

A PROFILE OF THE SOUTH AFRICAN EGG MARKET VALUE CHAIN

2021



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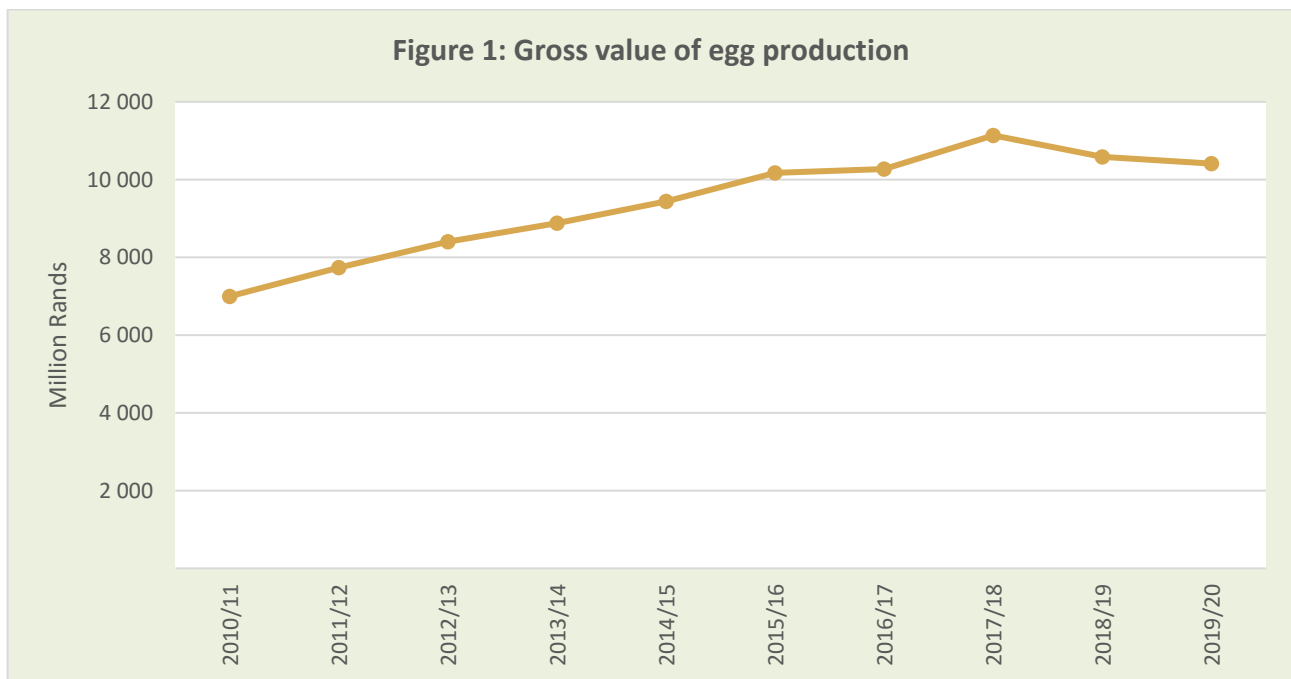
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1. DESCRIPTION OF THE INDUSTRY

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 Producers and Chick Producers. Furthermore, the then minister of Agriculture in 2018, approved statutory levy on table eggs. According to SAPA, the levy will be spent on the administrative functions of the Egg Organisation, along with transformation initiatives, statistics, training, marketing and consumer education and awareness projects.

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 the pullet-rearing capital of South Africa. The laying cycle of chickens was extended by two weeks from 69 weeks to 71 weeks.

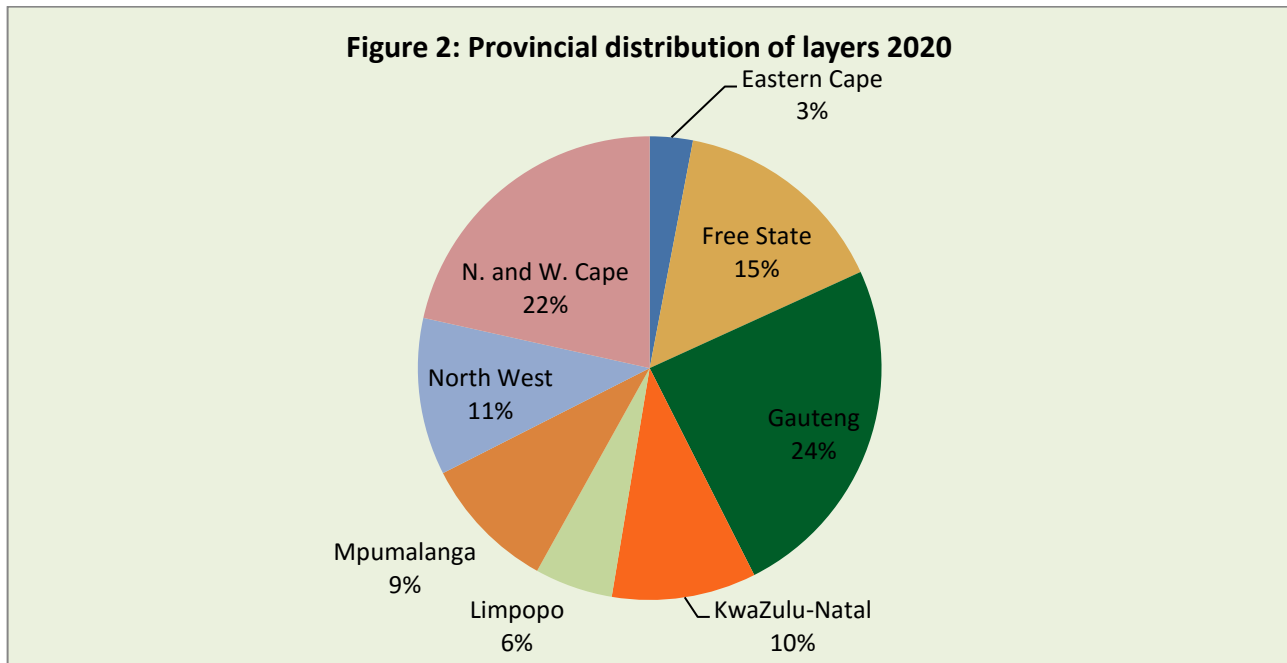
Egg industry is ranking the fourth on the annual gross turnover within the livestock sector in South Africa. The gross value for the past 10 years is illustrated in Figure 1 below. The gross value of egg production in 2019/20 was just above R10.4 billion, which is a decrease of approximately 2% from the previous year. The gross value of egg production in the country was increasing throughout the period under review. Overall, there is an increase of R3.4 billion (49%) in 2019/20 compared to 2010/11. This was mainly due to production and favourable price increases.



Source: DALRRD, *Statistic and Economics analysis*

1.1 PRODUCTION AREAS

Eggs are produced throughout the country. The total production of eggs in 2020 was 594 000 tons, this figure is based on 96% survival rate, 0.09% mortality rate per week during the laying cycle. The laying cycle was extended by four weeks, which will now start at 18 weeks of age to 78 weeks of age. Eggs are produced at a feed conversion ratio of 2.1 kg per kg of egg. The contribution of various provinces to the total South African egg production is represented in Figure 2 below.



Source: SAPA

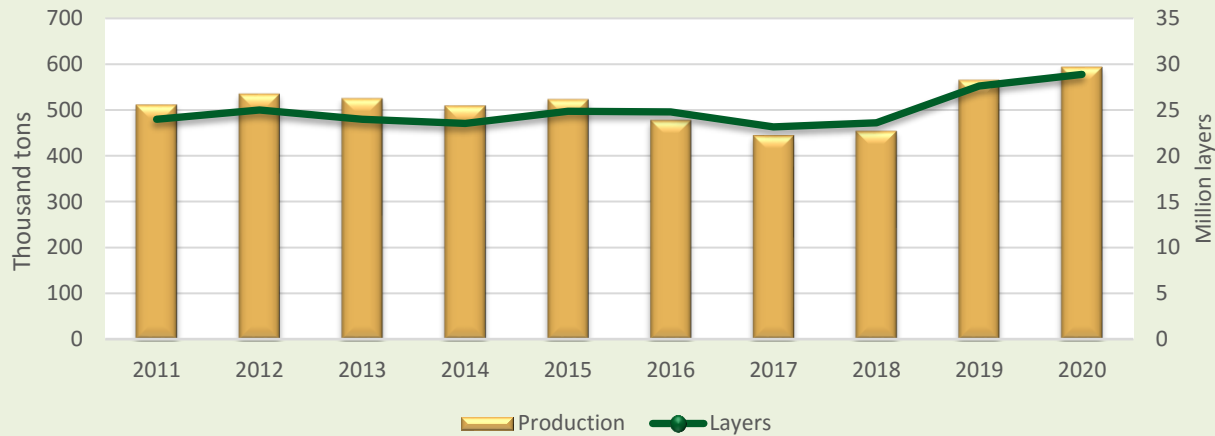
Gauteng is the largest producer of eggs in South Africa with the market share of 24% followed by Western and Northern Cape by 22%, Free State with 15%, North West province with share of 11%, and KwaZulu-Natal with 10%. These five provinces account for 82% of the production while the remaining four provinces have a combined market share of 18%. The production of eggs 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 companies command 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 performance of egg production has a positive relationship with average number of laying flock. Production of eggs and laying hens over the past decade are illustrated in Figure 3 below. The production of eggs and number of laying hens have been fluctuating in the past decade. The South African laying flock was estimated at 28.89 million hens in 2020. This is an increase of about 5% relative to previous year. In the same period, production also rose by approximately 5%. This was due to the recovery from HPAI outbreak, whereby farms were being repopulated since 2018.

Figure 3: Annual average egg production and laying flock



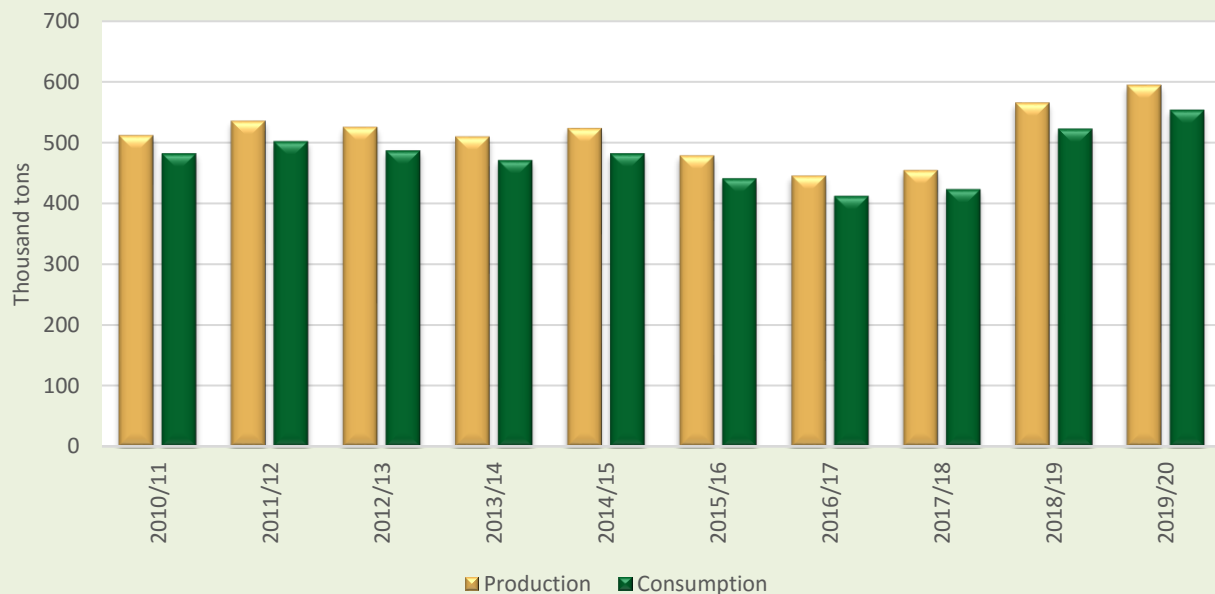
Source: SAPA and DALRRD, Statistic and Economics analysis

1.3 CONSUMPTION vs PRODUCTION

The two key factors influencing the demand for eggs are population and real income growth. Other factors such as changing lifestyles, 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. 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. On the other side, production of eggs is influenced more by inputs costs.

Figure 4 depicts local consumption of eggs comparing it to the local production for the past 10 years.

Figure 4: Production vs Consumption of eggs



Source: DALRRD, Statistic and Economics analysis

Figure 4 above indicates that the total production of eggs was more than the total egg consumption during the period under review. Both production and consumption followed the same trend. From 2012/13 to 2013/14, consumption and production decreased due to increased feed costs which resulted in increase in egg prices. From 2014/15 to 2016/17 they both decreased by 15%, the production may have been attributed by the drought experienced in the country in 2015/16 and the HPAI outbreak in 2017. These events had influenced the prices to increase and that directly affect the consumption growth negatively. The farms were repopulated in 2018 following the culling of flocks in 2017 during the flu decrease outbreak. In 2018/19, the production and consumption experienced an increase of 24% each, with consumption encouraged by decline in prices. They both remained higher reaching a new peak in 2019/20.

1.4 EMPLOYMENT

The number of egg producers are estimated at about 1 856 (of which 273 are commercial and 1 583 constitutes emerging farmers) and they own about 28.9 million laying hens. During 2020, the number of employees in the egg industry was estimated at about 8 726 in total whereby there was 7 419 workers, 823 supervisors and 484 managers. These represent an increase of 2.3% in egg industry employment from previous year.

1.5 IMPACT TO THE FEED SECTOR

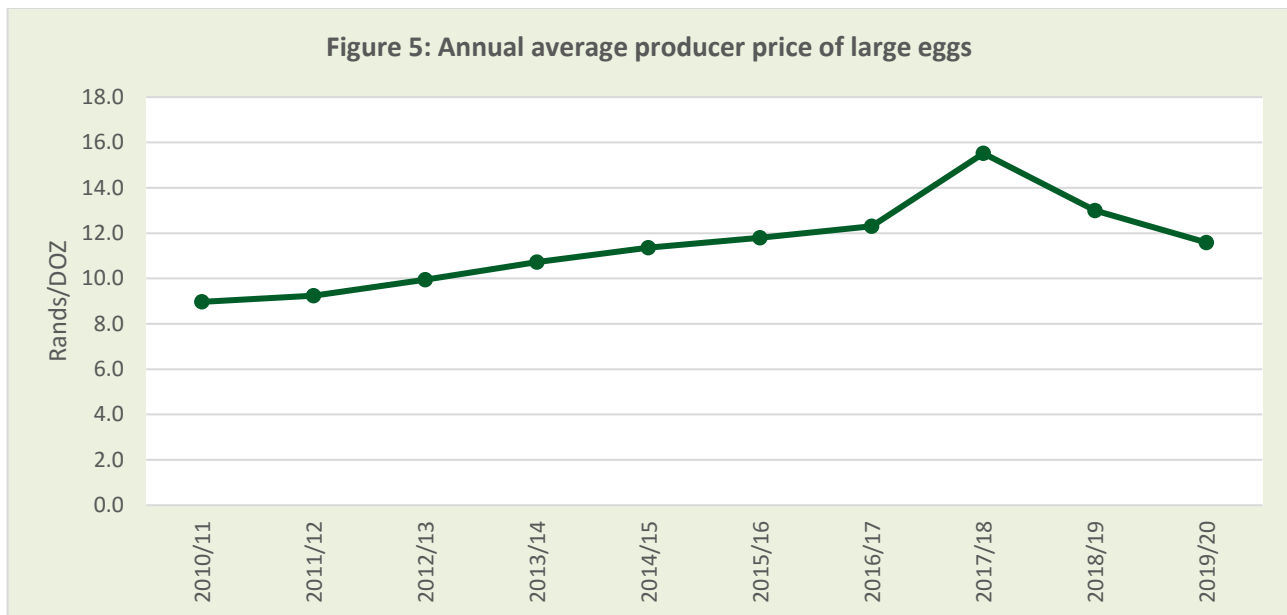
The egg industry is one of the main customers of the Animal Feed Manufacturers Association (AFMA). According to the AFMA annual report of 2019/20, the egg industry consumed around 1 392 551 tons of feed during 2019/20 period which accounts for 11.6% of total animal feed sales.

2. MARKET STRUCTURE

2.1. DOMESTIC MARKET AND PRICES

The domestic market consists of five 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.

In South Africa, eggs remain one of the cheapest animal food proteins available to consumers. The producer price of eggs over the past decade is illustrated in Figure 5.



Source: DAFF, Economic and Statistics analysis

The price of eggs increased continuously throughout the production years and reached the new peak of R15.50 per kg in 2017/18. This increase might have been caused by the shortage of eggs due to 2015/16 drought coupled with the HPAI outbreak 2017. Due to recovery to these exogenous shocks, the production has massively increased which have resulted in price decline in 2018/19 and 2019/20. For these two periods, the producer prices of eggs declined to R11.60 (25%). While the annual average producer price of eggs increased by 73% from 2010/11 to 2017/18. This shows that the latter is declining on a faster rate as opposed to the former period.

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 the EU and USA apply. Figure 6 compares volumes of imports and exports of eggs from 2011 to 2020.

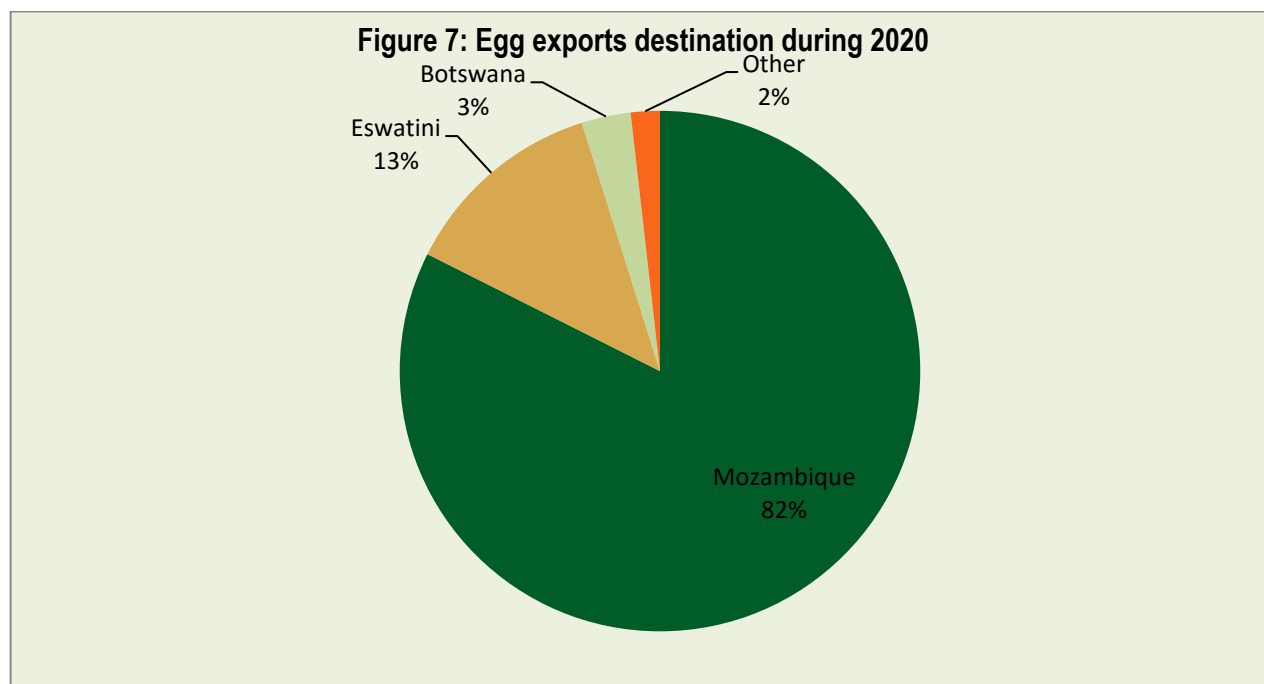


Source: Quantec Easydata

Generally, South African egg exports are way higher than imports, which makes the country a net exporter of eggs. Most of the exports were eggs in shell whilst highest imports are mainly dried eggs (90%). This shows that South Africa is not self-sufficient mainly with the dried eggs production. The highest egg imports were experienced in 2018 reaching a new peak. This was attributed by SAPA's application for a dispensation to import fertilised eggs due to the HPAI outbreak, of which during the approval of application, tariff code used had accommodated imports of shell eggs. However, these were rectified hence the total egg imports declined by 60% in 2019, in particular, the fresh eggs imports declined by 99.99% in 2019. The egg export quantity has reached its peak in 2015 attaining 19 120 tons and started declining until 2018 by 44% due to egg local production decline. However, the egg exports picked up by 47% in 2019. In 2020, the exports declined again, due to Covid 19 pandemic trade restrictions.

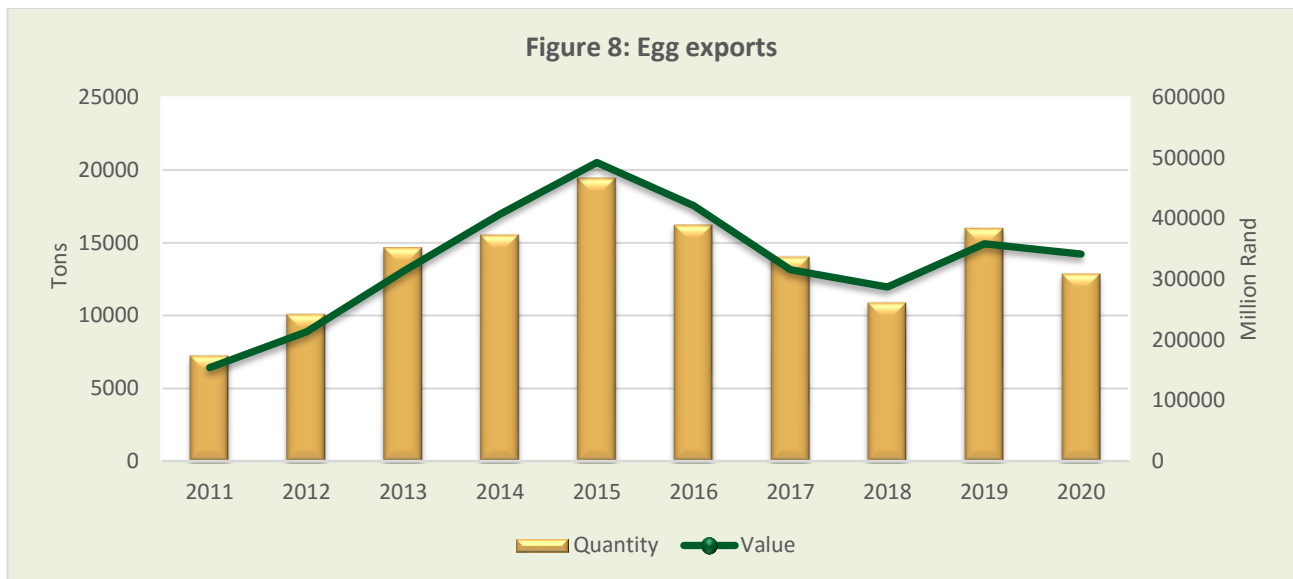
2.2.1. EXPORTS OF EGGS

Eggs are exported in a shell and as yolks (liquid and dried). Figure 7 below shows the export destinations of eggs during 2020. According to Figure 7, most of South African egg exports went to SADC countries in 2020. Mozambique was the main importer of South African eggs during 2020. The country commanded 82% of South African eggs followed at a distance by Eswatini and Botswana accounting for 13% and 3% respectively. These three countries accounted for 98% and the rest of the countries shared the remaining 2% of the export market of South African eggs.



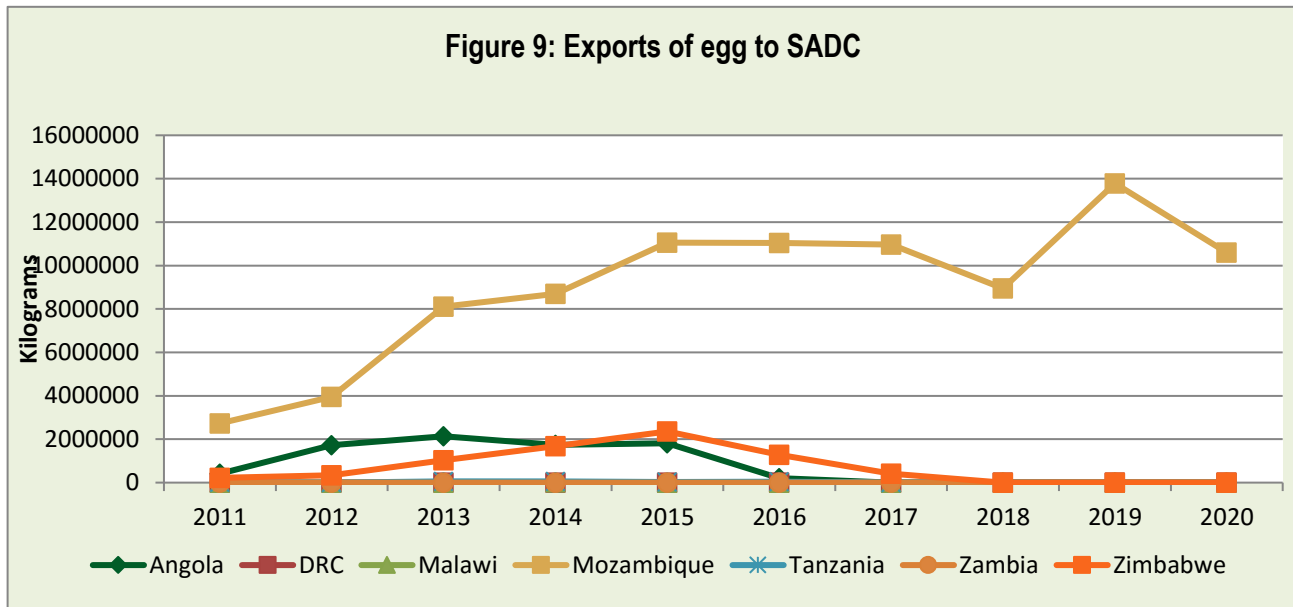
Source: Trade map, 2020

South Africa exported a total of 136 857 tons of eggs valued at R3.3 million during the past decade. Figure 8 below shows egg exports from 2011 to 2020. Both exports quantity and value has been following the same trend throughout the period under review. Figure 8 indicates that exports (quantity and value) increased for the past decade and reached the peak in 2015. They have both shown a decrease from 2015 to 2018, due to the drought experienced in 2015/2016 and HPAI outbreak in 2017, which led to production decline. In 2019, the quantity of exported eggs increased by 25% following the local production. The 2020, declined further due to Covid 19 trade restrictions.



Source: Quantec Easydata

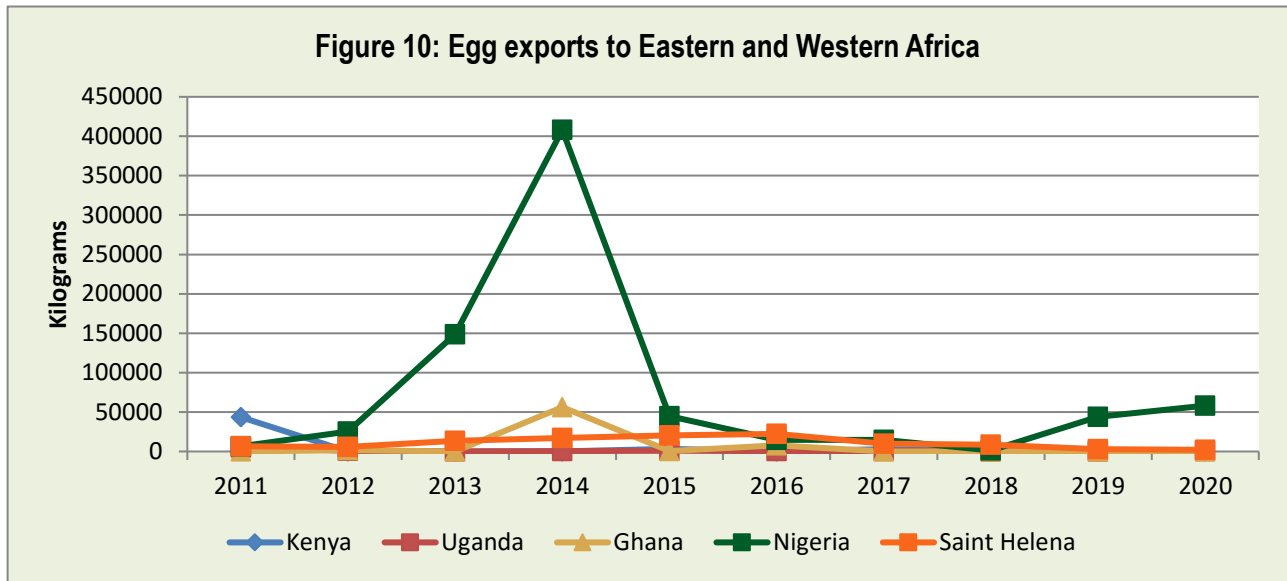
Figure 9 below presents eggs exported to SADC from 2011 to 2020.



Source: Quantec Easydata

It is clearly indicated from Figure 9 above that within SADC, the majority of South African eggs were exported to Mozambique followed at a distance by Zimbabwe and Angola. Mozambique received the greatest shares for the entire period analysed. During the past decade, Mozambique commanded 85% of total share of South African egg market, followed by Angola with 7.6%, and Zimbabwe with 7%. The other countries have contributed less than 1%.

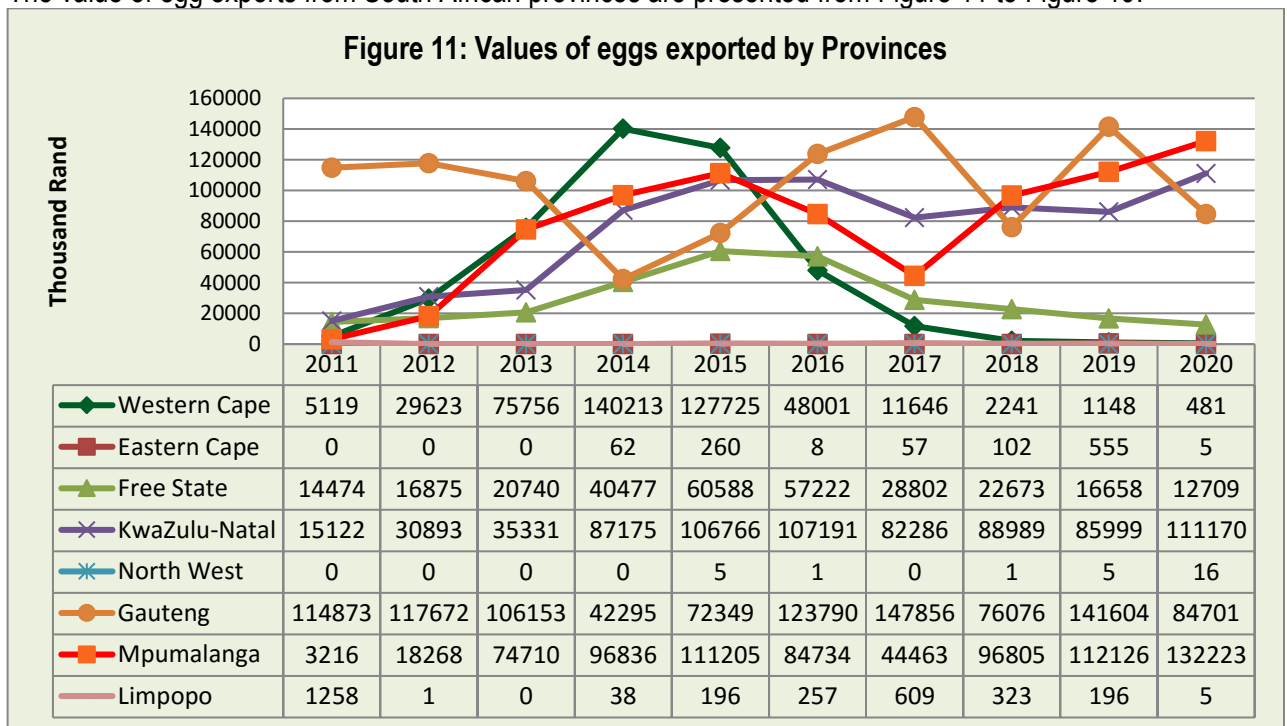
South African egg exports to Eastern and Western Africa during the past ten years are presented in Figure 10.



Source: Quantec Easydata

Figure 10 shows that, from the other parts of Africa (Western and Eastern), Nigeria was the leading importer of South African eggs. From 2012, the imports increased and reached peak in 2014, commanding almost 85% of egg exports share followed by a huge decline in 2015 and rose again in 2019. Kenya from Eastern Africa was leading in 2011 then declined to the lowest for the rest of the years. Ghana reported its highest intake in 2014 reaching almost 60 thousand kg. In total, Nigeria is leading with a share of 76% for the past decade, followed at a distance by Saint Helena (11%) and Ghana (7%). Kenya and Uganda were the lowest importers in the past decade with a total share of 5% and 1% respectively.

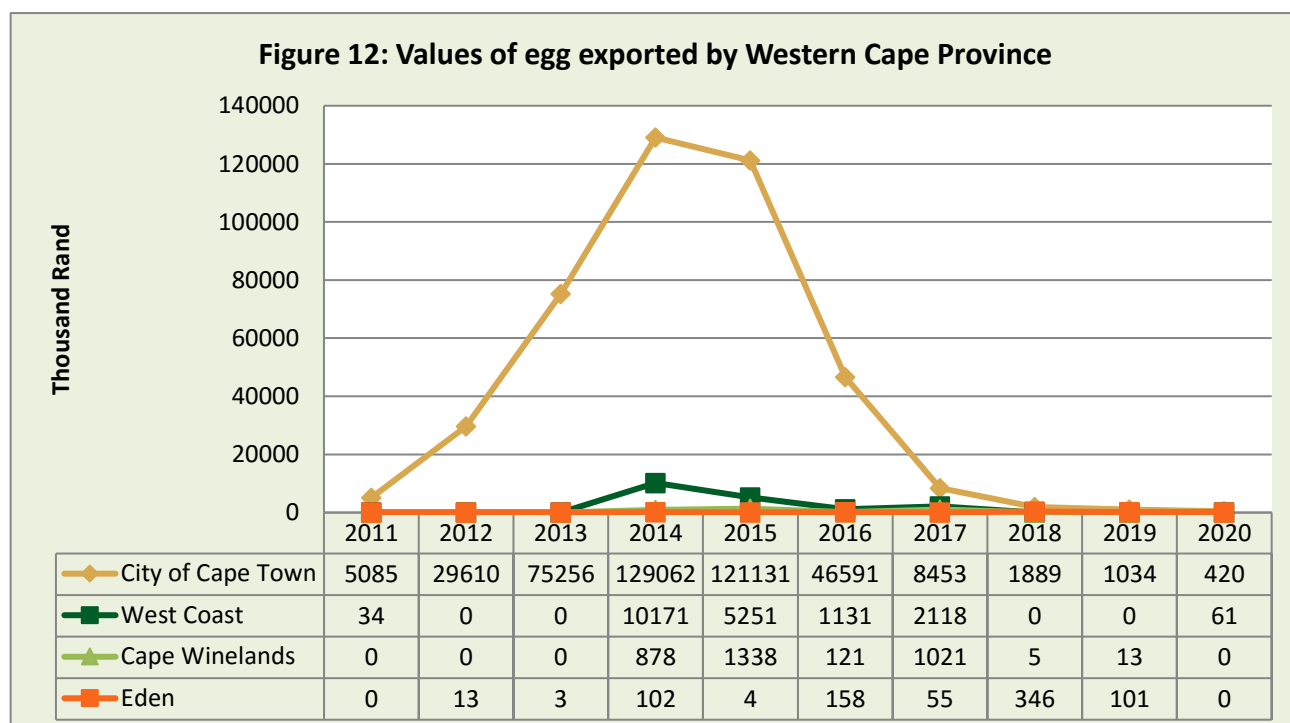
The value of egg exports from South African provinces are presented from Figure 11 to Figure 19.



Source: Quantec Easydata

Figure 11 shows that the egg exports from provinces were fluctuating in the past ten years. In this period, Gauteng Province commanded the highest egg exports share except in 2014, 2015 and 2018. The highest export value was experienced in 2017. Gauteng Province recorded the highest share from 2011 to 2013 ranging from 50% to 75%. From 2014, other provinces have increased their exports and shares were mainly spread to Western Cape, Mpumalanga and KwaZulu-Natal provinces. Western Cape experience a huge decline from 2015 to 2018 due to drought coupled with the HPAI outbreak in 2017. The outbreak had caused this province to cull about 71% of its hen population, followed by Mpumalanga culling 35% and Free State (10%). The Western Cape and Free State remained flat in 2019 and 2020. Mpumalanga recouped and increased exports by 117% in 2018, the province continued to increase and took a leading position in 2020. On average, Gauteng is leading with a share of 31%, followed by Mpumalanga with 24% and KwaZulu-Natal 23%. Limpopo, North West and Eastern Cape provinces were the lowest exporters of eggs throughout the period under analysis.

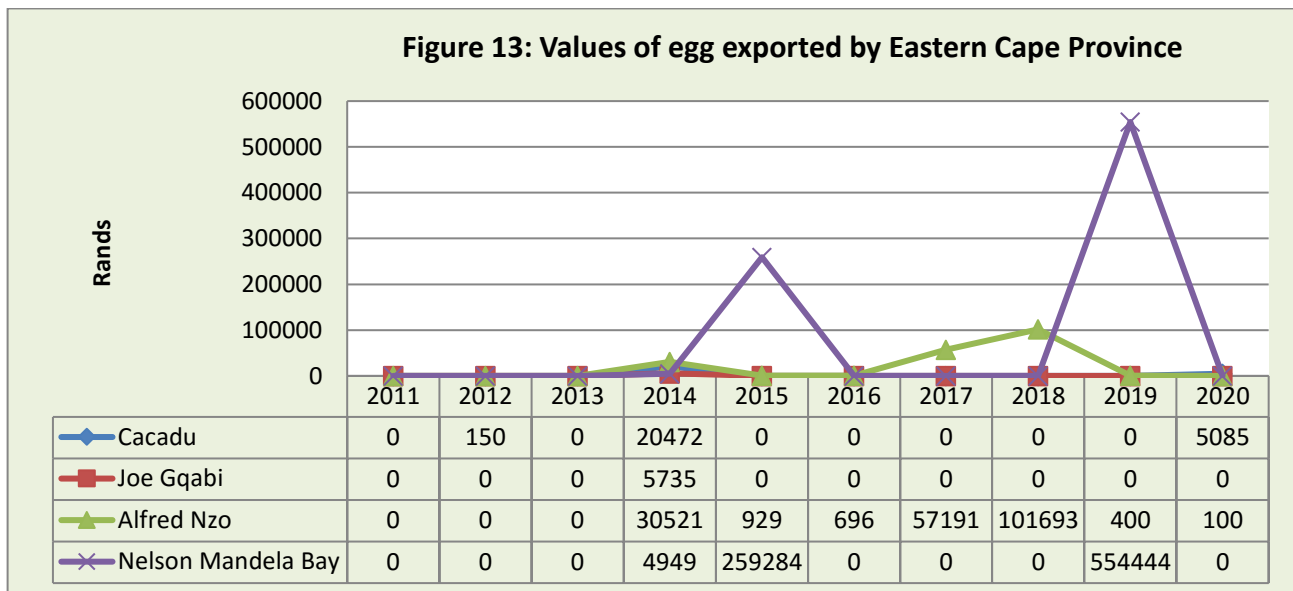
Values of eggs exported by the Western Cape Province are presented in Figure 12.



Source: Quantec Easydata

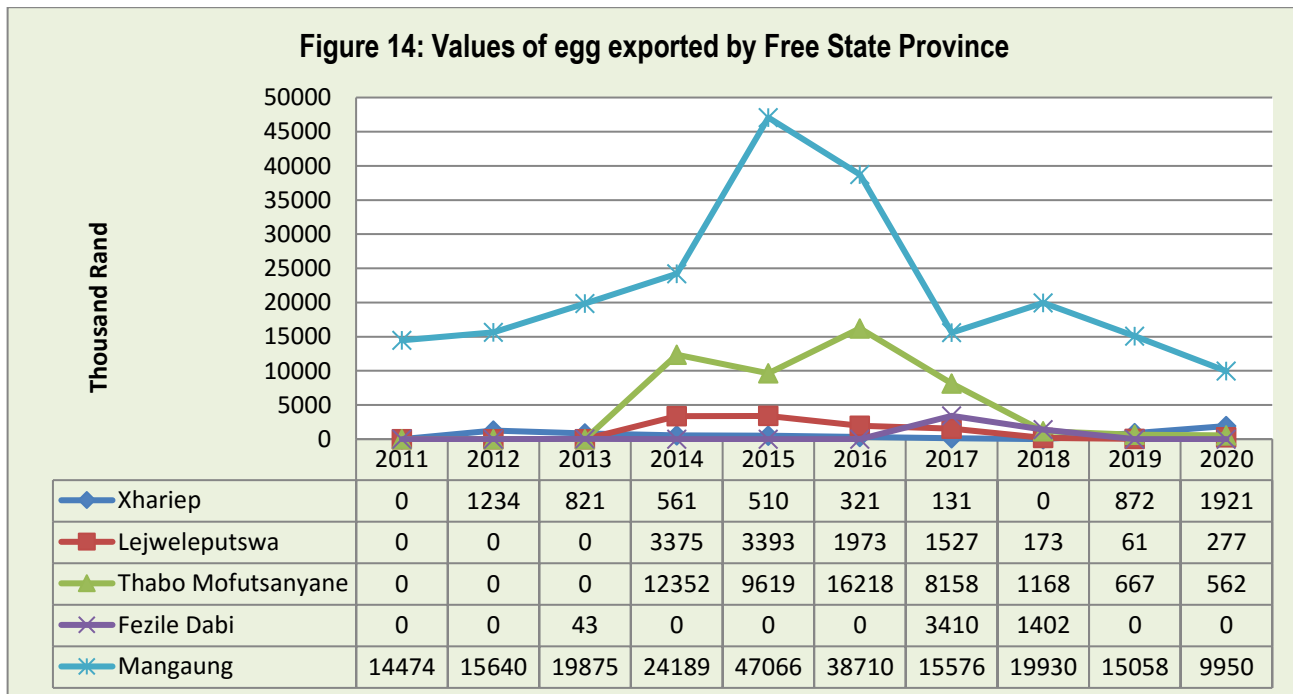
Exports of eggs originating from the Western Cape Province are mainly from the City of Cape Town and to a lesser extent West Coast, Cape Winelands and Eden District Municipalities. The City of Cape Town Metropolitan Municipality recorded the highest values with export shares of 70% and above for the entire period under review. This is because the City of Cape Town is the main exit point for exports within the province. The city has shown a drastic decline of 98% from 2015 to 2020. Intermittent exports were recorded from the West Coast, Cape Winelands and Eden District Municipalities. Highest exports from West Coast and Cape Winelands district were shown between 2014 and 2017 while Eden have shown minimal exports from 2012 to 2019.

The value of egg exports by the Eastern Cape Province are presented in Figure 13 below.



Source: Quantec Easydata

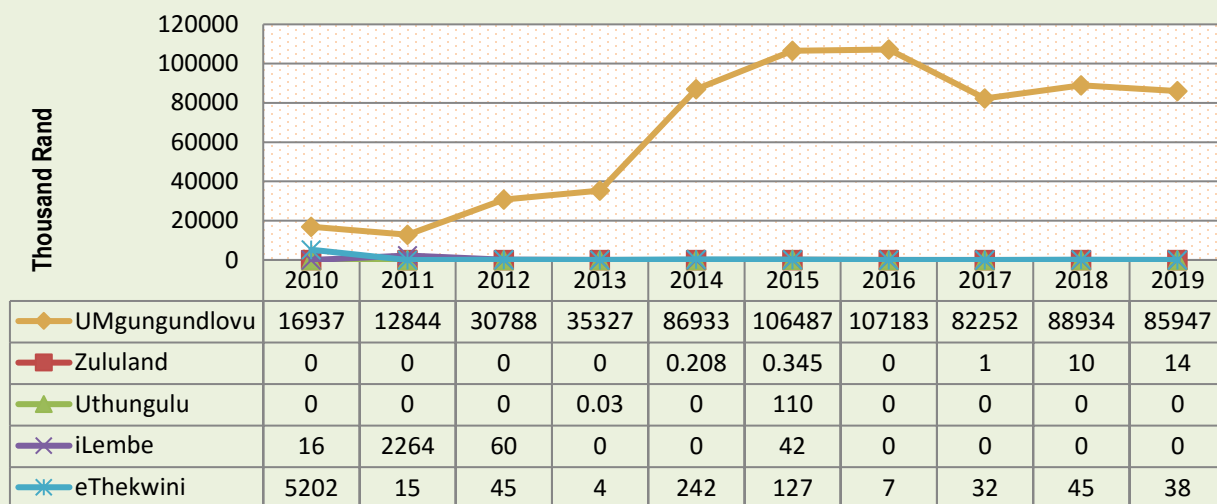
In the Eastern Cape Province, intermittent exports of eggs were recorded during the period under review (see Figure 13 above). There were no records of exports in 2011 and 2013 in Eastern Cape Province. Cacadu District Municipality has recorded exports of eggs only in 2012, 2014 and 2020 while Joe Gqabi exported only in 2014. Nelson Mandela Metropolitan Municipality recorded exports in 2014, 2015 and 2019. Alfred Nzo District Municipality from 2014 to 2020. The province has attained its peak in 2015 through Nelson Mandela Bay Metropolitan Municipality reaching R259 284 and a new peak of R554 million in 2019. In total, Nelson Mandela Bay is leading with a total share of 79%, followed by Alfred Nzo with 18% and then Cacadu and Joe Gqabi with 2% and 1% respectively.



Source: Quantec Easydata

Exports from the Free State province were originating mainly from Mangaung District Municipality (see Figure 14 above). Exports from Mangaung District Municipality reached a peak of R47 million in 2015. Xhariep recorded egg exports in 2012 to 2017 while Lejweleputswa and Thabo Mofutsanyane District Municipalities recorded exports from 2014 to 2020. Fezile Dabi was the smallest exporter within the province with the highest record of R3.4 million in 2017. Mangaung District Municipality has recorded a 100% export share from 2011 and over 60% from 2012 to 2020.

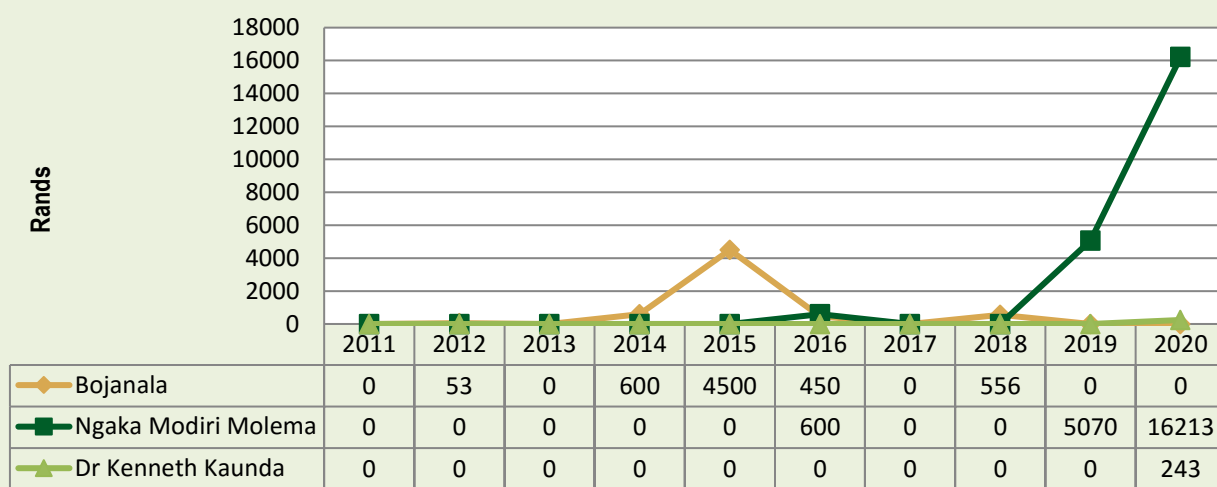
Figure 15: Values of eggs exported by KwaZulu Natal Province



Source: Quantec Easydata

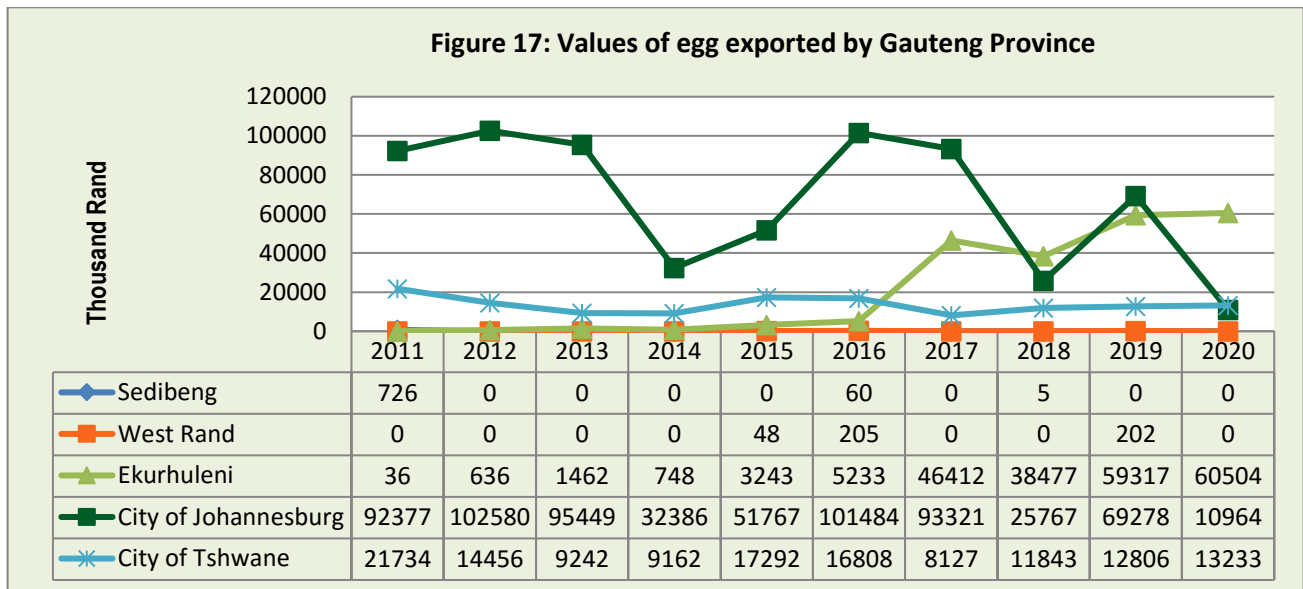
Exports of eggs from KwaZulu–Natal were mainly originating from Umgungundlovu District Municipality (see Figure 15). Umgungundlovu recorded highest egg exports during the period under analysis. Followed by eThekwini District Municipality, this district exported regularly during the past 10 years however, exports were very minimal. Zululand, Uthungulu and iLembe District Municipalities are not regular egg exporters. In total, Umgungundlovu recorded the highest export value of R740 million during the past decade followed by eThekwini and iLembe District Municipalities by R8 million and R2.3 million respectively. Uthungulu and Zululand total egg exports were the lowest with a total R110 000 and R33 000 respectively.

Figure 16: Values of eggs exported by North West Province



Source: Quantec Easydata

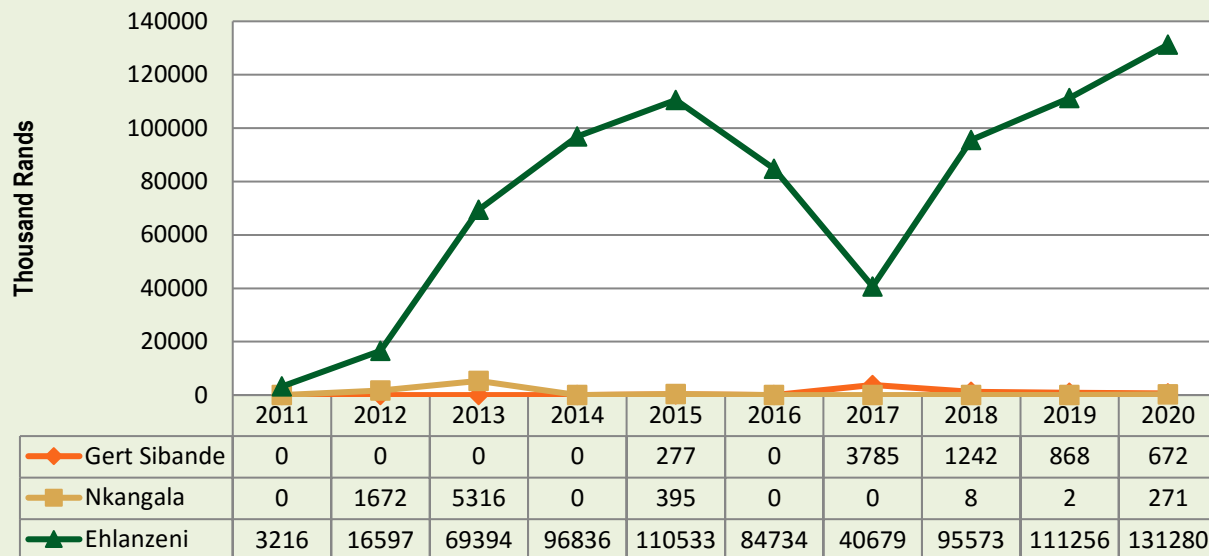
Figure 16 indicates that in North West Province, irregular exports of eggs were recorded from Bojanala, Ngaka Modiri Molema and Dr Kenneth Kaunda District Municipalities. Bojanala District Municipality reported exports of eggs from 2014 to 2016 and again in 2018 respectively, whilst Dr Kenneth Kaunda exported eggs only in 2020. There were no exports from 2011, 2013 and again in 2017. Ngaka Modiri Molema have recorded the highest exports in 2019 and 2020.



Source: Quantec Easydata

Egg Exports from Gauteng Province were originating mainly from City of Johannesburg Metropolitan Municipality as illustrated in Figure 17 above. The City of Johannesburg recorded the highest egg exports values during the entire period under review except in 2018 and 2020. In these two years, the city experienced a huge decline in eggs export and lost its highest position to Ekurhuleni District Municipality. Regular egg exports were also recorded from the City of Tshwane Metropolitan Municipality and Ekurhuleni District Municipality and irregular values were recorded from Sedibeng and West Rand District Municipalities. In 2020, Ekurhuleni was leading exporter with a market share of 71% followed at a distance by City of Tshwane and City of Johannesburg with an export share of 16% and 13% respectively.

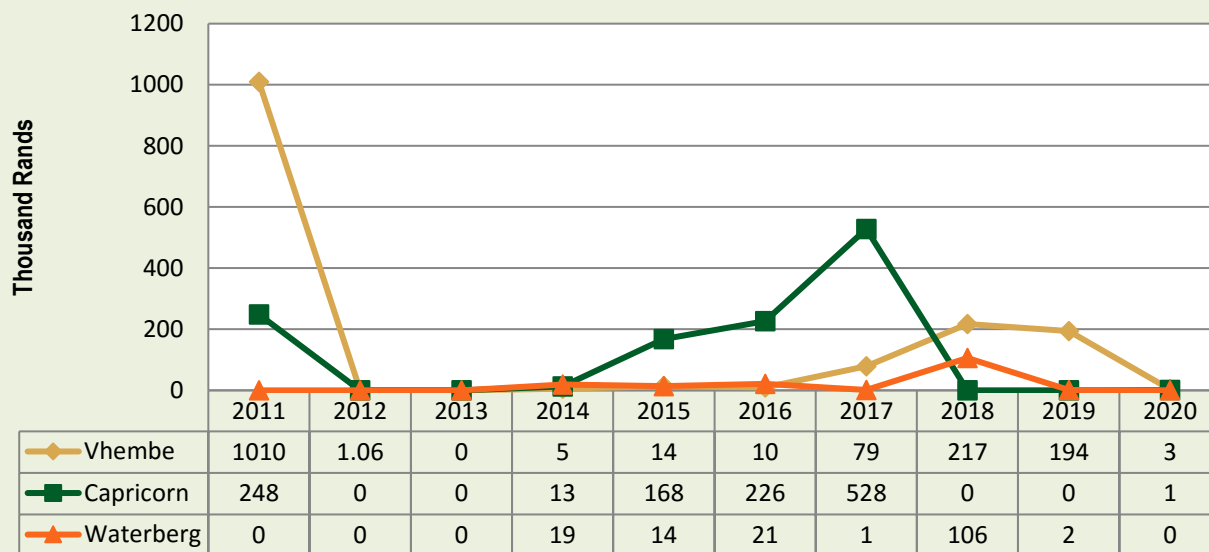
Figure 18: Values of eggs exported by Mpumalanga Province



Source: Quantec Easydata

Figure 18 shows that from Mpumalanga Province, the regular exports were recorded throughout the period under review from Ehlanzeni District Municipality while Gert Sibande and Nkangala District Municipalities have shown irregular exports. The highest exports value of R110 million was recorded from Ehlanzeni District Municipality in 2015. Ehlanzeni District Municipality recorded an export share of 90% and above from 2011 to 2020. In total, Ehlanzeni exported highest share of R760 million (98%), followed at a distance by Nkangala and Gert Sibande District Municipalities with R7.6 million and R6.8 million respectively.

Figure 19: Values of exported by Limpopo Province

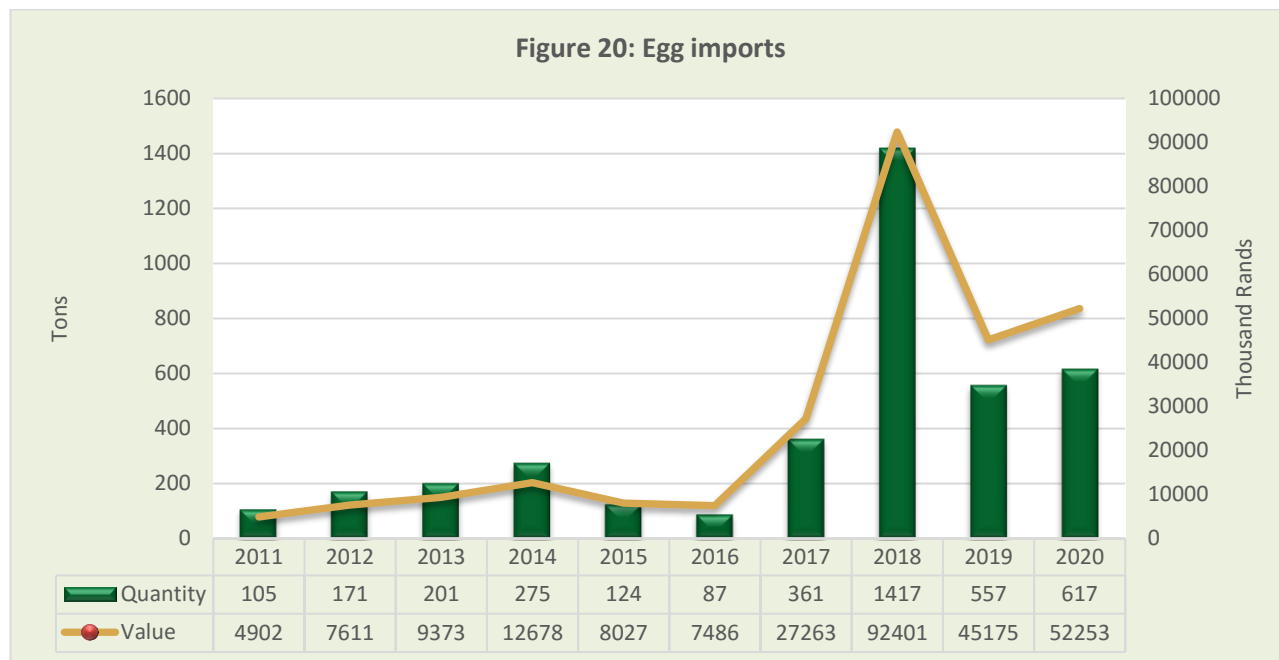


Source: Quantec Easydata

Figure 19 shows that Limpopo Province made irregular exports from 2011 to 2020 from three District Municipalities (Vhembe, Capricorn and Waterberg). Vhembe District Municipality recorded the highest egg exports in 2012 reaching the peak of R1 million. Limpopo Province have not recorded egg export in 2013.

2.2.2. IMPORTS OF EGGS

Eggs are imported in a shell and as yolks (liquid or dried). Figure 20 below shows the import of eggs from 2011 to 2020.

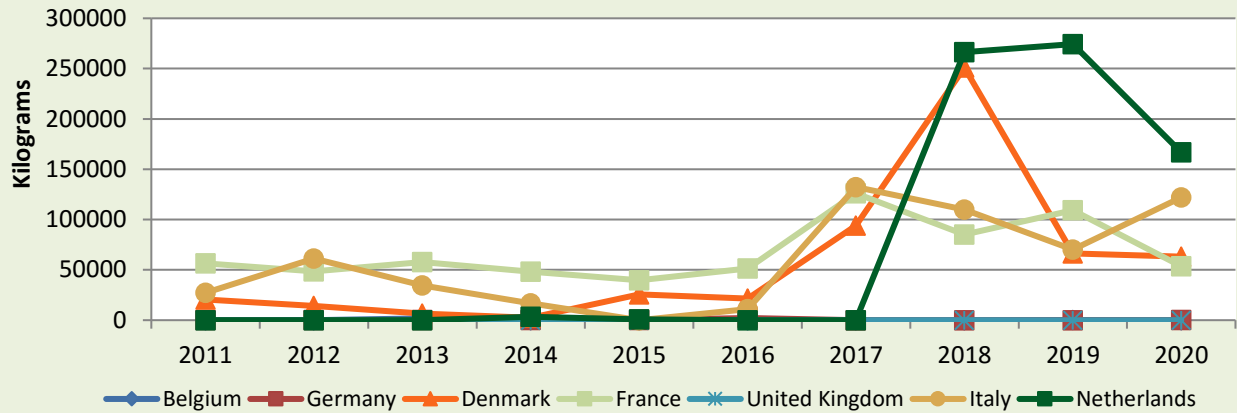


Source: Quantec Easydata

Generally, South Africa is self-sufficient with egg production with small quantity of imports. The egg imports are mainly eggs not in shell accounting for 90% on average. The imports were lower from 2011 to 2017, then followed by an immense increase of imports amounting to 1 417 tonnes valued at R92 million in 2018. These was an increase of 292% in quantity and 239% in value from 2017 to 2018. This was attributed by SAPA's application for a dispensation to imports fertilised eggs due to the HPAI outbreak, of which during the approval of application, tariff code used had accommodated imports of shell eggs. In 2019, both quantity and value declined by 61% and 51% respectively, this could be concluded that the imports were back to its normal levels as the import error was corrected. However, in 2020 the total imports have increased, which emanated from growing imports of eggs in shell from USA. It is still the case that most of imports are dried eggs, however the dried eggs have shown a slight decline for 2020. Noteworthy is the fact that the eggs in shell are not subjected to a duty for importers in South Africa.

Figure 21 below presents the South African egg imports from EU for the past decade.

Figure 21: Egg imports from EU

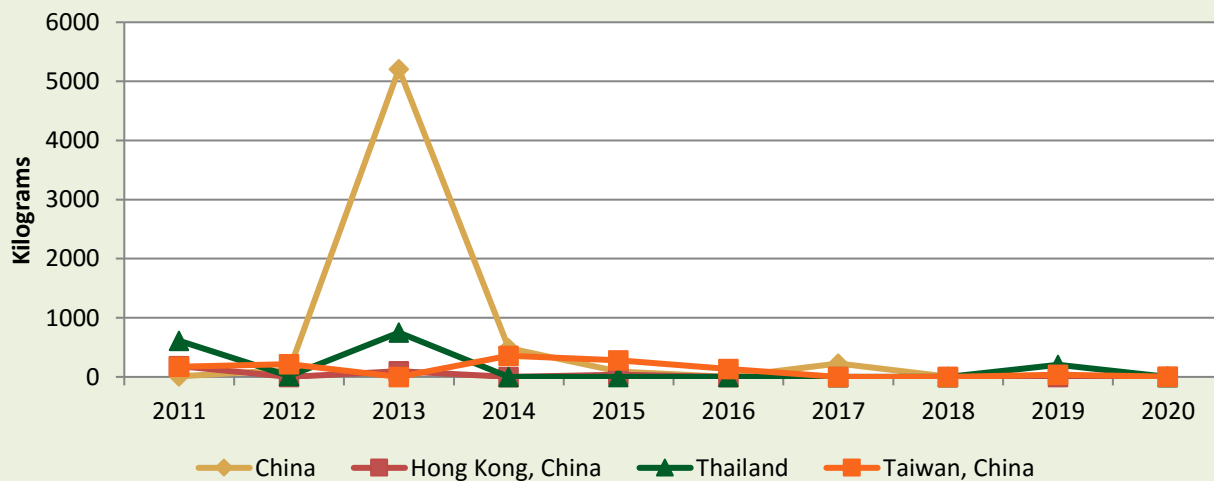


Source: Quantec Easydata

European Union member countries are main import markets for South African eggs, especially the dried eggs. Figure 21 above shows that the highest egg imports from the European Union countries to South Africa were from France, Denmark and Italy. In total, the EU community has increased their egg exports to South Africa by 102% in 2018 followed by a decline in 2019. Netherlands had smallest share of imports of South African egg imports within EU; however, in 2018 the country was leading with a share of 37% and remained high in 2019 with a share of 53%. In 2020, Netherlands was still leading (41%) despite the major decline, then Italy took second position with a share of 30%, followed by Denmark and France with 15% and 13% respectively. The highest contributor to egg imports from EU in the past decade was Netherlands totalling to 711 tonnes. Followed by France with 676 tonnes, Italy and Denmark with 584 and 565 tonnes.

Figure 22 below shows the South African egg imports from Asia from 2011 to 2020.

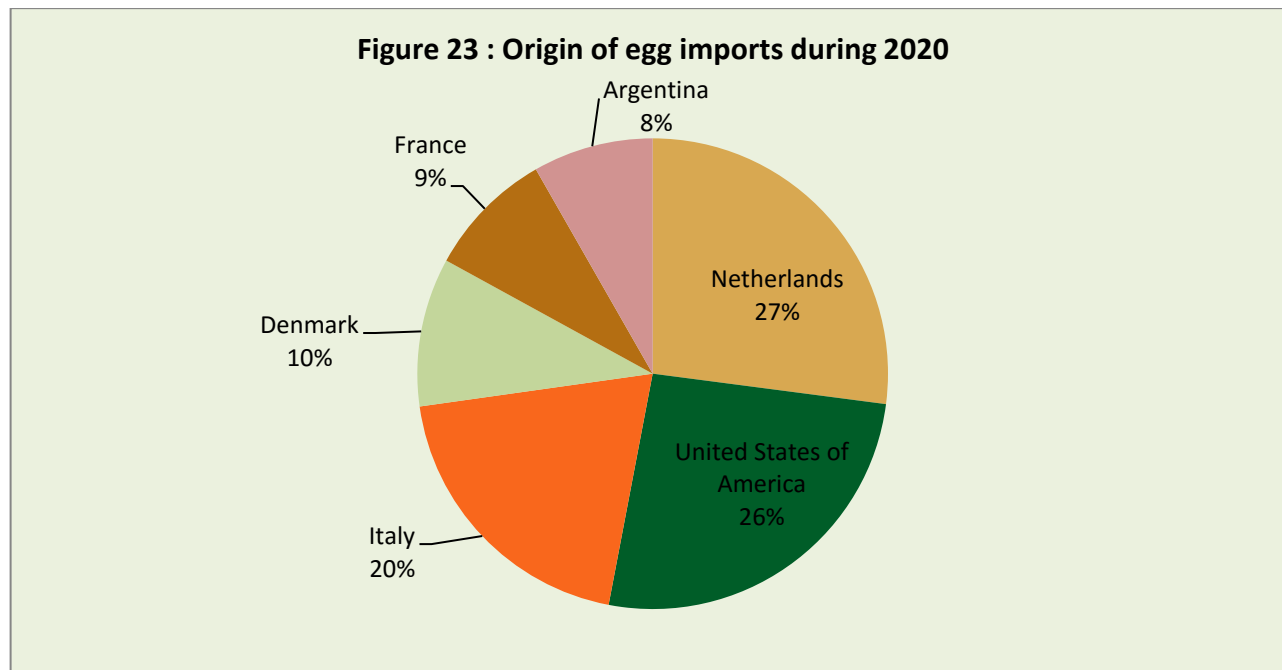
Figure 22: Egg imports from Asia



Source: Quantec Easydata

Figure 22 displays fluctuations of egg imports from Asian countries. The highest egg imports were from China in 2013 reaching 5 208 kilograms of eggs. Apart from China in 2013 the imports from Asia are below 1 000 kilograms. In total, China is leading with the egg import share of 6 159 kg, followed by Thailand and Taiwan with 1 583 kg and 1 201 kg and lastly China, HK with 320 kg respectively for the past 10 years.

Figure 23 below shows countries of origin for eggs imported by South Africa during 2020.

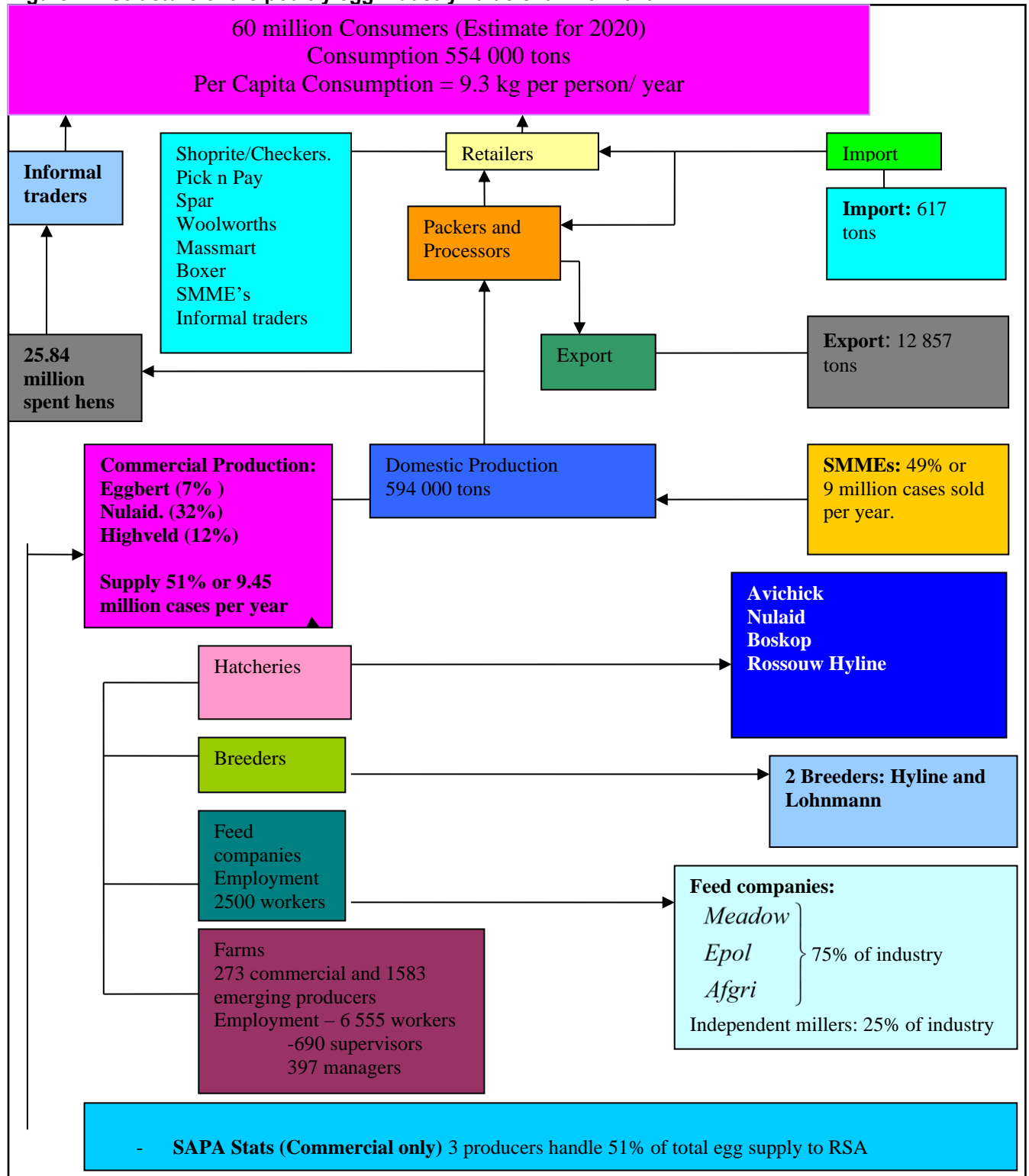


Source: TradeMap

European Union countries cumulatively dominated the egg imports of South Africa. The EU countries accounted for 66% of total imports, individually Netherlands accounted for 27% share followed by Italy 20%, Denmark 10% and France (9%). Other countries such as USA, have significantly increased their market share and accounted for 26% and Argentina score a share of 8%.

4. THE EGG VALUE CHAIN

Figure 24: Structure of the poultry egg industry value chain for 2020



Source: Adapted from NAMC and SAPA

The value chain depicted in Figure 24 consists of five 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 three 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 six 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.

- **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 do not 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.
- Ukhahlamba 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.
- 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 1 and 2.

Table 1: Export tariffs of shelled eggs

Country	Product Code	Trade Regime Description	2019			2020		
			Applied Tariffs	Total Valorem Equivalent Tariff	Ad	Applied Tariffs	Total Valorem Equivalent Tariff	Ad
Mozambique	04070010	Preferential tariff for SADC countries	0.00%	0.00%		0.00%	0.00%	
	04070090	Preferential tariff for SADC countries	0%	0%		0%	0%	
Zimbabwe	04071100	Preferential tariff (SADC) for South Africa	0%	0%		0%	0%	
Namibia Swaziland Lesotho & Botswana	04071110; 04071190; 04071910; 04071990; 04072110; 04072190; 04072910; 04072990; 04079010 & 04079020	Intra SACU rate	0%	0%		0%	0%	

Source: MacMap

Table 1 shows that South African exports of shelled eggs received a preferential tariff from Mozambique of 0% during 2019 and 2020. Zimbabwe provided South Africa with 0% of preferential tariff as a member of SADC countries in 2019 and 2020. Namibia, Swaziland, Botswana and Lesotho applied 0% of Intra SACU rate in both 2019 and 2020 for the product codes above mentioned.

Table 2: Export tariffs of dried eggs

Country	Product Code	Trade Regime Description	2019		2020	
			Applied Tariffs	Total Ad Valorem Equivalent Tariff	Applied Tariffs	Total Ad Valorem Equivalent Tariff
Nigeria	04081100; 04081900; 04089100 & 04089900	MFN duties Applied	20.00%	20.00%	5.00%	5.00%
Mozambique	04081100; 04081900; 04089100 & 04089900	Preferential tariff for SA	0.00%	0.00%	0.00%	0.00%
Botswana & Eswatini	04081100; 04081900; 04089100 & 04089900	Intra SACU rate	0.00%	0.00%	0.00%	0.00%

Source: MacMap

Table 2 shows that South Africa received a preferential tariff 0.00% on HS codes 04081100; 04081900; 04089100 and 0408990 during 2019 and 2020 from Mozambique. Lesotho and Botswana also applied 0% of Intra SACU rate. Nigeria applied the MFN duties of 20.00% in 2019 and 5% in 2020 for the HS codes 04081100; 04081900, 04089100 & 04089900.

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 1SO 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, labelling 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 eggshell 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 centres 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 South Africa applies to eggs originating from possible countries are shown in Table 3 and 4.

Table 3: Import tariffs of eggs in a shell

	Article Description	Statistical unit	Rate of Duty				
			General	EU	EFTA	SADC	MERCOSUR
04.07	Birds' eggs, in shell, fresh, preserved or cooked:						
0407.1	Fertilised eggs for incubation:						
0407.11	Of fowls of the species Gallus domesticus:						
0407.11.10	Of a value for duty purposes less than 150c each	Kg	free	free	free	free	free
0407.11.90	Other	Kg	free	free	free	free	free
0407.19	Other						
0407.19.10	Ostrich eggs	Kg	free	free	free	free	free
0407.19.90	Other	Kg	free	free	free	free	free
0407.2	Other fresh eggs						
0407.21	Of fowls of the species Gallus domesticus:						
0407.21.10	Of a value for duty purposes less than 150c each	Kg	free	free	free	free	free
0407.21.90	Other	Kg	free	free	free	free	free
0407.29	Other:						
0407.29.10	Ostrich eggs	Kg	free	free	free	free	free
0407.29.90	Other	Kg	free	free	free	free	free
0407.90	Other						
0407.90.10	Ostrich eggs	Kg	free	free	free	free	free
0407.90.20	Of a value for duty purposes less than 150c each	Kg	free	free	free	free	free
0407.90.90	Other	Kg	free	free	free	free	free

Source: SARS

Table 3 above indicates the sub products of Birds' eggs, in shell, fresh, preserved or cooked and their rates of duty applied by South Africa. It is clear from the table that, within the presented trade agreements (EU, EFTA, SADC and MERCOSUR) and all other countries bringing the said products into South Africa, all eggs enter free of charge.

Table 4: Import tariffs of dried eggs

	Article Description	Statistical unit	Rate of Duty				
			General	EU	EFTA	SADC	MERCOSUR
04.08	Birds' eggs, not in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter:						
0408.1	Egg yolks:						
0408.11	Dried	Kg	19%	free	19%	free	19%
0408.19	Other	Kg	19%	free	19%	free	19%
0408.9	Other						
0408.91	Dried	Kg	19%	free	19%	free	19%
0408.99	Other						
0408.99.10	Raw pulp consisting of the yolks and whites of eggs of the species <i>Gallus domesticus</i>	Kg	19%	free	19%	free	19%
0408.99.90	Other	Kg	19%	free	19%	free	19%

Source: SARS

Table 4 above indicates the sub products of 'Birds' eggs, not in shell, and egg yolks, fresh, dried' and their rates of duty applied by South Africa. South Africa has applied the preferential tariff of 0% for the European Union and SADC whilst it applied 19% tariff to EFTA, MERCOSUR and any other countries supplying the above-mentioned products to South Africa. The total annual quota allocated for these products is 9000 tons for a rebate of 3.8%.

14. COMPETITIVENESS OF THE EGG INDUSTRY

14.1. COMPETITIVENESS OF EGG INDUSTRY EXPORTS

Table 6: List of importing markets for shelled eggs (HS 0407) exported by South Africa in 2020

Importers	Indicators														
	Value exported in 2020 (USD thousand)	Trade balance 2020 (USD thousand)	Share in South Africa's exports (%)	Quantity exported in 2020	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2016-2020 (% p.a.)	Growth in exported quantity between 2016-2020 (% p.a.)	Growth in exported value between 2019-2020 (% p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)	Total imports growth in value of partner countries between 2016-2020 (% p.a.)	Average distance between partner countries and all their supplying markets (km)	Concentration of all supplying countries of partner countries	Average tariff (estimated) faced by South Africa (%)
World	20833	20234	100	12792	Tons	1629	-4	-2	-15		100	3			
Mozambique	14013	14013	67.3	10597	Tons	1322	4	4	-21	53	0.2	21	1716	0.53	0
Eswatini	4775	4775	22.9	1638	Tons	2915	4	6	-7	68	0.1	4	428	1	0
Botswana	989	989	4.7	393	Tons	2517	46	52	12	95	0.05	38	682	0.34	0
Nigeria	894	894	4.3	58	Tons	15414	240	110	41	109	0.04	41	4347	0.23	23
Namibia	67	67	0.3	24	Tons	2792	-47	-53	-21	178	0	-47	1308	0.91	0
Lesotho	51	51	0.2	69	Tons	739	-62	-61	51	184	0	-59	369	1	0
Uganda	17	17	0.1	0	Tons		8		95	98	0.04	58	4114	0.34	25
Ship stores and bunkers	7	7	0	3	Tons	2333	16	-11	-77	139	0.01	-25		0.42	
Saint Helena	4	4	0	2	Tons	2000	-41	-45	-49	202	0	-42	3872	1	
Papua New Guinea	3	3	0	3	Tons	1000	-28	-25	-54	146	0.01	-15	4527	0.99	18.8
Tanzania	3	3	0	1	Tons	3000	-40	-61	-74	185	0	-55	5750	0.86	0
Canada	1	1	0	0	Tons					13	1.7	-3	1806	0.85	89.2

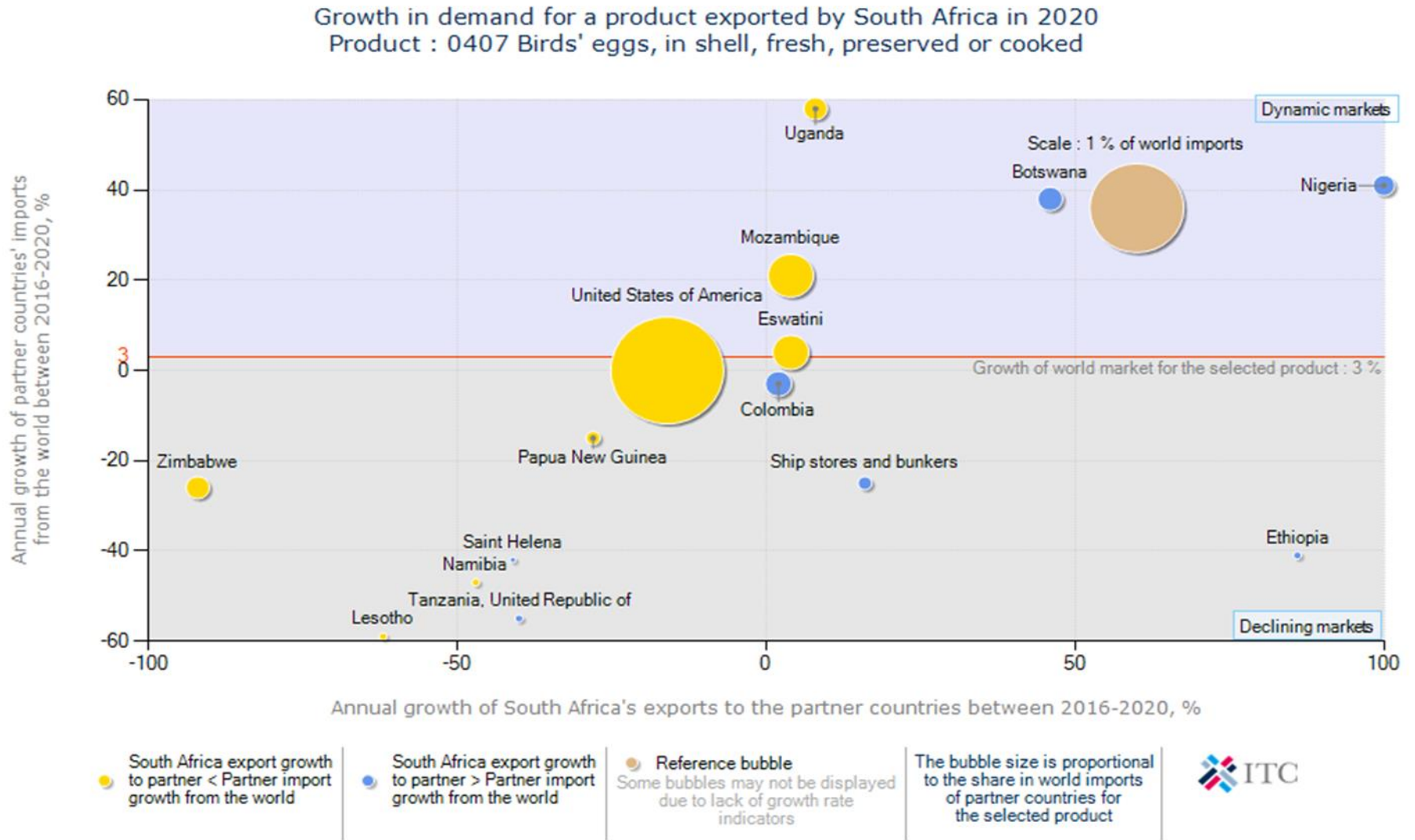
Source: ITC calculations based on COMTRADE statistics.

South Africa's exports represent **0.5%** of world exports for shelled eggs and its ranking in world exports is **31**. Table 6 shows that during 2020 South Africa exported a total of 12 792 tons of shelled eggs at an average value of US\$1 629/unit. South Africa exported greater quantities of shelled eggs to Mozambique, Eswatini and Botswana. The greatest shares of South African shelled eggs exports were destined to Mozambique, which commanded 67.3% share during the year 2020, followed at a distance by Eswatini with 22.9% share and Botswana by 4.7% share.

South African shelled eggs exports to the world decreased by 4% in value and 2% in quantity per annum between the periods 2016 and 2020. During the same period, exports value and quantity of shelled eggs to Mozambique increased by 4% and 4% respectively.

Exports of shelled eggs from South Africa decreased by 15% in value between 2019 and 2020. At the same period, the value of shelled eggs exports to Mozambique decreased by 21%.

Figure 25: Growth in demand for eggs in shell exported by South Africa in 2020



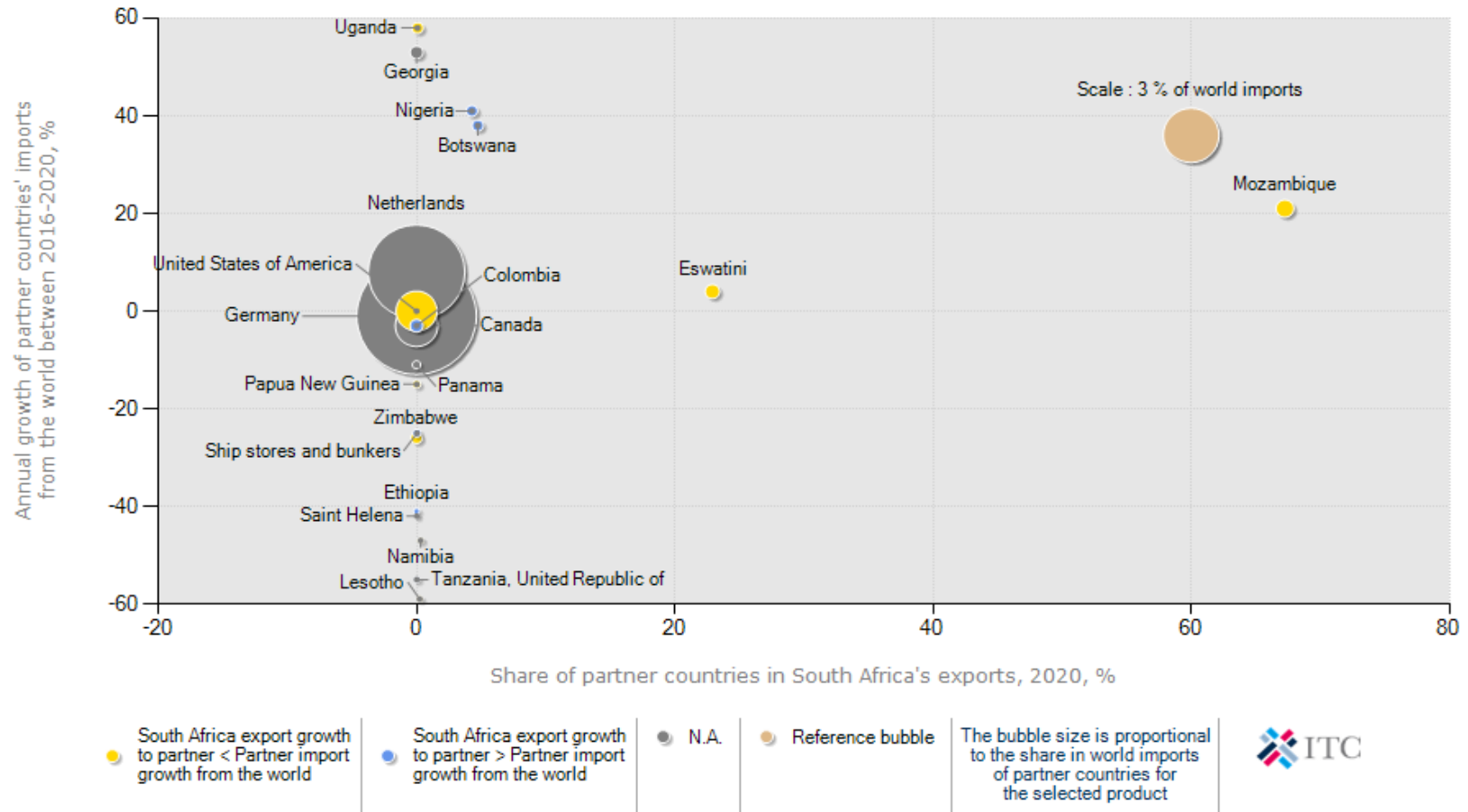
Source: Trademap, ITC

Figure 25 illustrates that between 2016 and 2020 South Africa's shelled eggs exports to Eswatini, Mozambique, USA, Zimbabwe, Papua New Guinea and Uganda 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 Botswana, Nigeria, Colombia and Tanzania were growing at a rate that is greater than their imports from the rest of the world.

Further analysis indicates that Lesotho, Namibia, Saint Helena and Tanzania represent declining markets while Nigeria represents a dynamic market. USA is the biggest market however the annual growth of imports is 0%. During the periods 2016 and 2020, Nigeria presented itself to be a growing market with South African export growth of 240% and an annual import growth of 41%.

Figure 26: Prospects for market diversification for eggs in shell exported by South Africa in 2020

Prospects for market diversification for a product exported by South Africa in 2020
 Product : 0407 Birds' eggs, in shell, fresh, preserved or cooked



Source: Trademap, ITC

Figure 26 shows the prospects for market diversification for shelled egg exports by South Africa during 2020. The figure indicates that Mozambique commanded 67% of South Africa's shelled egg exports in 2020.

If South Africa wishes to diversify its shelled eggs export, the fastest growing markets exist in Uganda. Their annual imports growth is 58% during 2020. South Africa may also consider increasing Eswatini market because market access already exists and Eswatini's imports from the world is more than its imports from South Africa.

Table 7: List of importing markets for dried eggs (0408) exported by South Africa in 2020

Importers	Indicators														
	Value exported in 2020 (USD thousand)	Trade balance 2020 (USD thousand)	Share in South Africa's exports (%)	Quantity exported in 2020	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2016-2020 (% p.a.)	Growth in exported quantity between 2016-2020 (% p.a.)	Growth in exported value between 2019-2020 (% p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)	Total imports growth in value of partner countries between 2016-2020 (% p.a.)	Average distance between partner countries and all their supplying markets (km)	Concentration of all supplying countries of partner countries	Average tariff (estimated) faced by South Africa (%)
World	31	-2564	100	77	Tons	403	-61	-47	-84		100	1			
Lesotho	16	16	51.6	65	Tons	246	-1	48	-10	170	0	-23	369	1	0
Mozambique	11	11	35.5	10	Tons	1100	-68	-65	-91	151	0	-48	2966	0.58	0
Botswana	2	2	6.5	0	Tons		-20		-38	141	0	-14	522	1	0
Nigeria	1	1	3.2	0	Tons		-64			47	0.2	40	5784	0.35	20
Eswatini	1	1	3.2	0	Tons		169								0
Area Nes		-2													
France		-331								3	7.4	6	653	0.22	0
Denmark		-364								7	3.7	2	1943	0.16	0
Argentina		-376								43	0.3	217	2089	0.68	10
Italy		-577								6	4.2	13	1248	0.27	0
Netherlands		-944								8	3.5	-16	683	0.17	0
Germany										1	17.5	5	525	0.38	0
United Kingdom										2	10.6	-5	650	0.36	0

Source: ITC calculations based on COMTRADE statistics.

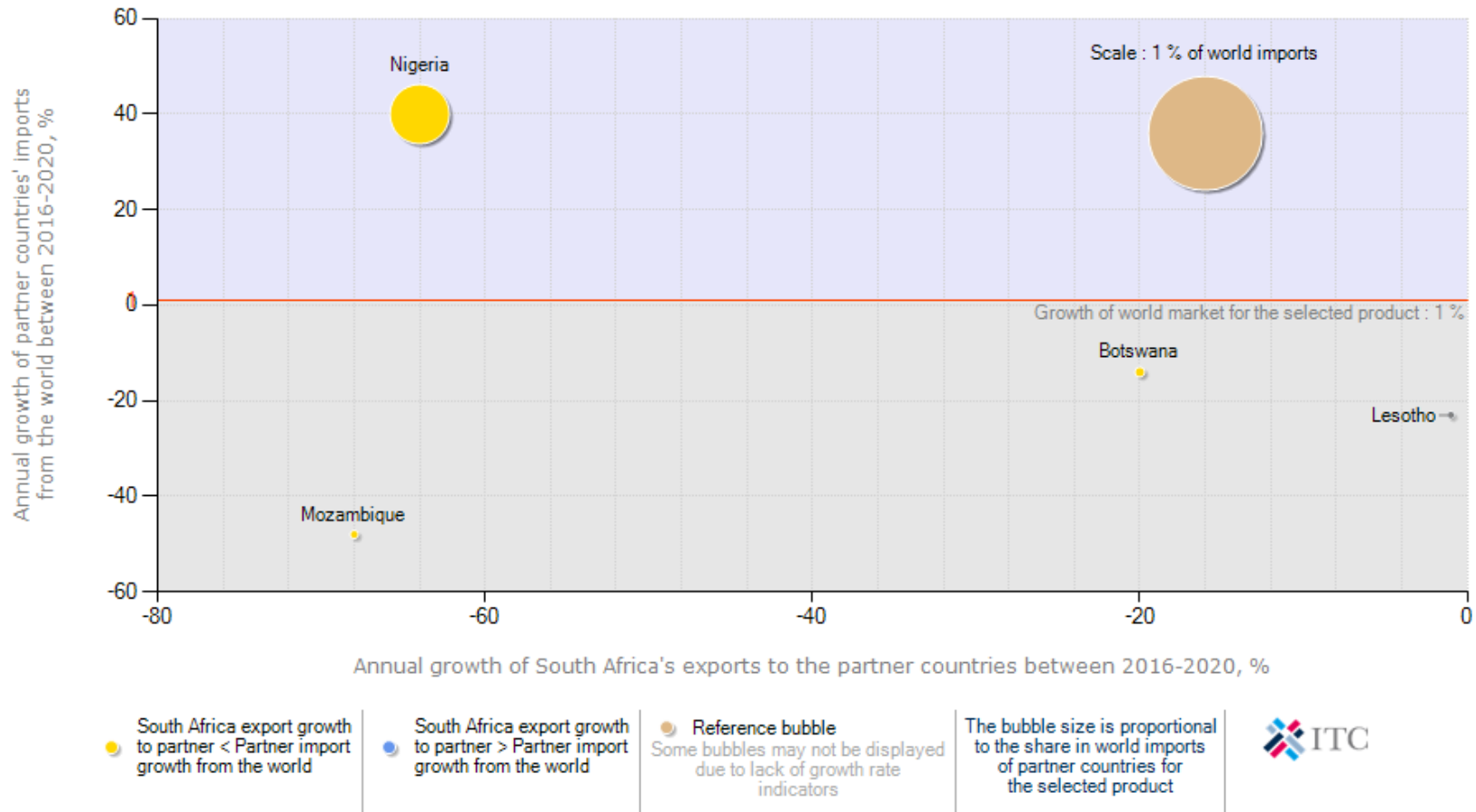
South Africa's exports represent **0.0%** of world exports for dried eggs and its ranking in world exports is **64**. Table 7 shows that during 2020 South Africa exported a total of 77 tons of dried eggs at an average value of US\$ 403/unit. The greatest share was exported to Lesotho, with a share of 51.6%, followed at a distance by Mozambique and Botswana at 35.5% and 6.5% respectively.

South African dried eggs export to the world decreased by 61% and 47% in value and quantity respectively between the periods 2016 and 2020. During the same period, exports to Lesotho decreased by 1% in value and increased by 48% in value while Mozambique decreased by 68% in value and 65% in quantity.

Exports of dried eggs to the world decreased by 84% in value during the period between 2019 and 2020. During the same period exports of dried eggs to Lesotho decreased by 10% and exports to Mozambique decreased by 91%.

Figure 27: Growth in demand for dried eggs exported by South Africa in 2020

Growth in demand for a product exported by South Africa in 2020
 Product : 0408 Birds' eggs, not in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter



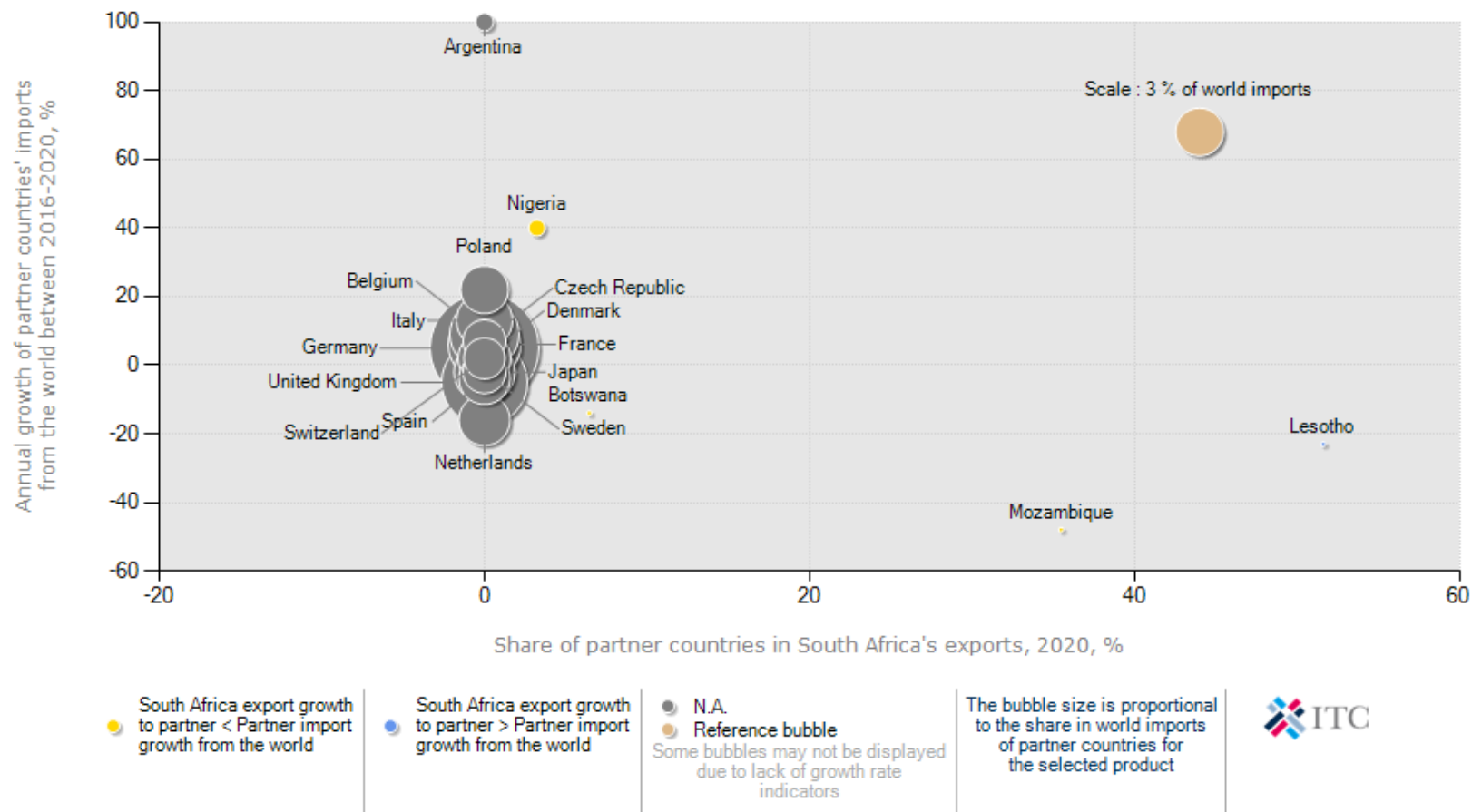
Source: Trademap, ITC

Figure 27 above shows the growth in demand for dried eggs exports by South Africa between 2016 and 2020. This figure illustrates that between 2016 and 2020 South Africa's dried eggs exports to Nigeria, Mozambique and Botswana was growing at a rate that is greater than their imports from the rest of the world.

In this period, Nigeria was a fast-growing market with annual import growth of 40%. Botswana and Mozambique represent loss of South African market of about 68% and 20% respectively.

Figure 28: Prospects for market diversification for dried egg exported by South Africa in 2020

Prospects for market diversification for a product exported by South Africa in 2020
 Product : 0408 Birds' eggs, not in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter



Source: Trademap, ITC

Figure 28 shows the prospects for market diversification for dried eggs exports by South Africa between 2016 and 2020. The figure indicates that the South Africa's export share of Lesotho and Mozambique was 52% and 35.5% respectively.

If South Africa wishes to diversify its dried eggs export, the fastest growing markets exist in the Argentina. Its annual imports growth is 217%. Germany is one of the biggest world markets of dried eggs due to its import's world share market of 17.46% but its import annual growth is at 5%. These markets can be targeted for market development by South Africa.

15. ACKNOWLEDGEMENTS

The following sources and organizations are acknowledged:

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<http://www.alzu.co.za/>

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

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

[Department of Agriculture, Land Reform &
Rural Development](http://www.dalrrd.gov.za)
[www.dalrrd.gov.za.](http://www.dalrrd.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)
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[Moreson Farms](http://moresonfarms.co.za)
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[Nulaid eggs](http://www.nulaid.co.za/bergvlei.htm)
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[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/>

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

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

This document and its contents have been compiled by the Department of Agriculture, Forestry and Fisheries for the purpose of detailing the egg industries. The views expressed in this document are those of the Department of Agriculture with regard to agricultural industry, unless otherwise stated and, therefore the Department of Agriculture does not accept responsibility for any errors in such information and anyone acting on such information does so entirely at his or her own risk.

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): 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.
B.		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, Moreson, 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		

NO.	NAME	BUSINESS DESCRIPTION	ADDRESS	CONTACT DETAILS
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
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

NO.	NAME	BUSINESS DESCRIPTION	ADDRESS	CONTACT DETAILS
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 joint venture, which has been formed to rear the pullets from day old chicks to point of lay hens. The Zanddam egg production unit packs and markets 6 million dozen eggs per year.	Lichtenburg Road, Cape Town, Western Cape 7550 Western Cape	Telephone: (021) 859 2610
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.	President Street 41, Kroonstad, 9500 Free State.	
15	Fair Acres.	Its operations are integrated and consist of Pedigree breeding; Rearing, Egg production and grading, packaging and processing, distribution and marketing. It produces quality eggs for all sectors of the market: Retail,	Kendal, Witbank, Mpumalanga.	

NO.	NAME	BUSINESS DESCRIPTION	ADDRESS	CONTACT DETAILS
		Wholesale, Catering, Hospitality, Manufacturing, Distribution and Export.		
16	Golden Lay.	It is a specialized rearing firm producing day-old pullets and point of lay hens to supply independent egg producers. It focused its efforts and expertise on breeding poultry stock for the layer industry from 2004.	Sava Farms Portion 5, No 527, Muldersdrif, Gauteng 1747 P.O. Box 171 Mooi River, 3300	
17	Grendon Pty Ltd.	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. Breeder facility of three breeder-laying houses, each with the capacity of 5 632 breeder layer hens. These hens produce fertile hatching eggs for the current supplier of day-old pullet chicks namely Boskop Layers.	Unit 59, Ivy Park 3 Ivy Rd Pinetown, 3610 KwaZulu-Natal Midlands	Tel: (031) 701 1573 Fax : (031) 701 1573
		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	Potchefstroom	(018) 298 1117

NO.	NAME	BUSINESS DESCRIPTION	ADDRESS	CONTACT DETAILS
		<p>day-old layer pullets annually.</p> <p>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.</p>		
18		<p>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.</p>	<p>Park Lane, Kloof, 3610 PO Box 521, Kloof, 3640 Kwazulu/Natal South Africa Website: www.mkhombe.co.za</p>	<p>Tel: +27 (0)31 764 7053 Fax: +27 (0)31 764 7056 E-mail: cecilia@mkhombe.co.za</p>
19	IG Boerdery owned by Ingrid Gromer.	It supplies free-range eggs to Woolworths.	Skeerpoort, Hartebeespoort.	
20	Heidel Eggs.	<p>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</p>	<p>Farm Mooiuitsing, Brandell Road, Witrivier, 1240 Mpumalanga</p>	<p>Tel : (013) 751-3897. Fax : (013) 750 0707 heidele@iafrica.com.</p>

NO.	NAME	BUSINESS DESCRIPTION	ADDRESS	CONTACT DETAILS
		<p>also exported to Mozambique and Swaziland.</p> <p>The farm also has its own 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,</p>		
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>P.O. BOX 452 HONEYDEW 2040 Gauteng www.kiepersolpoultry.co.za.</p> <p>Sterkfontein in Krugersdorp, Gauteng and Klipfontein in North West.</p>	(011) 794 1330 jan @ kiepersolpoultry.co.za

NO.	NAME	BUSINESS DESCRIPTION	ADDRESS	CONTACT DETAILS
27	Môreson Poultry Farm is a division of Môreson Group.	<p>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.</p> <p>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>	<p>P.O. Box 214 Brandfort 9400 Free State</p> <p>http://moresonfarms.co.za</p>	<p>Tel : (051) 821-1291 Fax : (051) 821-1532 Email : moreson@intekom.co.za</p>
28	Ottawa Poultry Farm.	Egg producing farm	Palmer's 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.	<p>PO Box 2410 Delmas 2210</p> <p>Mpumalanga www.rossgro.co.za</p>	<p>Tel: (013) 665 6815 Fax: (013) 665 6810 Email: solutions@sdt.co.za</p>

NO.	NAME	BUSINESS DESCRIPTION	ADDRESS	CONTACT DETAILS
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