

Satisfying the South African market

In recent years the Hy-Line Brown table egg layer has consolidated its position in the South African market place and now has a significant proportion of that market.

To find out more about this, International Poultry Production recently visited the Kiepersol Group's table egg facility at Sterkfontein near Johannesburg.

This facility was built on a 220 hectares site in the early 1990s and was the first in line table egg facility in South Africa. In such a facility eggs are automatically transferred from the hens to the pack station and the first time they see a vehicle is when they are shipped to the customer. In practice well



Easy egg and people movement from the houses to the egg pack facility. Note the covered egg conveyor next to the walkway.



Fit and healthy young layers.

over 90% of the eggs are packed without being handled by a human hand!

In the mid 1990s Kiepersol evaluated the Hy-Line Brown, which had then newly arrived in South Africa, and quickly moved over to this bird. Since then all their production has been with the Hy-Line Brown except for the occasional test flock that has been run through the facility for comparative purposes.

So, why do Kiepersol run with this breed? Basically it was the right bird for the South African scene in that it was robust and was not affected as much as other breeds by the hot South African summers. Previously tried birds had been 'shy feeders' in the hot weather and this quickly impacted on egg numbers and quality.

In addition, the Hy-Line Brown has a good sized end of lay carcass and this is a very

important attribute in a market place where typically 80% of pullet rearing costs are recovered from the money received for end of lay layers. These are invariably sold off live in the black communities where they are a valued meat source.

At the Kiepersol Group the Hy-Line Brown typically turns in an FCR of 1.69 per dozen eggs. Some other breeds may be marginally better in this context, but when this is coupled to end of lay carcass weights and the bird's better robustness then the Hy-Line Brown comes out on top.

At the moment the South African market is reasonably buoyant and this year has seen about a 5% increase in sales with per capita annual consumption of around 105 eggs.

Consumption in the European sector has increased because the fears over cholesterol

Continued on page 18

The isolated rearing facility.



One of the table egg production units.





Inside the table egg production unit.

Continued from page 17

are receding. The recommendations in South Africa in this context are that four to six eggs per week are good for you, whereas just a short while ago the same 'experts' were championing a weekly consumption of one or two eggs!

The increasing take home pay among the blacks, coloureds and Indians is being converted into a better standard of living and egg and meat consumption is featuring strongly in this. Thus, the future for eggs in South Africa looks good in all sectors of society.

In the short term Kiepersol are able to capitalise on this to some extent by increasing the lay period. Typically flocks were being taken out at 68-72 weeks, but now many are going through to 72-76 weeks.

Some 95% plus of the South African market is for shell eggs and here the market divides into the formal markets which is basically the larger supermarkets and the less formal ones which are the wholesalers, dealers and smaller shops. In the former sector presentation and product quality and safety are key issues, while in the latter price tends to rule the day.

Currently Kiepersol's split between the two markets is roughly 60:40 and among their supermarket accounts are some of the best known names in the country. In addition to its traditional table egg operations

Kiepersol has also ventured into the free range sector.

The major supermarkets are following their European counterparts and issues such as quality, safety, traceability and HACCP are very much to the fore.

This does put pressures on the likes of Kiepersol but they are quite happy to live with this because now that they have achieved the required standards it differentiates them in the marketplace and makes it harder for new players to challenge them and the other larger players in South Africa for the supermarket business.

So, what is happening on the farm? On the farm are three units – a small rearing facility and two layer complexes with their own pack stations. The size of the farm means that these are well separated from each others. Unfortunately, the rearing site should have had three houses but once the first house was under construction permission for the other two was removed because the area achieved World Heritage Site status for the world famous Sterkfontein Caves which can be seen from the farm and where some of the earliest human remains were found in the early 1900s.

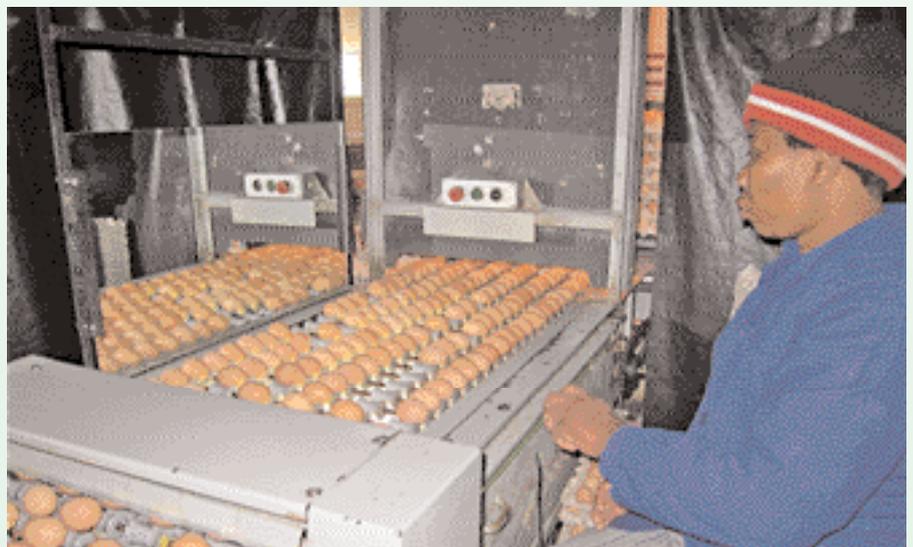
In some ways this was a blessing because another rearing farm had to be acquired and this brought with it the benefits of isolation.

The one house on the rearing farm that we visited contains three tier Dynamic cages and has a controlled environment. It takes some 32,000 day olds and has a liveability in rear of 95% or higher. The whole house is run by one member of staff with assistance from the vaccination and debeaking team as required.

This house is very efficient on energy use with a heating cost that is 3.3 times less than that for more traditional type rearing houses elsewhere in the company.

The original laying house was kitted out with Potters cages from the UK, but when it came to time to expand exchange rates were not good and a local source of cages was sought.

All eggs are checked.





All SOP's and instructions are easily accessible by staff.

Here again the Dynamic cages have been used and they brought in developments that have been a plus to the business. These had less moving parts, there were less break-downs and/or maintenance and they had solid dividers between the cages which resulted in much less feather damage and better end of lay carcasses (a very important point in a South African context).

The roofs of the houses are double with a reasonable airspace in between, which has a very positive effect on the internal environments of the houses. Another feature that helps in this context is that the houses are built on the natural slope of the hill.

This means that in heavy rain or if a water leak occurs the water quickly drains away naturally and does not remain as stagnant pools.

Bird health is a major issue in South Africa and vaccines come very much to the fore in the health programme.

Typically day olds are vaccinated for Marek's disease in the hatchery and in rear are vaccinated for Newcastle disease (which is currently active in South Africa), infectious bronchitis, Gumboro disease, infectious laryngotracheitis, fowl typhoid (which has made a comeback in the country), coryza, pox, Mycoplasma gallisepticum and EDS '76.

In the egg pack room.



Nowadays, birds are debeaked at six weeks of age as experience has shown that by doing this task at this age greatly reduces the number of birds requiring a second trim.

Normally some 280-300,000 birds are in lay and all the eggs are graded and packed on site.

Good flocks are averaging 300 eggs or slightly more per year and the company's average figure is currently 292 eggs per year.

This figure is slightly low because there is a policy of delayed lighting to minimise the number of small eggs as these have virtually no value in the South African market place.

Every week eggs are tested on site for weight, yolk colour and albumen quality and



Branding and marketing are to the fore in Kiepersol's thinking.

monthly eggs are sent to an approved microbiological laboratory for salmonella and coliform testing.

So, Hy-line have provided the bird that has been right for the Kiepersol Group over the last 10 years. However, their market is constantly evolving and so the challenge for Hy-Line is to meet future changes.

There is nothing to suggest that they will not achieve this, as it is something that Hy-Line have been very good at over the years.

In a similar vein, the Kiepersol Group will also need to meet the constantly changing requirements of their customers.

From what we saw on our visit this will occur and Kiepersol should hold their own in the challenging and exciting times that will take place in the South African table egg sector over the next few years. ■