



## **SUSPENSION OF EXPORT PERMITS FOR DAY OLD CHICKS, INGREDIENTS AND STOCK-FEED BY GOVERNMENT: A PROGRESSIVE MOVE FOR THE DEVELOPMENT OF ZAMBIA'S POULTRY INDUSTRY**

### **PRESS STATEMENT**

**FOR IMMEDIATE RELEASE**

**Wednesday 4<sup>th</sup> August, 2021**

At the onset of the COVID-19 global companies responsible for the production of poultry grandparent stock were affected by supply chain disruptions due to lock downs thereby affecting the **supply of breeding stock and hatching eggs due to lockdowns**. This affected the activities in the poultry industry thereby spiking the demand for day-old chicks across the globe, Zambia inclusive. Zambia's breeding stock source is mainly the United States of America (USA) and was initially affected. **Nonetheless, the current supply of parent stock is now stabilizing as the COVID-19 pandemic eases in the USA and across the globe. Furthermore, price of stock-feed has also been on the rise due to the export of soya bean, resulting in increased demand and price for the commodity in the country.** Soya bean is a major source of protein in the livestock feed formulation thus an increase in purchase price translated to a rise in the cost of stock-feed. Moreover, the surging demand for stock-feed on the export market also contributed to the rise in the cost of the product for local poultry famers amid heightened demand in the local market. As a result, profit margins dropped, consequently pushing smallholder poultry farmers out of business.

In order to stabilize the price of poultry products and livestock feed **Government through the Ministry of Fisheries and Livestock on 26<sup>th</sup> July 2021 suspended the issuance of the export permits for stock-feed, its ingredients and day-old chicks.** In addition, Government has directed that producers of stock-feed and day-old chicks do not increase prices of their products until the concerns of livestock farmers are addressed. This directive follows concerns over the rising cost of poultry products. **There was a notable increase in the price of a day-old chick from about K5 to K16, while stock-feed is now fetching between K300 and K500-for a 50-kilogramme bag, depending on the brand and company.** This increase resulted in the escalation of broiler chicken from K45 to the current range of K80-K130 on the market. The sharp increase in price has affected the supply side, resulting into failure to meet local product demand. Consequently, the price of poultry products such as Chickens and Eggs also increased significantly making them unaffordable to most citizens. In the long term, the situation if left unattended poses a huge risk on the nutritional status of citizens as poultry have for long been the cheapest source of animal protein for the majority of citizens

**The suspension of the issuance of export permits by the Government for day-old chicks, ingredients and stock feed is a commendable move as this will help contain the escalating prices of poultry products and stock-feed while addressing the deficit currently being experienced on the Zambian market.** This measure will allow for stabilization of the local production, contain the rising price of poultry products and cater for the local demand.

The Policy Monitoring and Research Centre (PMRC) is elated by this move, as it is expected to have positive implications on the growth of the poultry value chain and survival of smallholder poultry farmers. The move also incentivizes the citizenry to invest in stock-feed production especially when the country recorded increased production of soya bean in the 2020/2021 agricultural farming season, a raw material critical in feedstock production.

Furthermore, stable prices of the poultry products will positively influence and maintain the strides achieved by the Government towards ending hunger and ensuring increased access to safe, nutritious and sufficient food for vulnerable groups.

PMRC encourages Government to continue monitoring the performance of the livestock sector including its **backward and forward linkages in order to promote sustainable growth of the poultry industry in Zambia.**

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