



International Egg Commission

Shanghai 2008

Country Report for:

SOUTH AFRICA

PRESENTED BY

KEVIN LOVELL

CEO, Southern African Poultry Association





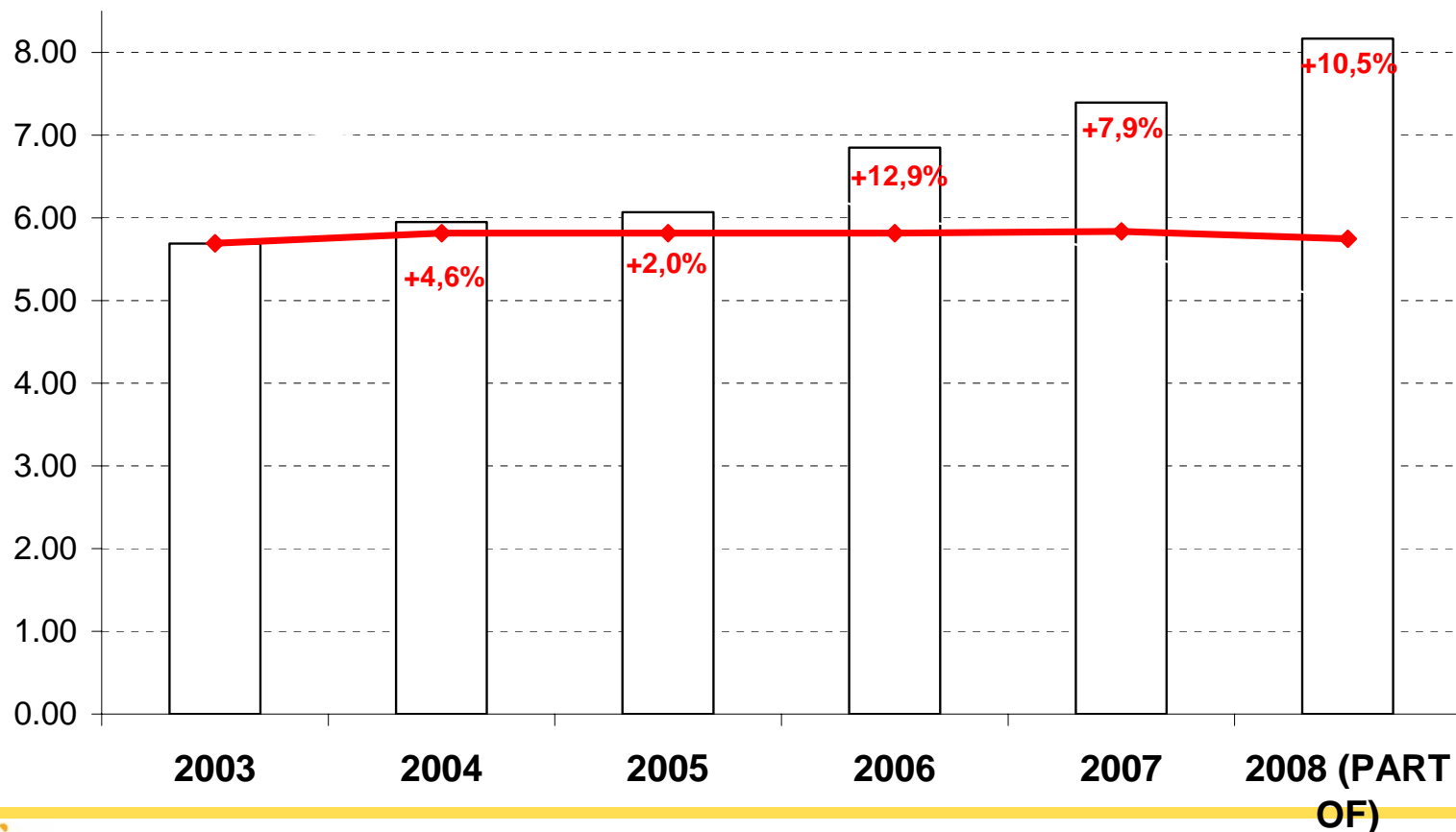
International Egg Commission

Industry Challenges

EGG PRODUCER PRICE vs EGG PRODUCER PRICE IN REAL TERMS

R / DOZEN

(PPI: BASE 2003=100)





International Egg Commission

Industry Challenges

Feed Ingredient Price

LAYER FEED SPOT PRICE	AVERAGE PRICE INLAND	% CHANGE ON YEARLY BASIS
2006	R 1 255.00 per ton	+2.8%
2007	R 1 840.41 per ton	+46.6%

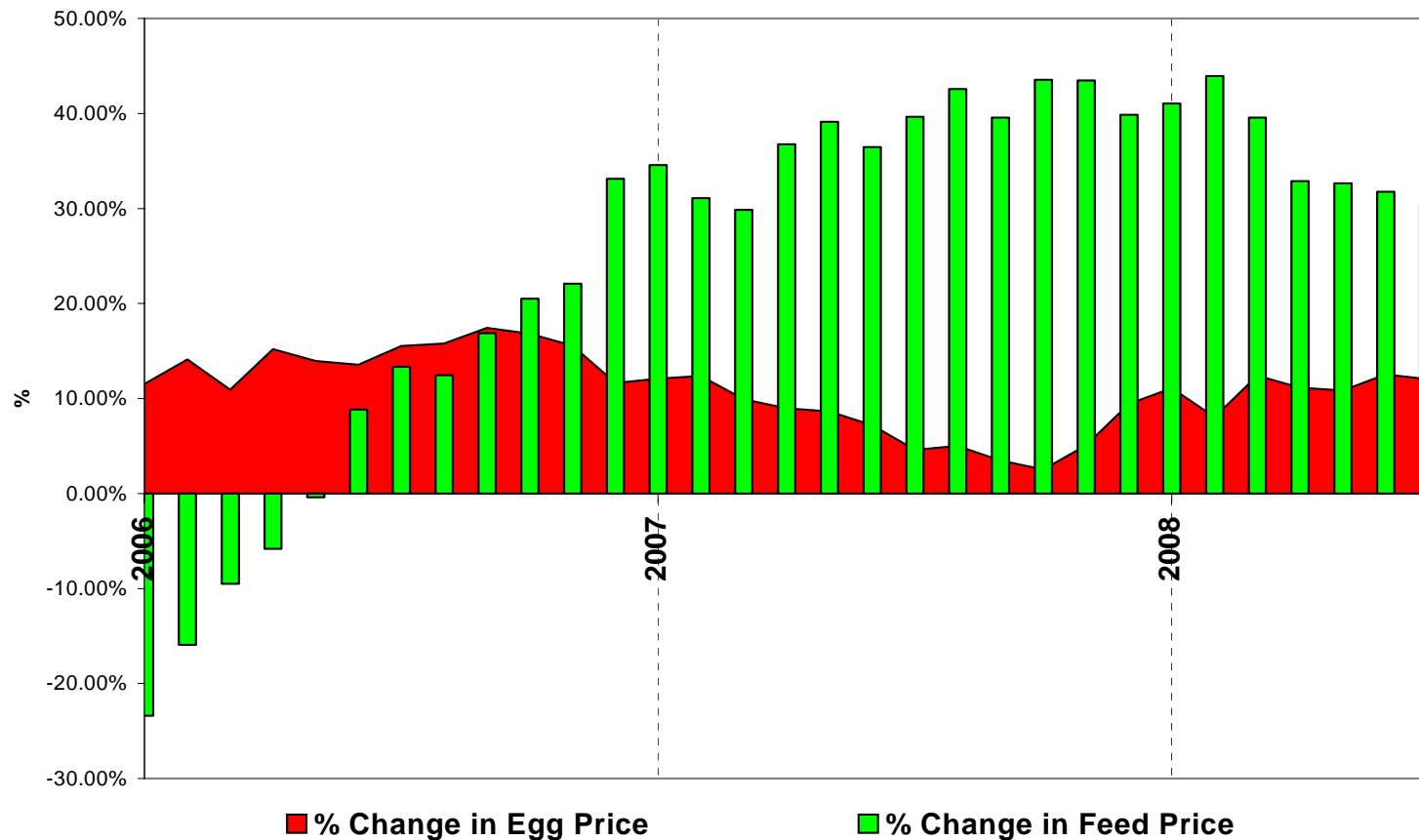




International Egg Commission

Industry Challenges

% Change in Egg Price vs % Change in Feed Price





International Egg Commission

Industry Challenges

- Continuing Newcastle Disease Outbreaks.
- Fuel price increases
- Electricity shortages
- Falling consumer confidence





Annual Laying Flock

- In 2007, the average layers per annum were 22,8 million, an increase of 11,2% in comparison with 2006.
- The estimated layers for 2008 will be 23,3 million.



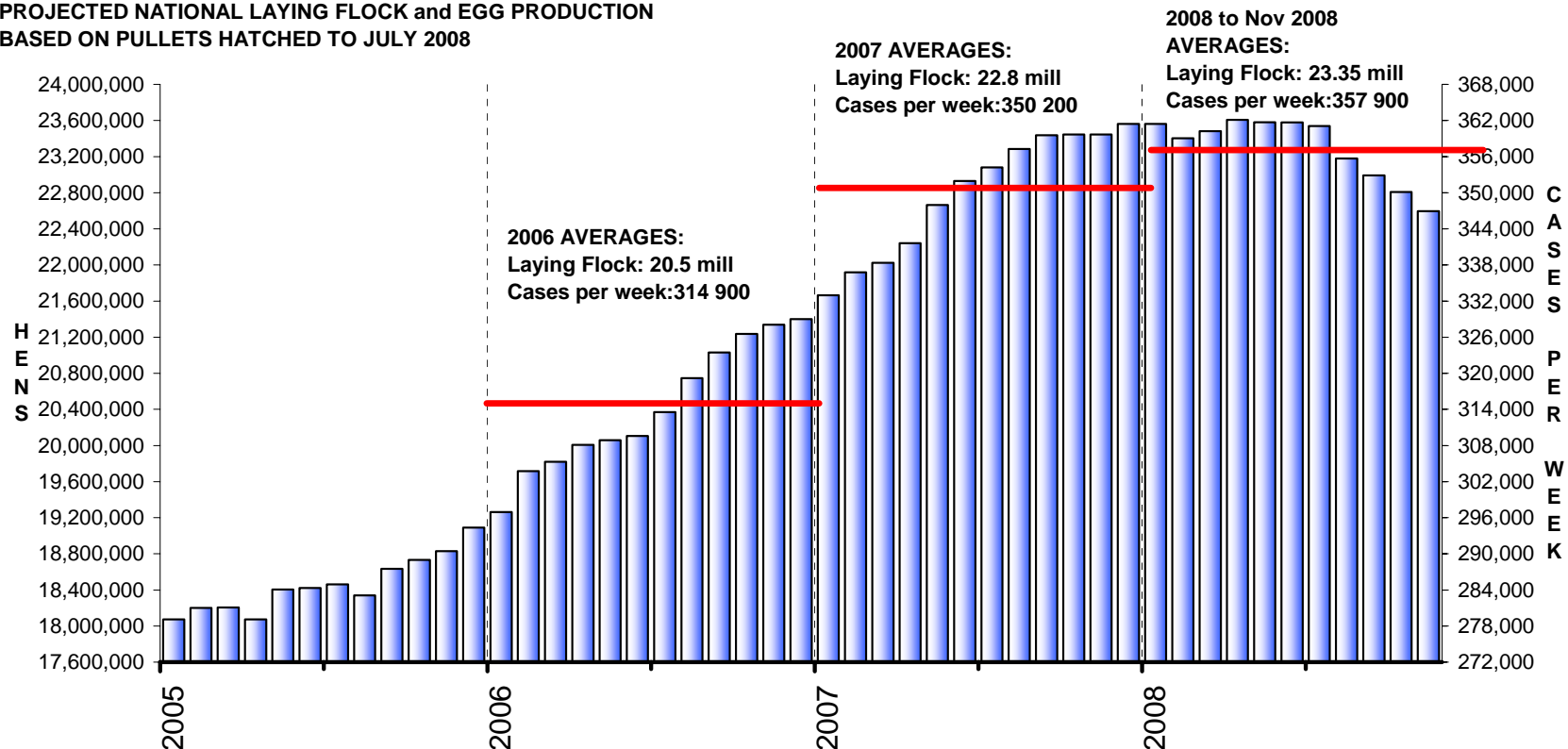


International Egg Commission

Positive Developments

Laying Flock and Egg Production

PROJECTED NATIONAL LAYING FLOCK and EGG PRODUCTION
BASED ON PULLETS HATCHED TO JULY 2008





International Egg Commission

Positive Developments

- **IMPROVED PER CAPITA CONSUMPTION**

(from 124 eggs per person per annum in 2006
to 137 eggs per person per annum in 2007,
an increase of +10%)





International Egg Commission

Opportunities

INDUSTRY GROWTH

- At an improved turnover of R4.77 billion (+12% y/y) on producer level, eggs take their place as the fourth largest animal product sector within agriculture in South Africa.



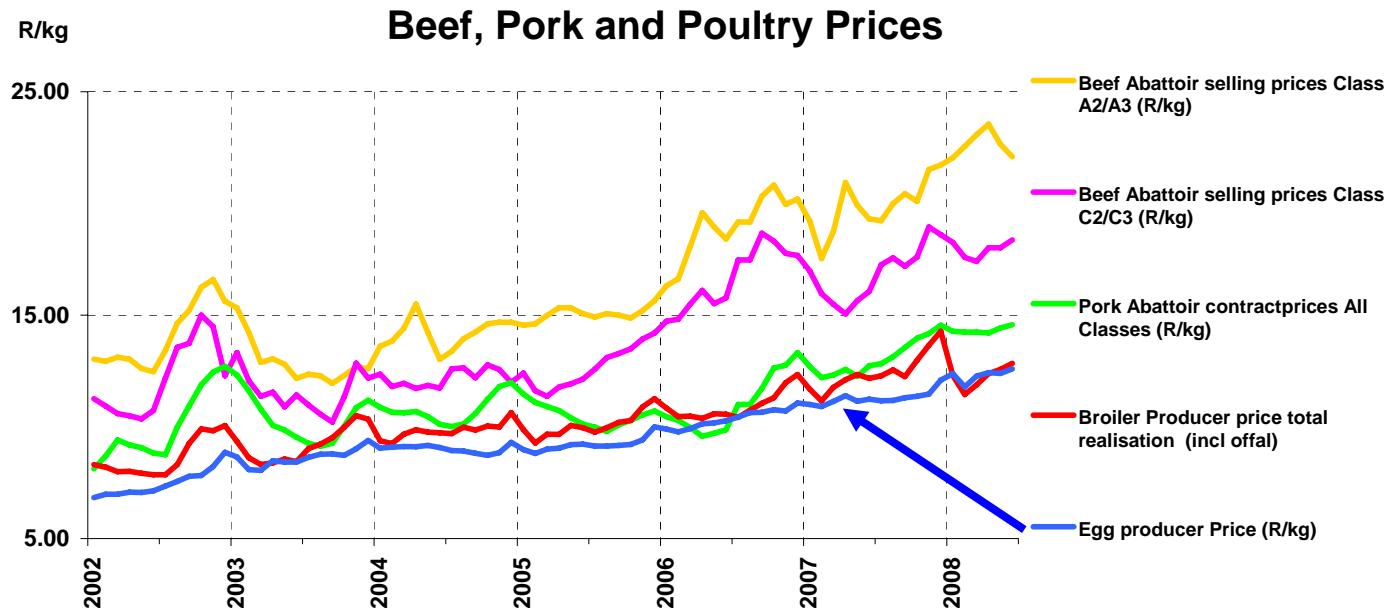


International Egg Commission

Opportunities

• CONSUMPTION

price competitiveness of eggs as a protein source compared to other animal proteins



Source: AMT, SAPA





International Egg Commission

Solutions

GENERIC EGG ADVERTISING

Eggs are magic!

GEE! THAT WAS QUICK!

EGGS ARE THE MOST NUTRITIOUS FOODS AVAILABLE.

ZINC FOR WOUND HEALING, GOOD BODY GROWTH AND FIGHTING INFECTION.

IRON FOR HEALTHY RED BLOOD CELLS.

CALCIUM FOR STRONG BONES AND NERVE FUNCTIONS.

LOW IN CALORIES

HIGH IN BODY BUILDING PROTEIN FOR STRONG HAIR AND NAILS AND HEALTHY MUSCLES.

13 CONTAINS 13 ESSENTIAL VITAMINS, INCLUDING VITAMIN D, THE SUNSHINE VITAMIN & VITAMIN B, FOR A HEALTHY FUNCTIONING BODY.

PHOSPHORUS FOR HEALTHY BONES.

CONTAINS ALL THE MINERALS THE BODY NEEDS FOR GOOD HEALTH.

SAVE LOTS OF MONEY

EXTREMELY VERSATILE AND AFFORDABLE.

Look at all the magical ingredients packed into an egg.





International Egg Commission

Solutions

GENERIC EGG ADVERTISING

The egg industry continued with the generic marketing programme with:

- regional road shows and



- the promotional team had a lively performance during Avi Africa 2007.





International Egg Commission

Marketing

Galliova Awards

The Galliova Awards continue to be a sought-after recognition for food writers in the RSA while the industry is receiving thousands of Rands of media exposure in prime publications.



Abigail Donnelly, joint runner-up for the Galliova Awards 2007 and also joint merit award winner for styling and photography receiving her prize from Willie Maree





International Egg Commission

Marketing

Galliova Awards

The competition is now being extended to also include health writers.

Madeleine de Villiers, an acknowledged dietician, continues to render an excellent support service.



Marco Torsius from El-Azaar with Anna Montali, Winner of the Galliova Awards 2007





- Our biggest challenge in South Africa will be to continue producing in an environment of increasing costs. Coupled to that would be our responsible application of bio-security to prevent and contain avian influenza should it appear.
- In growing the market, the success of the generic marketing campaign will ensure that we can approach the goal of having an egg every day for every second person.
- There is no reason why the egg industry can not more than double in size.





International Egg Commission

THANK YOU

