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## **Irvine's: Developing Business and Communities in Zimbabwe**

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### **Abstract**

If Africa is changing, it is companies such as Irvine's that have spearheaded that change. Economic growth has led to increased income and the opportunity to feed people like never before. This case study illustrates the success story of a poultry business based in Zimbabwe. It is a business forged out of shortage and need, which reacted wisely and flexibly to adapt to various challenges throughout its 60+ year history to become the industry leader in its sector in Africa. Irvine's has long maintained its goal of improving animal husbandry practices and providing the genetics to the people they serve with the capability to produce healthy and affordable animal protein. Their determination to achieve their goals, combined with a strategic partnership with Cobb breeding company, has placed them in a unique position, with opportunities to educate and support small-scale African farmers. The story of Irvine's is one that could be repeated in agriculture across Africa, as the world wakes up to the fact that Africa is no longer a hub of famine and desperation that it once was and can focus instead on Africa's enormous potential and this continent's new status as a land of opportunity.

**Keywords:** Irvine's, Zimbabwe, Sub Saharan Africa, Cobb, poultry

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## Introduction

Irvine's began in the 1950s in response to a shortage of eggs in what was then Rhodesia. Today, the supplier services the entire Sub Saharan Africa region with a wide range of poultry products, from vaccines and anticoccidials to incubators and finished feeds. This company's main distinguishing characteristic is that they specialize in supplying goods to very small producers. Many of the farms they work with started out with 100 chicks and today have small abattoirs that process their own birds, plus birds from other small operations in their area. This characteristic not only provides the foundation of Irvine's profitability, but also gives poor communities the opportunity to start a commercially viable business and lift themselves out of poverty.

The company is the oldest Cobb distributor in the world, having recently celebrated 50 years with Cobb. Today, Irvine's employs over 2,000 people and is the largest integrated poultry company in Zimbabwe. There are three locations—one in South Africa, another in Mozambique, and the other in Botswana. Combined, they do business in 14 different countries in Sub Saharan Africa.

## Company Background

In the 1950s, Bill and Kathleen Irvine, living in the country then called Rhodesia, bought chickens to produce eggs to sell in their local community. Within a few years, they had acquired a 600-egg incubator and paraffin brooder that was able to hold 500 chicks. By then, they were selling both the eggs and the day-old chicks.

The Irvine's continued to slowly build on their success. They experimented with breeding and cross-breeding Barred Rocks, Black Australorps, New Hampshires and White Leghorns. This resulted in chickens that laid more eggs. Then, in 1956, they bought a six hectare plot for the expanding day-old chick business. In 1958, they had an award-winning hen at the Federal Egg Laying Trials, which sparked more expansion. More land plots were purchased and more incubators and breeding houses were acquired, which brought them to a capacity of 22,000 eggs. In 1960, they imported Cornish Kings from the U.S. to cross-breed with local Barred Rocks, and got a meat-type chicken. This launched their first processing plant and the production of frozen chicken.

In 1962, Irvine's partnered with Cobb Breeding Company and imported the first 100 Cobb birds. Within a year, Irvine's began production of table eggs. In 1965, the business experienced a halt in growth, due to international sanctions and Rhodesia's Unilateral Declaration of Independence from Britain. The lack of ability to import and export goods drove the company to look for new ways to be more self-sufficient. Soon, they were growing their own maize and producing their own feed.

Throughout the 70s, Irvine's focused on local development, building housing for their staff and a school for the employees' children. They expanded their land ownership and constructed a new processing plant.

Then, in 1980, the new country of Zimbabwe was established and granted independence, sanctions were lifted, and Irvine's resumed importation of stock from Cobb. The decade that followed brought significant growth for all areas of the company. At this stage, the company was producing around 150,000 chicks per week and 300,000 eggs per day. By the mid-1990s, Irvine's began to look beyond its African borders. They upgraded to international standards for processing so that they could begin exporting in 1998, and then established branches of Irvine's in Botswana and Mozambique. The company struggled along with many other African countries

during hyperinflation from 2002 to 2008, losing nearly 70% of their capacity. This was relieved in 2009, when the U.S. dollar replaced the Zimbabwean dollar, and the company began to recover.

Today, the company employs over 2,000 people and produces 1 million Cobb broiler chicks per week—of which 300,000 are processed and 700,000 are sold to medium- and small-scale farmers company wide. They produce 1.5 million layer chicks per year for both company farms and for sale to independent producers, and produce 600,000 table eggs per week.

The company also produces Cobb Broiler and H&N Layer parent stock for export into Sub Saharan Africa and through its associated company, Cobb Africa, now serves more than twenty countries across the continent.

## **Guiding Principles of the Business**

There are four main principles that have guided Irvine's through the 60+ years they've been in business.

The first one that began as the driving purpose of their company was to pursue ongoing efforts to improve animal husbandry. They did this in a number of ways. They utilized and embraced new technologies over time, and ensured that they consistently met standards and certifications for food safety. They also put quality assurance methodologies into practice and managed their own feed mill, which enabled them to control what went into their birds and eggs.

The second goal they set was to supply Africa with healthy and economical animal protein.

Historically, people of Africa have consumed less protein than the rest of the world. And, even today, people living in Sub Saharan Africa consume 63 grams or less per day, according to the FAO statistics from 2010. Irvine's continues to work to increase this consumption amount by supplying day old chicks, table eggs, and dressed chicken to 14 different countries.

The third guiding principle that Irvine's has followed is to be an impetus for small-scale agricultural development in Sub Saharan Africa. Irvine's has developed this sector by providing quality day-old chicks and feed, as well as other inputs that farmers need such as vaccines, medication and disinfectants at affordable prices. This, combined with training and educating the small-scale farmers in best practices, has grown this aspect of the business significantly.

Producers in many Sub Saharan countries do not have easy access to suppliers or support, so Irvine's focuses on building relationships where they can offer both of these services. Through this technical support, Irvine's helps clients take their business to higher levels of production and profit, which, in turn, helps to meet growing demands from local fast food outlets, restaurants and supermarkets. It is their belief that helping to develop small scale farmers is vital to the success of all business sectors in Sub Saharan Africa.

Finally, Irvine's strives to provide both accommodations and a healthy lifestyle for its employees. They have on-site housing for employees and their families and two primary schools for their children. Irvine's has two junior schools which educate over 500 students, three company villages comprised of 600 staff houses which shelter around 2,500 people (workers and their families), and two clinics staffed by state registered nurses and supported by a doctor. The company also supports rural education in the poultry sector by building model farms at high schools around the country, which are used as training tools and provide the local school with a source of income.

Irvine's invests a significant amount into training of staff and have a dedicated training center where various courses from chemical handling to management skills are held.

Additionally, they have created an internship program in coordination with two local universities. Graduates are offered a one-year intern training program, during which they rotate through all the different areas of the business and, if successful, are offered a permanent position at the end of the program.

## **Challenges**

Africa markets are still largely informal. This has multiple implications, but the informal markets have less price transparency, leading to inefficiencies in pricing that can hurt the grower, and fluctuations that make it more difficult to predict profits or losses. Equally concerning is the lack of traceability, challenges of food safety, and potential for diseases to spread, which wet markets can create.

While African economies are still growing, spending power is low. For this reason, the traditions and practices associated with more developed markets are being implemented slowly. Processed meat products are still a small fraction of the total market and growth is hampered by the lack of cold storage, supply chain and the variability of electric supply.

Although workers are readily available, skilled labor is essential for the raising of hens and broilers for meat and eggs, and competition for those skills is intensifying. Other industries are also growing, and jobs with management capacity and city living are particularly luring. Good husbandry of animals takes time to learn, and is best when combining on-farm learning with more formal classes.

Despite massive recent investments in road and railway improvements, Irvine's still struggles to transport their chicks and pullets to customers in Sub Saharan Africa. The care and attention required has led them to create a dedicated team of experts who focus full time on logistical solutions to ensure timely supply.

## **Looking to the Future**

Irvine's continues to grow into Africa by strengthening its existing local partnerships in various countries and offering the best products available at competitive prices. The company's goal is to ensure that they and their customers are as efficient as possible and capable of competing in a global economy.

There is certainly an advantage to being first to market in Africa, and while Irvine's has operations in three countries, they also sell and support Cobb parent stock and hatching eggs into 14 countries throughout West, East and Southern Africa. Customers tend to be the largest producers in each country, and this gives a very deep understanding of these various countries and how best to support them. Their advice to new entrants into the market place is always to include the small scale sector and live bird markets into planning. This gives any business model the flexibility and robustness to survive and succeed.

Irvine's believes that the real competition to their customers in the African market is not another producer down the road, but rather the global poultry industry and the biggest, most efficient players, such as Brazil. For this reason, they consider it paramount to improve efficiencies in their own business as well as in their clients' businesses. To this end, they have added a team of international experts based out of the Irvine's Africa office in Johannesburg, who travel extensively into the region to offer technical support. This technical support includes: on farm visits, technical seminars and schools for both small and large scale producers, as well as hands on training within the Irvine businesses, where clients spend 2-3 weeks working with their staff. In addition to this, they encourage clients to regularly share their production data to allow Irvine's to make comments/suggestions about how to improve performance.