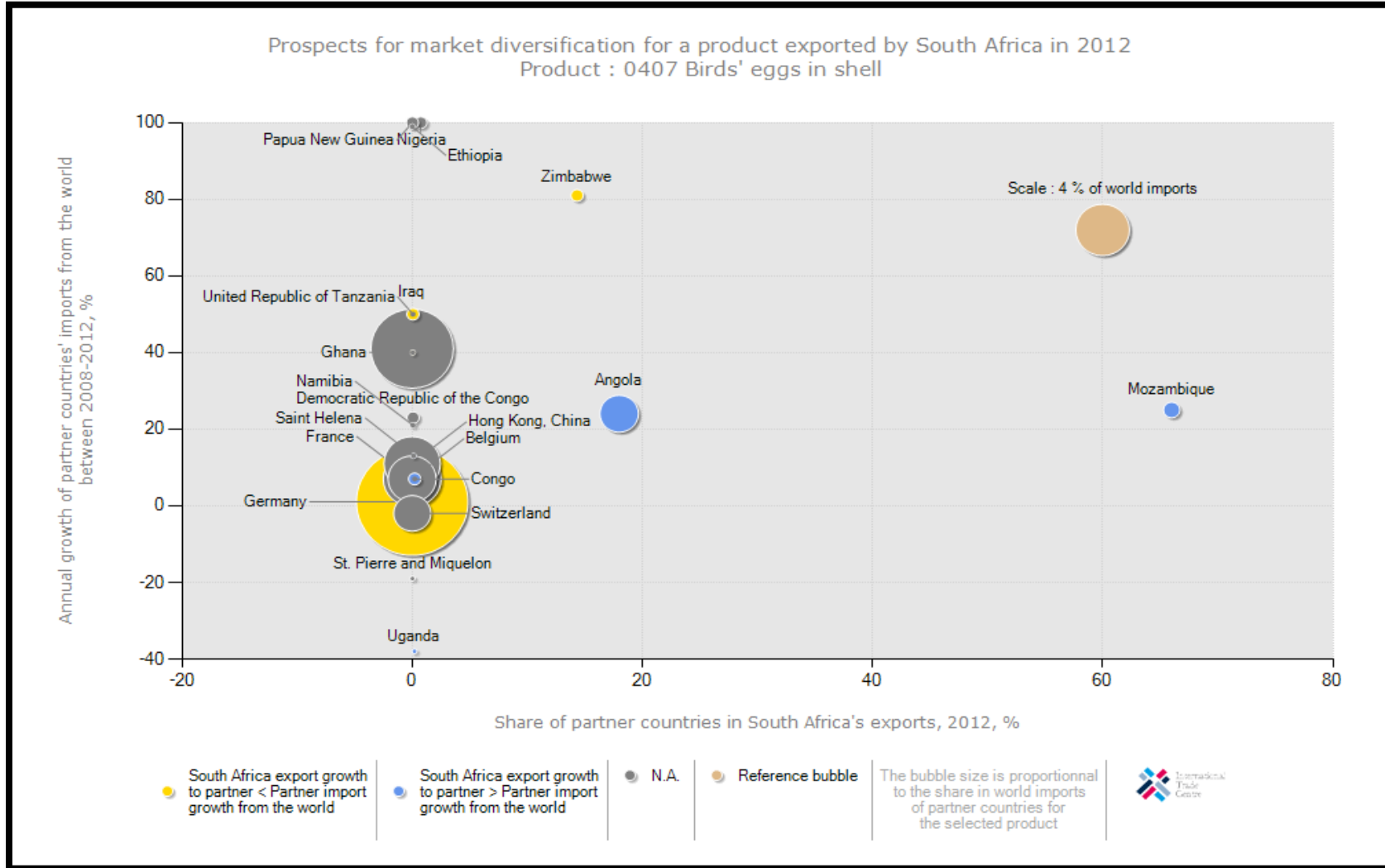


Source: Trademap, ITC

Figure 25 illustrates that between 2007 and 2011 South Africa's shelled eggs exports to Angola were growing at a rate that is less than their imports from the rest of the world. During the same period, South Africa's shelled eggs exports to Mozambique, Saint Helena and Democratic Republic of Congo (DRC) were growing at a rate that is greater than their imports from the rest of the world.

Further analysis indicate that Democratic Republic of Congo (DRC) is a small market with a world share of 0.1% but it has the most growing demand with an annual import growth of 43% and South African exports to DRC increased by 154% per annum during the periods 2007 and 2011. The second growing demand exist in Mozambique because of its annual import growth of 34%.

Figure 26: Prospects for market diversification for eggs in shell exported by South Africa in 2012



Source: Trademap, ITC

Figure 26 above above indicates that Mozambique commanded 73.3% of South Africa's shelled egg exports during 2011. If South Africa wishes to diversify its shelled eggs export, the biggest markets exist in Belgium and Canada with the imports world share of 3.2% and 2.1% respectively. Belgium's annual imports grew by 8% and Canada by 6%. South Africa is not exporting shelled eggs to these countries and therefore this can be an opportunity for market development.

Nevertheless the most attractive markets though small exist in Zimbabwe and Nigeria. Zimbabwe's annual import growth is at 495% and Nigeria is at 337%. Therefore South Africa can concentrate in penetrating these markets because SA has the market access already.

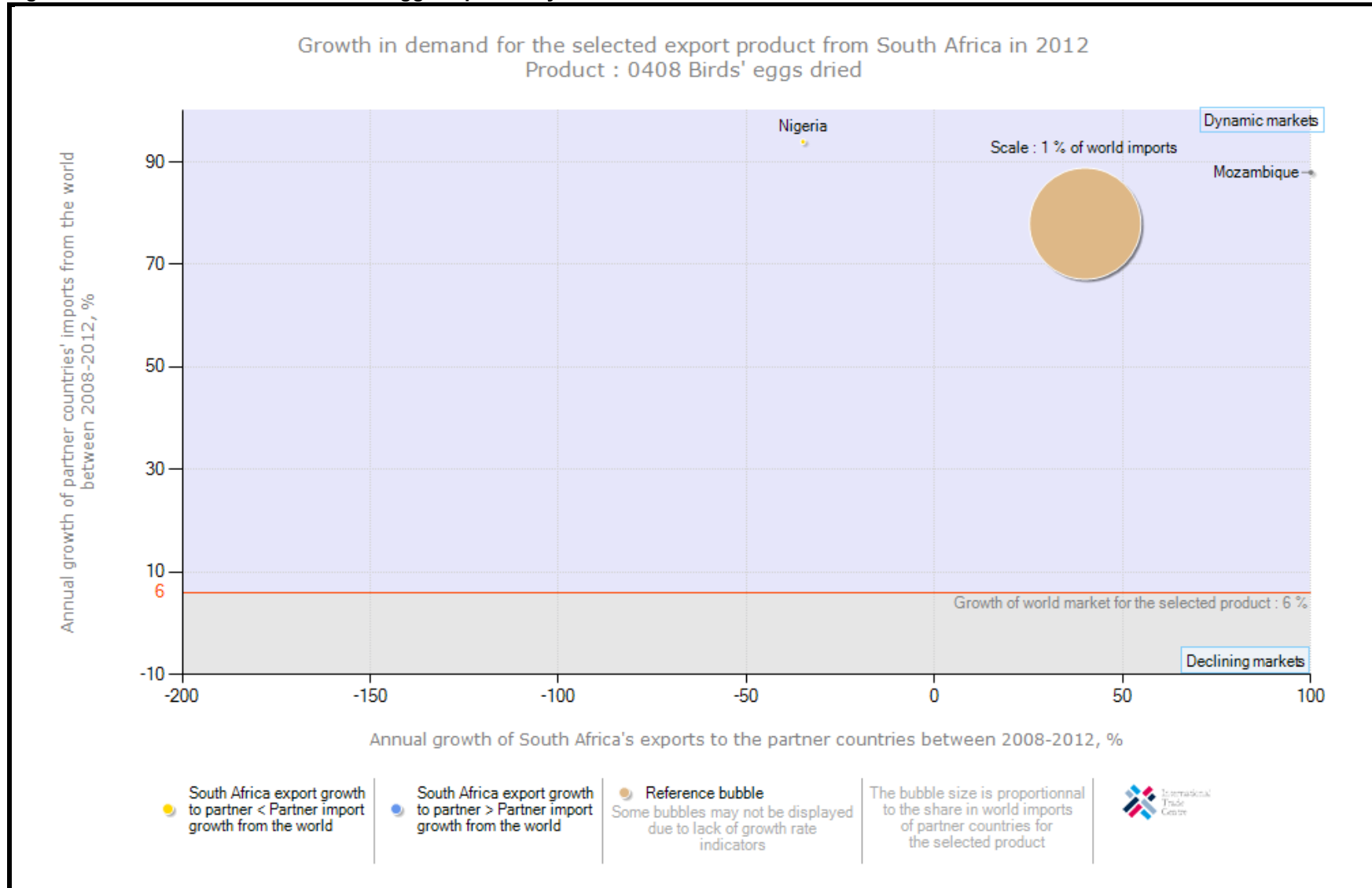
Table 16: List of importing markets for dried eggs (0408) exported by South Africa in 2012

Importers	Trade Indicators												Tariff (estimated) faced by South Africa (%)
	Exported value 2012 (USD thousand)	Trade balance 2012 (USD thousand)	Share in South Africa's exports (%)	Exported quantity 2012	Quantity unit	Unit value (USD/unit)	Exported growth in value between 2008-2012 (% p.a.)	Exported growth in quantity between 2008-2012 (% p.a.)	Exported growth in value between 2011-2012 (% p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)	Total import growth in value of partner countries between 2008-2012 (% p.a.)	
World	3266	2416	100	1842	Tons	1773	231	255	42		100	6	
Angola	1631	1631	49.9	845	Tons	1930			460	49	0.2	43	15
Mozambique	1551	1551	47.5	962	Tons	1612	466	368	-23	126	0	88	0
Namibia	74	74	2.3	33	Tons	2242				113	0		0
Papua New Guinea	8	8	0.2	2	Tons	4000				107	0		15
Nigeria	1	1	0	1	Tons	1000	-35			100	0	94	20
Austria										11	2.6	-3	0

Source: ITC calculations based on COMTRADE statistics.

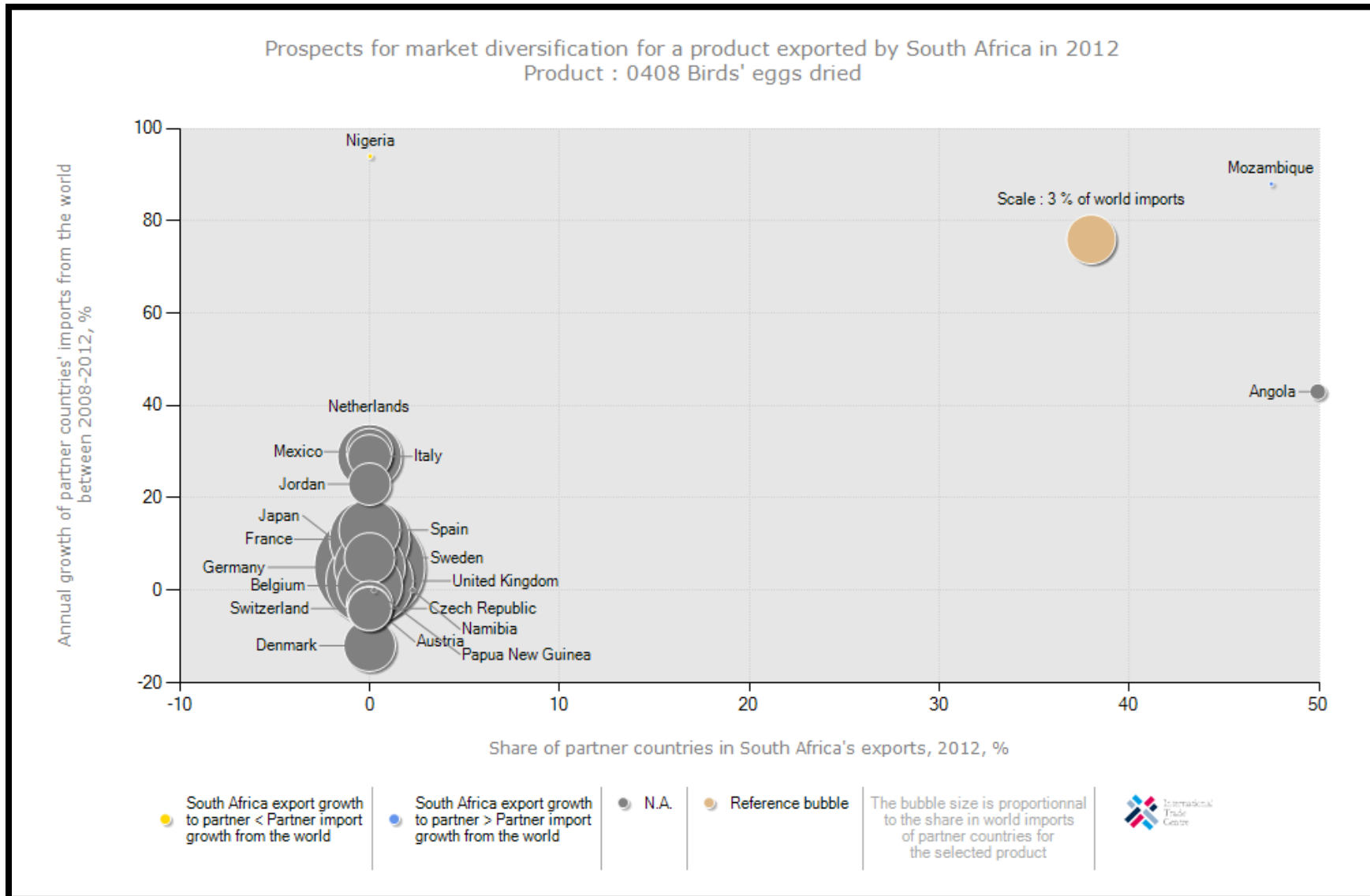
South Africa's exports represent **0.27%** of world exports for dried eggs; its ranking in world exports is **27**. Table 16 shows that during 2011 South Africa exported a total of 936 tons of dried eggs at an average value of US\$ 2 465/unit. The greatest share was exported to Mozambique which commanded 87.3% followed by Angola at 12.6%. South African dried eggs export to the world increased by 235% and 223% in value and quantity respectively between the periods 2007 and 2011. Exports of dried eggs from South Africa increased by 424% in value between 2010 and 2011. During the same periods exports of dried eggs to Mozambique increased by 2,138% and exports to Angola increased by 183%.

Figure 27: Growth in demand for dried eggs exported by South Africa in 2012



Source: Trademap, ITC

Figure 28: Prospects for market diversification for dried egg exported by South Africa in 2012



Source: Trademap, ITC

South Africa is exporting most of its dried eggs to Mozambique but if it wishes to diversify its dried egg export, the most attractive market exist in United Arab Emirates due to its annual growth of 67% and its imports world share is 2.1%. Germany is the biggest world markets of dried eggs due to its imports world share market of 17.5% but its import annual growth is at 3%. Both markets can be targeted for market development by South Africa.

15. ACKNOWLEDGEMENTS

The following sources and organizations are acknowledged:

[Alzu Farms.](http://www.alzu.co.za/)
<http://www.alzu.co.za/>

[Anrene eggs.](http://www.anrene-eggs.co.za)
<http://www.anrene-eggs.co.za>

[Competition Commission](http://www.comptrib.co.za)
www.comptrib.co.za

[Department of Agriculture, Forestry & fisheries](http://www.daff.gov.za)
[www.daff.gov.za.](http://www.daff.gov.za)

[Eggbert.](http://www.afgri-ir.co.za)
www.afgri-ir.co.za

[Eikenhof Farms](http://www.melsetter.co.za)
[http://www.melsetter.co.za.](http://www.melsetter.co.za)

[Fair Acres](http://www.eggs.co.za)
[http://www.eggs.co.za.](http://www.eggs.co.za)

[Food 24.](http://www.food24.com)
<http://www.food24.com>

[Freshmark](http://www.freshmark.co.za)
<http://www.freshmark.co.za>

[Grendon Farms](http://www.mkhombe.co.za)
[http://www.mkhombe.co.za.](http://www.mkhombe.co.za)

[Kiepersol Poultry](http://www.kiepersolpoultry.co.za)
[http://www.kiepersolpoultry.co.za.](http://www.kiepersolpoultry.co.za)

[Mantwa Makou, Laying eggs of success, hatching profit](http://www.dla.gov.za)
[www.dla.gov.za.](http://www.dla.gov.za)

[Market Access Map](http://www.macmap.org)
[www.macmap.org.](http://www.macmap.org)

[Moreson Farms](http://moresonfarms.co.za)
[http://moresonfarms.co.za.](http://moresonfarms.co.za)

[Nulaid eggs](http://www.nulaid.co.za/bergvlei.htm)
www.nulaid.co.za/bergvlei.htm

[Poultrysite.](http://www.poultrysite.com)
[www.poultrysite.com.](http://www.poultrysite.com)

[Quantec Easy data](http://www.easydata.co.za)
www.easydata.co.za

[Regulation \(EC\) No 882/2004](http://www.fsai.ie)
[http://www.fsai.ie.](http://www.fsai.ie)

[Roussouw Poultry](http://www.rossgro.co.za)
[http://www.rossgro.co.za/](http://www.rossgro.co.za)

[South African Poultry Association \(SAPA\)](http://www.sapa.org.za)
[www.sapa.org.za.](http://www.sapa.org.za)

[TradeMap.](http://www.trademap.org)
[www.trademap.org.](http://www.trademap.org)

[Animal Feed Manufactures Association \(AFMA\)](http://www.afma.co.za)
www.afma.co.za

Disclaimer:

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16. Appendices

Appendix A: Poultry Role-players in South Africa.

NO.	NAME	BUSINESS DESCRIPTION	ADDRESS	CONTACT DETAILS
A. ASSOCIATIONS				
1	Southern African Poultry Association (SAPA)	It represents poultry farmers, both on a commercial level as well as developing poultry farmers, within the following three branches (some of which are integrated in major operations): <ul style="list-style-type: none"> o The day-old chick supply industry o The egg industry o The developing sector 	P.O. Box 1202 Honeydew 2040 South Africa	Tel +27 (0)11 795 2051 Fax +27 (0)11 795 3180 Website:www.sapoultry.co.za e-mail: info@sapoultry.co.za.
BREEDERS				
2	Avichick.	It sells day-olds either to Inverness in KwaZulu–Natal or to independent rearers such as the Kuipers Group, Gromer, Fair Acres, Môreson, Heidel eggs, Wolfhart Poultry, Rossouw Poultry and various small customers. It also exports commercial day-olds. It further supplies hatching eggs to Nulaid in Bronkhorstspuit.		(018) 787 4475.
3	Nulaid / Bergvlei Chicks, a division of Pioneer Foods (Pty) Ltd,	It is the supplier of quality Lohmann Brown and Lohmann Silver day-old chicks throughout South Africa. It supplies parent stock, day-old chicks and point of lay.		Tel: (013) 935 1159.
4	Hyline.	Layer breeder farm.		(011) 318 2355.
C. COOPERATIVES and NATIONAL PLAYERS				
5	Highveld Egg Co-op Ltd.	Its members are all over the country and distribute eggs in nine provinces under Top Lay Country eggs brand. The members supply eggs to Shoprite, Checkers, Pick `n Pay, Boxer Superstores, Checkout and Spar.	Potchefstroom http://www.toplay.co.za	Tel: (018) 293 0694 / 0168 Fax: 086 600 3609 e-mail: admin@toplay.co.za

NO.	NAME	BUSINESS DESCRIPTION	ADDRESS	CONTACT DETAILS
6	Windmeul Eierboere (PTY) Ltd	Egg producing farm	Paarl Western Cape	Tel: (021) 869 8150 Fax: (021) 869 8508
7	Nulaid	It is a national supplier of quality shell eggs and liquid egg products.	P.O. Box 173 Muldersdrif Krugersdorp 1747 Gauteng Ferrous Cres Brackenfell 7560 Western Cape Website: www.nulaid.co.za.	Tel: (011) 790 4700 Fax : (011) 790 4707 Email : apitout@pioneerfoods.co.za Tel: (021) 981 1151 Fax : (021) 981 6700 email : nulaid@pioneerfoods.co.za
D.	REARERS			
8	Almur Smit Poultry Farms.	It is a pullet rearing farm.	Parys, Free State.	
9	Alzu Layer Farms, division of Alzu Enterprises (Pty) Ltd,	The operation comprises 430 000 layer birds. It produces Selenium-Enriched eggs, Free Range Omega Eggs and Free Range Eggs.	Middelburg (Mpumalanga) http://www.alzu.co.za	Tel: (013) 249 8900 Fax: (013) 249 8936 e-mail: piet@alzu.co.za
10	Anrene Eggs.	Works with producers across South Africa to meet the needs of consumers and processors. By matching supply to demand, Anrene ensures that high quality shell eggs are available at all times of the year on the retail shelf at stable prices.	Magaliesburg Website: http://www.anrene-eggs.co.za	Tel: (014) 577 3001 Fax: (014) 577 4613 Email: anrene.eggs@gmail.com
11	Bartlet Poultry Farm.	It is an egg producing farm.	P.O. Box 514 Muldersdrif 1747 Gauteng	T : (011) 662 1433 F : (011) 662 1457 bartlet@yebo.co.za
12	Eggbert	produce and distribute the most comprehensive product range in South Africa including Commercial, Free Range, specialty such as Organic and Omega Enriched plus the all new Pasteurised Shell Eggs.	Plot 116 Cnr Barrie Marais & Heidelberg Road, Boksburg, Gauteng 1459 website: http://www.eggberteggs.co.za	Tel: 087 940 2025 F : 086 636 9894 grossouw@eggbert.co.za
13	Eikenhof Poultry Farms (Pty) Ltd	It is an integrated egg producing farm with the following farms: ⇒ Sherwood rearing unit currently produces some 900 000 layer replacement pullets annually. ⇒ Peak Pullets (Pty) Ltd is a	Lichtenburg Road, Cape Town, Western Cape 7550 Western Cape	Telephone: (021) 859 2610

NO.	NAME	BUSINESS DESCRIPTION	ADDRESS	CONTACT DETAILS
		<p>joint venture, which has been formed to rear the pullets from day old chicks to point of lay hens.</p> <p>⇒ The Zanddam egg production unit packs and markets 6 million dozen eggs per year.</p>		
14	El-Azaar Poultry Farm CC.	It is an independent egg producer, but it markets eggs under the Toplay brand of the Highveld Egg Cooperation. It had also contracted WayaWaya and Brandfort Poultry to supply eggs to its depot.	Presidentstraat 41, Kroonstad, 9500 Free State.	
15	Fair Acres.	<p>Its operations are integrated and consist of Pedigree breeding; Rearing, Egg production and grading, packaging and processing, distribution and marketing.</p> <p>It produces quality eggs for all sectors of the market: Retail, Wholesale, Catering, Hospitality, Manufacturing, Distribution and Export.</p>	Kendal, Witbank, Mpumalanga.	
16	Golden Lay.	<p>It is a specialized rearing firm producing day-old pullets and point of lay hens to supply independent egg producers.</p> <p>It focused its efforts and expertise on breeding poultry stock for the layer industry from 2004.</p>	<p>Sava Farms Portion 5, No 527, Muldersdrif, Gauteng 1747</p> <p>P.O. Box 171 Mooi River, 3300</p>	
17	Grendon Pty Ltd.	<p>It is an integrated egg producing farming enterprise. The enterprise comprises three main production farms namely Parks Paddock layer breeding and future hatchery development, Hazelmere Rearing and replacement rearing farm and Impangele layer farm and egg grading, breaking and pasteurizing facility.</p>	<p>Unit 59, Ivy Pk 3 Ivy Rd Pinetown, 3610</p> <p>KwaZulu-Natal Midlands</p>	<p>Tel: (031) 701 1573 Fax : (031) 701 1573</p>
		<p>Breeder facility of three breeder laying houses, each with the capacity of 5 632 breeder layer hens. These hens produce fertile</p>		

NO.	NAME	BUSINESS DESCRIPTION	ADDRESS	CONTACT DETAILS
		hatching eggs for the current supplier of day-old pullet chicks namely Boskop Layers.		
		Boskop Layers produce an average of 74 000 hatching eggs per week which translates into 25 000 female layer pullets weekly and 1.3 million day-old layer pullets annually.	Potchefstroom	(018) 298 1117
		Hazelmere Pullet Rearing is a farm that consists of four brooding houses and eight pullet rearing houses. It has an annual capacity of 600 000 point of lay pullets. These pullets are moved to the Impangele laying farm or sold to outside egg producers.		
18		Impangele Layer Farm comprises of 17 layer houses with a total capacity of 350 000 hens. The farm has a daily egg production of at least 265 000 eggs which gives an annual production capacity of 8 million dozen eggs. Cracked eggs are converted into pasteurized liquid product which is sold to food processing companies and graded eggs are supplied to Nulaid who is a national player in the egg supply market.	Park Lane, Kloof, 3610 PO Box 521, Kloof, 3640 KwaZulu/Natal South Africa Website: www.mkhombe.co.za	Tel: +27 (0)31 764 7053 Fax: +27 (0)31 764 7056 E-mail: cecilia@mkhombe.co.za
19	IG Boerdery owned by Ingrid Gromer.	It supplies free-range eggs to Woolworths.	Skeerpoort , Hartebeespoort.	
20	Heidel Eggs.	It has 460 layers that produces about 800 000 dozen eggs per month, that calculates to about 120 million eggs annually and sees a turnover of R 80 million. It is the biggest producer of eggs in the lowveld and supplies prestigious chain markets such as Spar, Pick 'n Pay, Score, Metro, Shoprite and even the Kruger National Park. Eggs are also exported to Mozambique and Swaziland. The farm also has its own	Farm Mooiuitsing, Brandell Road, Witrivier, 1240 Mpumalanga	Tel : (013) 751-3897. Fax : (013) 750 0707 heidele@iafrica.com.

NO.	NAME	BUSINESS DESCRIPTION	ADDRESS	CONTACT DETAILS
		successful lay hen brooder and rearing facility with the capacity to rear 36 000 chicks per month. This calculates to about 500 000 chicks a year of which 400 000 is for its own operations and the balance (100 000) is sold to outsiders or its sister companies,		
21	Inverness rearers.	It produces about 900 000 commercial Lohmann layer replacement pullets per annum for the independent layer market with a customer base from Port Elizabeth to Pretoria.	KwaZulu–Natal Midlands	
22	JFK Boerdery.		Oewersig, Western Cape	
23	JJ van der Schyff Boerdery.	It is an egg producing farm.	Humansdorp, Eastern Cape.	
24	Jura Poultry.	It rears point of lay pullets.	Bronkhorspruit Mpumalanga	Tel: 013 935 1155
25	Khumbe Poultry Farm.	It has about 80 000 chickens that lays on average 78 000 eggs that are sold to the community as well as local shops and businesses.	Limpopo, Vhembe, Thohoyandou.	Tel (015) 961-2090
26	Kiepersol Eggs.	The Kiepersol group consists of 3 main production facilities: It rears its own pullets and its current production capacity is at 360 000 layers. Produces eggs to Spar, Pick `n Pay and many other retailers.	P.O. BOX 452 HONEYDEW 2040 Gauteng www.kiepersolpoultry.co.za Sterkfontein in Krugersdorp, Gauteng and Klipfontein in North West.	(011) 794 1330 jan @ kiepersolpoultry.co.za
27	Môreson Poultry Farm is a division of Môreson Group.	It's one of the biggest egg suppliers in South Africa, with markets across the country that includes large national retailers and wholesalers in Gauteng, North West Province, Free State, Western Cape and the Eastern Cape. Apart from supplying eggs, Môreson also produces feed and raises day old chicks until they are ready for production. The initial thought was to supply their own demand but farmers soon started placing orders. Currently, 25% of the 625 000 chicks raised per year are sold to farmers.	P.O. Box 214 Brandfort 9400 Free State http://moresonfarms.co.za .	Tel : (051) 821-1291 Fax : (051) 821-1532 Email : moreson@intekom.co.za

NO.	NAME	BUSINESS DESCRIPTION	ADDRESS	CONTACT DETAILS
28	Ottawa Poultry Farm.	Egg producing farm	Palmers Estate, Verulam, 4341 KwaZulu-Natal,	
29	Kuipers Group.	Supplier of hatching eggs.	Bronkhorstspuit, Mpumalanga. Magaliesburg, Gauteng	
30	Rossouw Poultry, a division of Rossouw Group's.	It consists of the full chain of layer breeder farming, parent hens, production of ready-to-lay pullet hens, and eggs for the consumer market. Production of ready-to-lay pullet hens are for own use. It has two strong brands in Farmhouse eggs and Magnum eggs. Self marketing directly to wholesale, retail, and informal markets. It is a listed supplier of Spar, Makro and OBC branded eggs.	PO Box 2410 Delmas 2210 Mpumalanga www.rossogro.co.za	Tel: (013) 665 6815 Fax: (013) 665 6810 Email: solutions@sdt.co.za
31	Success Ventures (Pty) Ltd. (Laywell eggs)	Egg producing farm		
32	Wilco van der Schyff Boerdery.	It is a pullet rearing farm.	Ventersdorp, North West	Tel: (018) 264 3208
33	Wolfhart Poultry.	Egg producing farm	Derby, North West	Tel: (079) 181 6131 Fax: (086) 624 1741