

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Angola Poultry

**Country:** Angola

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**Report Category:** Poultry and Products

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**Report Highlights:**

Poultry production in Angola is estimated at 27.192 MT in 2018, which mainly consists of backyard chickens and a few commercial farms. In 2018, Angola was the fifth largest import of U.S. poultry, valued at \$183 million. However, due to limited access to foreign exchange and reduced consumer purchasing power, U.S. imports have decreased in 2019. Angola is now self-sufficient in egg production with an estimated one billion eggs produced per year.

**Background:**

Prior to the 1975-2002 civil war, Angola was a major exporter of coffee, sisal, maize, bananas, and cotton, and self-sufficient in all food crops except wheat. The civil war disrupted agricultural production and displaced millions of people, including farmers. Today, Angola imports up to as much as 90 percent of its food. Major food suppliers include South Africa, Portugal, Brazil, Argentina, and the United States. Angola is the largest U.S. poultry export market in sub-Saharan Africa, and the fifth largest globally. Nonetheless, the poultry sector is considered a priority sector by the Angolan Government to assist with the diversification of the economy to reduce the country's reliance on oil exports.

**Poultry Production:**

In 2018 poultry meat production in Angola was estimated at 27.19MT, which mainly consists of backyard chickens and a few commercial farms. The National Association of Poultry Producers of Angola (ANAVI) estimates egg production between 65 million to 70 million eggs per month.

There are 3 types of poultry producers (both egg and meat) in Angola:

- Subsistence (backyard with 5 up to 15 chickens);
- Smallholders organized in 120 associates through ANAVI with between 1,000- 50,000 chickens (mainly layers); and
- Private companies with the latest technology for the poultry sector production (more than 50,000 layers). There are four commercial farms producing chicken meat; Aldeia Nova, Emirais Farm (with an estimation of 10,000 birds per week), Kikovo, and the Munenga Society for Aviculture.

Aldeia Nova is a public/private partnership by the Vital Capital Fund and the Angolan Government. The operation, located in Waku Kungo in the providence of Cuanza Sul, cultivates maize and soy for use in its feed mill to produce feed for the poultry operations. The poultry operation of Aldeia Nova is a fully integrated egg production system utilizing tenant farmers to manage small houses of 1,000 laying hen capacity. The project consists of 600 such units with a capacity to produce 400,000 eggs per day.

Aldeia Nova and Emirais produce day-old chicks for their own production and to sell on the local market. Both have a capacity of 10,000 day-old chicks per week. In addition to chicks, many of these private companies do their own chicken feed with small factories, purchasing maize and soybeans locally and importing whenever the local market can't supply it. All the feed ingredients such as vitamin and mineral supplements and vegetable oil are imported.

In addition to private company abattoirs, there is a poultry abattoir in Luanda province called Avikikuxi with capacity to process 2,500 birds per hour and 80,000 birds per week. Munenga Society for Aviculture and Aldeia Nova also have their own abattoirs located Cuanza Sul Province.

In order to increase production, the Angolan government created the Production Support, Export Diversification and Import Substitution Program (PRODESI), to support economic diversification in the country. The main objective of the program is to reduce the country's high economic dependence on the oil sector. Another tool to boost production is the Credit Support Project (PAC) that was approved by the Council of Ministers on March 22, 2019 and is part of the PRODESI. PAC is an instrument to facilitate the financing of private investment projects in PRODESI's productive lines of goods and services.

Chicken meat production has been stagnant due to the lack of access to larger quantities of animal feed. Angola does not produce sufficient grains and oilseeds to support the poultry sector, so feed must be imported. The main factor blocking this sector's growth is the lack of foreign currency with which to buy imports.

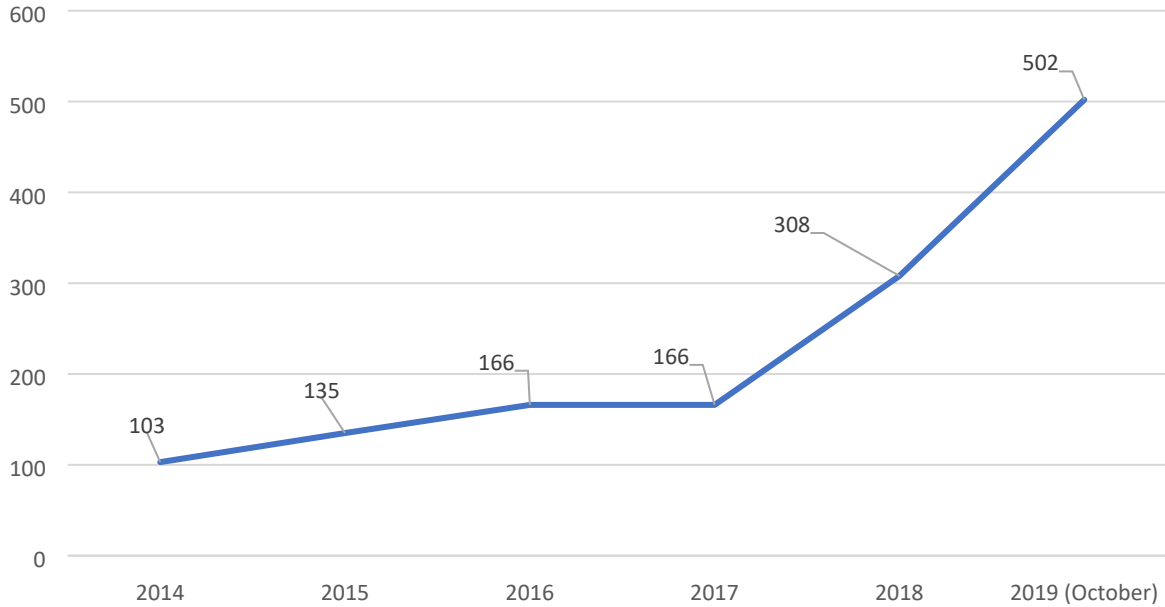
After the 2015 economic crisis and drop in global oil prices, it became more difficult to convert the local Angolan currency (kwanza) into foreign currency to purchase chicks (mainly coming from Netherlands), animal feed, equipment and vaccines. U.S. dollar transaction services have been unavailable in Angola since November 2016 because of a lack of compliance by commercial banks in Angola, which made the corresponding foreign banks cut ties with Angola. The existing production infrastructure in the country is geared toward egg production, as it is a more competitive product to produce as opposed to chicken meat.

#### **Production Costs:**

Some estimates note that is four times more expensive per kilogram to domestic chicken meat compared to imported chicken meat. ANAVI provides the cost of production for one egg at 25 kwanzas (US \$0.05), and live birds weighing 1,5 kg can cost between 800 to 900 kwanzas (US \$1.70 to \$1.90) to produce.

Because Angola forbids the entry of Genetically Engineered (GE) products due to the lack of a National Biosafety Law, except in the case of food aid, feed imports greatly increase the cost of production. Maize in Angola is very costly and domestic supply is limited. Most of the production inputs need to be imported and the local currency has devalued 391 percent between 2014 and 2019. Much of the devaluation took place in 2018-2019 when Angola pegged its currency to the US Dollar.

**Graph 1:** Angola Exchange Rate (\$1=AOA)



Source: National Bank of Angola

**Consumption:**

Angolans consumed 342,000 metric tons in 2018, of which 92 percent was imported. Imported chicken meat is the animal protein most consumed in Angola after the traditional Angolan fish named by Lambula (sardine).

**Trade:**

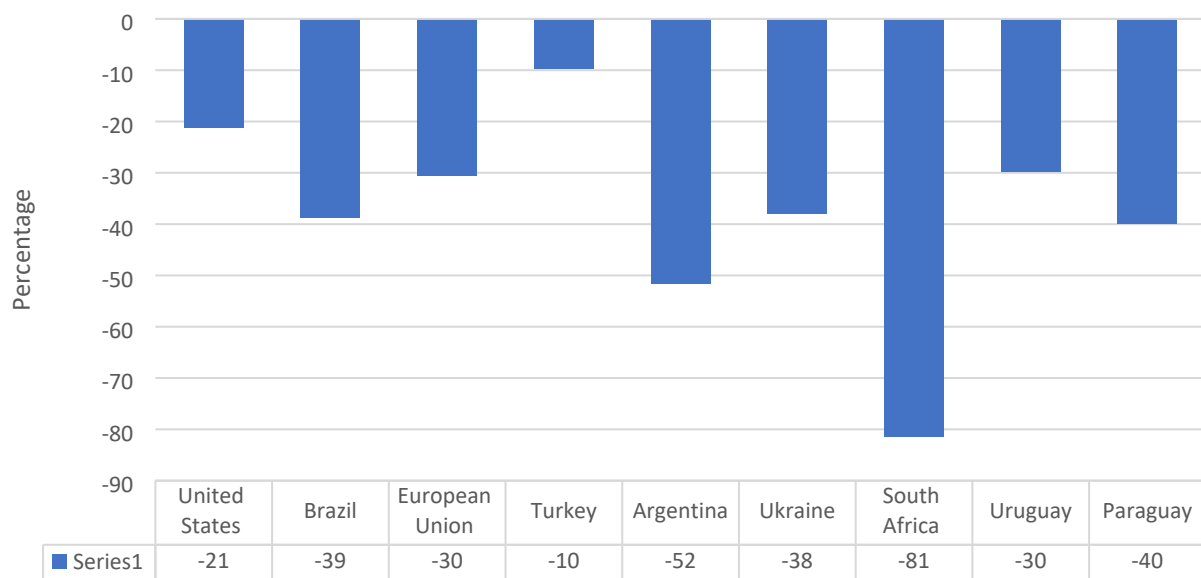
Angola is not yet officially exporting any poultry or poultry products but the Angolan government has created an agency called Angola’s Private Investment and Export Promotion Agency (AIPEX). AIPEX is supervised by the Ministry of Economy and Planning and is focused on increasing exports of products and services from Angola, facilitating more (internal and external) private investments, and accelerating the internationalization of Angolan companies. While poultry production will remain low for the foreseeable future, the Angolan government would like to increase production enough to eventually export poultry.

Under PRODESI the Angolan government seeks to reduce its reliance on imports by identifying 54 products (mainly agricultural) that must be proven by the importers that there is not sufficient local production before they can import any product from the list. Poultry is on the list of products, but because demand is so high and production is limited, there has not been an impact on poultry imports.

Angola imported 317,000 metric tons of poultry meat in 2018 with the United States as the largest supplier. In 2018, Angola was the fifth largest market for U.S. poultry products. However, due to lower

consumer purchasing power derived the devaluation of kwanza, U.S. imports decreased compared to the same period between January to September 2018 as graph 2 demonstrates.

**Graph 2: Angola Imports Variation between January 2019 to September 2019**



Source: Trade Data Monitor, LLC

Many of the big food importers in Angola have fully automated cold storage facilities, the largest of which has a storage capacity of over 15,000 tons and can hold 450 containers. These types of importers are organized across the entire value chain, having created structures such as wholesalers, retailers and the creation of supermarkets. The organization of this type of business also includes logistics with trucks and refrigerated vans for distribution.

In April 2015 Presidential Decree No. 89/15 stated that eggs could only be imported if there was less than 28 days from production to entry into Angola. This measure effectively ended egg imports and increased domestic production. Since 2015, Angola's domestic production of eggs has been increasing, and they country is now self-sufficient.

**Table 1: Angola Poultry Imports by Value**

Country	Calendar Year (Value: USD)		
	2016	2017	2018
United States	85,492,839	156,039,320	183,671,360
Brazil	90,542,263	93,641,843	80,285,892
European Union	12,719,292	13,982,095	32,012,167
Turkey	3,453,120	5,715,692	9,147,518
Argentina	7,060,909	5,970,464	2,522,211
Ukraine	2,173,609	359,528	811,009
South Africa	1,039,499	1,181,308	732,221
Uruguay	209,275	0	599,395
Paraguay	27,069	739,068	415,437
Canada	102,710	202,535	349,005
Russia	77,479	0	241,425
China	81,248	214,237	235,459
Chile	305,591	91,702	189,994
Mexico	30,825	134,999	155,071
Saudi Arabia	0	0	98,591
Australia	0	0	48,118
Namibia	3,829	873	3,560

Source: Trade Data Monitor, LLC

**Attachments:**

No Attachments.