

Zim: Ban on SA chickens hurt revenues - retailer

One of Zimbabwe's leading retailers has become the first to report that it had been negatively impacted by a government ban on the import of poultry and milk products to protect struggling domestic industries.

By [Dumisani Ndlela](#) ^{1 Sep 2010}

OK Zimbabwe CEO, Willard Zireva, said in a trade update for the four months to 31 July that the ban had affected the company's revenue performance, which came in at US\$73.9 million during the period, against a target of US\$75.3 million.

"Sales volumes have been negatively impacted by the government ban on imports of mainly chickens, milk and other meat products with local production not able to meet demand," said Zireva.

Profit margins

"Profit margins for the period came off to around 18% against 19% achieved in the last financial year mainly due to sales mix being weighted towards low margin basic food products as well as competitive pressure to increase traffic flow. The company is working to improve profit margins through better sourcing and a couple of initiatives are underway to achieve this."

Government banned chicken imports after the Zimbabwe Poultry Association (ZPA) accused South African and South American producers of swindling consumers by brining their chickens and in the process damaging local producers who were incurring high production costs.

Still consider teh ban - Agriculture minister

But the ban triggered shortages and forced chicken prices up from US\$3.21/kg to US\$5/kg, prompting government to lift the ban on inflationary fears.

However, Agriculture Minister Joseph Made insisted on a national television broadcast this week that he would still consider the ban.

"Our farmers are struggling...the Zimbabwe farmer must survive. I want to make sure the farmers are protected," said Mac

He however admitted poultry producers had to push volumes and lower prices, something that was presently impossible.

ABOUT DUMISANI NDLELA

Dumisani Ndlela is a Zimbabwean journalist specialising in business and financial reporting, with experience reporting on commodities, stock and financial markets, advertising, marketing and the media. He has previously reported from a number of regional countries as well as from the UK and Germany on commodities and regional integration. He can be contacted on dndlela@yahoo.co.uk.
View my profile and articles...