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Approved By:

Russ Nicely

Prepared By:

Elmasoeur Ashitey

Report Highlights:

Post forecasts poultry imports for Ghana to increase by 5 percent to stand at 165,000 MT in MY 2013, up from 157,000 MT in MY 2012. Ghana poultry imports have more than quadrupled since 2002. Ghana's domestic poultry sector has been on the decline, supplying only about 10 percent of total poultry demand in the country. In the last five years US poultry exports to Ghana have increased to reach between 24-31 percent of the market demand. Competition from Brazil and European Union (EU) origins has also been increasing.

Currently U.S. poultry enjoys a price advantage compared to the others, especially over products with EU origins. For example the current cost of U.S. poultry per 10kg box is \$22, while the same sized box of Brazilian and EU is \$34 and \$32 respectively. Ghana continues to be a destination for U.S. poultry due to this price advantage, strong relationships between importers, and exporters, and loyalty to U.S. poultry products.

General Information:

Production

The growth of the domestic poultry (broiler) industry continues to be slow. The supply of broilers in 2011/2012 is about 10 percent of the total market demand according to Government of Ghana (GOG) and industry sources. According to industry sources, only 10,000 MT of broiler chickens (meat) and 12,400MT of spent layers (meat) are supplied by domestic poultry producers. This is due primarily to the high cost of production (feed, drugs), inefficient production methods, limited knowledge of modern poultry management, and lack of processing facilities. Other constraints include the high energy prices which continue to increase production costs by over 60 percent. The price of domestic broiler meat on the domestic market is thus not competitive. Imported poultry products tend to be 30-40 percent cheaper than locally produced chicken. However the GOG has continued to support the local poultry industry by removing customs duties on poultry inputs (feed, additives, drugs and vaccines) and facilitating improved access to veterinary services.

In the last few years, the production of layer chickens for table eggs has been growing fast and more profitably with relatively no competition. This has resulted in a major producer shift from broiler (meat) production towards the production of layer birds for table eggs. Over 90 percent of poultry farmers are currently raising layer birds for eggs. The estimated poultry layer count increased by 10 percent to stand at 23 million in 2012, up from 21 million birds in 2011. Broiler bird counts are over 5 million according to industry and GOG sources. In Ghana local processing of poultry into cut portions to facilitate quick and easy use by consumers is limited. In addition to producing chickens, other species such as turkeys, guinea fowl, ducks and ostriches are also produced on a smaller scale. Commercial poultry operations in Ghana are found mostly in the Greater Accra, Ashanti and Brong Ahafo regions.

Presently there are seven hatcheries in Ghana that produce day-old chicks for commercial production of broiler and layer birds (GOG sources). However most of the poultry hatcheries are only producing about 60 percent of capacity due to low demand. According to the industry, the demand for layer birds from hatcheries is over 80 percent of total capacity. Only three of these hatchery companies maintain their own parent stocks of layer or broiler birds. The other poultry producers import fertile eggs. The poultry industry does not have a law which will ensure the production of quality day-old chicks from domestic hatcheries. Also the GOG has no law that ensures the importation of good quality and disease-free fertile eggs.

Broiler and layer birds are kept exclusively indoors on deep litter and/or in battery cages, and fed on well formulated diets. The broiler birds attain 2-2.5 kg live-weight at 6-7 weeks and are ready for the market. Layer birds reach 16 weeks before the pullets start laying eggs. The layer chickens continue to lay eggs for over a year and are culled and sold out when they stop laying eggs. Average industry egg production is 230-250 eggs/layer/year. The main feed ingredients are locally produced corn or imported yellow corn, cotton-seed cake, kernel cake, soybean cake, copra cake, fish meal and soybean meal; vitamin-mineral premixes are imported. The average cost of producing broilers in Ghana (live wt 2-2.5kg; dressed weight of 1.5-1.9kg) in 2012/2013 is estimated at GHC13.00 (\$7) for large scale producers and higher for the small-scale producers. This figure is far above the price of imported

poultry. According to industry sources, poultry production in Ghana is a high cost, intensive enterprise mostly due to the high input costs.

Commercial poultry production in Ghana can be categorized into large-scale (over 10,000 birds), medium-scale (5,000-10,000 birds) and small-scale (50-5,000) enterprises. Currently there are less than twenty large-scale commercial poultry operators, producing mainly eggs with limited production of broilers (meat). Broiler birds produced by some commercial poultry farmers are targeted at festive seasons (Christmas, Easter), when Ghanaians would normally buy live chickens. Most of the poultry producers also sell off spent layer chickens during these festive occasions. The large commercial poultry farms are privately owned by individuals or a family. Most operate their own feed-mills. Some maintain a hatchery and parent stock. The level of bio-security practice is high in the large-scale category.

There are over 1,500 small- to medium-scale poultry producers comprising over 95 percent of the poultry sector and they rely on hatcheries for their day-old chicks and on feed mills for their feed. The medium-scale category also produces primarily eggs. The small-scale category (including backyard poultry producers) mainly produces broiler birds. The medium and small-scale operators practice minimal bio-security. This sometimes allows free-range and wild birds to gain access to these poultry houses, predisposing these operations to disease out-breaks such as Avian Influenza AI). Broiler birds produced by small-scale operators are mostly sold any time of the year.

The GOG has been vigilant in the prevention of H5N1 Avian Influenza (AI) outbreaks. In 2007 there were a few isolated outbreaks of AI but was quickly brought under control. Most large-scale commercial poultry farms have instituted high bio-security measures to prevent the entry of poultry disease into their farms. A surveillance system has also been established by the GOG to monitor and assess the AI threat at all the entry points along the borders of Ghana, at market places, and resting places of wild birds, including areas near water bodies. In addition, the Ghanaian veterinary officers of the Ministry of Food and Agriculture (MOFA) have been benefitting from USDA/APHIS training on detection and control of AI and other poultry diseases. In June 12, 2013, GOG officials, at the Kotoka International airport, confiscated and destroyed 312 fertilized geese eggs suspected to be contaminated with AI which was reported in the electronic media (June 12, 2013) and in the print (June 13, 2013). According to the GOG sources the fertilized geese eggs were illegally imported from China.

The United States of America Poultry and Egg Export Council (USAPEEC) responded to a request made by Ms Hannah Tetteh (former Ghana Minister of Trade) at a high level meeting with U.S. officials, on how the U.S. can assist in increasing local poultry production in Ghana. To support this effort, USAPEEC organized a tour for ten Ghanaian delegates (government officials, poultry industry, and media personnel) to **visit** poultry facilities (poultry farms, hatcheries, feed mills, processing facilities, restaurants and retail stores) in the United States in December 2012. As a follow-up to the tour, USAPEEC conducted two training sessions on 'food safety and best management practice' for over 70 local poultry producers and feed mills in Kumasi (March 18-21) and Accra (March 25-28). The purpose behind these training was to support the poultry sector to improve domestic production. The International Exhibition of Poultry and Livestock industry in Africa, known as "**AVIANA AFRICA 2013**," is organizing the third Poultry Expo in Ghana which will take place on November 7-8, 2013 at the Kumasi Cultural Centre, Kumasi. This exhibition provides a platform to exhibit innovative technologies and identify distribution channels in the Africa region, and also establish a large

business forum for supplier and distributors to penetrate the growing African Livestock industry.

Feed production

Ghana's poultry feed industry has also shifted to producing layer feed due to the increase in poultry layer producers. About 90 percent of feed produced by commercial feed millers is layer feed. Broiler feed is mainly purchased by small scale backyard poultry producers because most large scale operators produce their own feed. However, there is a seasonal feed demand from the larger producers who raise birds for the festive seasons such as Christmas and Easter. Poultry feed accounts for about 70 percent of the total feed produced in Ghana.

The main ingredients for compound feed are locally produced corn or imported yellow corn, wheat bran, cotton-seed cake, kernel cake, soybean cake, copra cake, fish meal and soybean meal; vitamin-mineral premixes are imported. Corn typically forms about 50-60 percent of the total feed formulation. The poultry industry consumes nearly 30 percent of all corn produced in Ghana. Soybean meal provides a source of protein for poultry feed. According to industry sources, Ghana requires an estimated 8,000 metric tons of soybean meal in the preparation of poultry feed. The inclusion level of soybean meal ranges from 10 to 18 percent of the feed ration for layers and 15 to 25 percent for broilers. However, soybean meal inclusion in poultry feed remains low due to its high cost.

Controlling animal feed costs is critical in this industry since it represents approximately 82 percent of the variable production cost (industry source). For this reason feed manufacturers are switching to low cost substitutes such as palm-kernel cake, groundnut cake and fish meal, and by-products of agro-processing.

Feed manufacturers in Ghana can be categorized into commercial feed millers and on-farm self millers. Ghana has about fifteen (15) commercial feed mills with a total installed operating capacity of about 1000 MT per day. However, most feed millers are only producing at about 40-50 percent of their capacity due to low demand from the local poultry industry who are mostly small scale operators. The annual average amount of compound feed produced in Ghana is about 100,000 MT for the past few years for annual.

Commercial feed millers supply poultry feed mostly to medium and small-scale poultry producers because most large scale poultry operators have their own on-farm feed mills. These commercial feed millers produce mainly mash feed, a few produce high feed concentrates, and two feed mills pelletize feed. Most small and medium-scale poultry producers prefer feed concentrates because it is cheap, convenient, and less bulky for transportation. The cost of broiler feed reached GHC 40-55 (\$21-\$28) in 2012, up from GHC35-40 (\$18-\$21) in 2011. Layer feed is comparatively lower ranging from GHC35-45 (\$18-23.7) in 2012.

Feed prices in Ghana have been climbing primarily due to the rising cost of corn. Ghana requires over 20,000MT of corn for feed alone. The average price of a 100kg bag of white corn in 2011/2012 ranges GHC75 (\$39), up from GHC55 (\$28) in 2010/2011. The GOG has not encouraged nor granted permits for the importation of yellow corn as done in previous years because approximately 10,000 MT have been stored by the GOG to serve as a buffer stock for release during scarcity periods.

Consumption

The estimated per capita consumption of poultry products in Ghana has increased by 33 percent from

4kg meat in 2010 to 6.6kg in 2012, according to the GOG sources. It is being projected that the per capita consumption may increase to 6.8kg in 2013. Post forecasts Ghana's total poultry consumption for MY 2013 at approximately 175,000 MT, up from 167,000 MT in MY 2012. Poultry meat (broiler) imports to Ghana in 2012 accounted for over 90 percent of consumption while the domestic poultry production (commercial and non-commercial or backyard) provided only about 10 percent at 10,000MT. According to the industry, spent layer chickens (hens that have stopped laying eggs) amounts to about 12,000MT, sold throughout the year as well as during festive occasions. Ghanaians consume mostly chicken, but also consume guinea fowl, duck, turkey and ostrich. In Ghana, livestock and poultry meat contributes 40 percent of the national animal protein supply with the rest coming from fish (FAO report 2010).

Consumption patterns of households in urban areas in Ghana are heavily weighted towards imported frozen poultry products. The reasons for this trend are that frozen poultry is cheaper than locally produced, it is processed as whole chicken or already pre-cut, (leg quarters and wings). As such lower price and convenience of a ready-to-use chicken product has boosted consumer demand. Furthermore, the rapid growth in the restaurant, hotel and fast food sectors has increased demand for frozen poultry products in the past few years.

Consumption of chicken and eggs continue to increase, despite the significantly higher prices. The price of a kilo of imported chicken leg quarters is currently GHC5.0-GHC6.50 (\$2.63-\$3.42) compared to GHC3.50-GHC4.50 (\$1.84-\$2.36) this time last year. The wholesale price of a crate of eggs (30 eggs per crate) has been increasing from GHC9.00 (\$4.73) in 2011/2012 to GHC12 (\$6) in 2012/2013.

Trade

Post forecasts poultry imports for Ghana to increase by 5 percent to stand at 165,000 MT in MY 2013, up from 157,000 MT in MY 2012 due to increasing demand and the deficit created by the low domestic poultry meat production. Ghana poultry imports are supplied mainly from the United States, EU and Brazil. Ghana's official statistics indicate that poultry imports have more than quadrupled in recent years, from 20,000 MT in MY 2002 to over 157,000 MT in MY 2012 as shown in table 1 below:

US Percentage Share of Poultry Export to Ghana (Table 1)

Year	Total Poultry Export to Ghana (MT)	USA Poultry Exports to Ghana (MT)	US percent share of Market
2002	20,752	10,068	48 percent
2003	34,107	17,377	50 percent
2004	40,357	15,999	39 percent
2005	42,288	13,075	31 percent
2006	47,794	12,049	25 percent
2007	66,899	16,120	24 percent
2008	93,258	19,401	24 percent
2009	89,000	22,858	25 percent
2010	106,000	30,000	28 percent

2011	150,000	43,200	28 percent
2012	156,900	50,000	31 percent

Source: Ministry of Agriculture, Poultry Industry, USAPEEC

Despite increasing imports, the United States has lost poultry market share to Brazil. This is due to the light pinkish attractive color of the Brazil frozen poultry which is perceived to be a better quality than the U.S. type which is red (trade sources). Also the brown packaging material of the U.S. is perceived to be unattractive compared with the white colored Brazil packaging materials. In addition most of the fast food operators or Quick Service Restaurants (QSR) prefers the Brazilian and EU chicken leg quarters due to their rather large size which can be cut up into more pieces. The American leg quarters are smaller in size and are preferred by the restaurants and hotels. However the U.S. poultry does enjoy a price advantage compared to Brazilian supplies. The current cost of U.S. poultry per 10kg box is \$22, and for the same size Brazilian and EU types cost \$34 and \$32 respectively. Tyson Foods and Dreyfus are currently some of the US companies that export poultry products into Ghana.

About 80 percent of exported frozen chicken to Ghana is processed into cut portions/parts, mainly chicken leg quarters and wings, with the remaining 20 percent being frozen whole chickens and gizzards. The bulk of imported poultry products come in the form of cut parts shipped in either brown boxed packages (U.S. origin) or white boxes with branded names (Brazil origin) with most weighing approximately 10-15 kg. Frozen poultry is widely distributed in the country, through a network of privately owned cold stores located in the major cities. Locally produced birds are sold to retailers and individuals as live or processed whole birds during the festive occasions of Christmas and Easter. A couple of large-scale domestic producers have attempted to sell local birds as cut parts but this has not been sustained since imported poultry products are cheaper by 30-40 percent than the locally produced chicken.

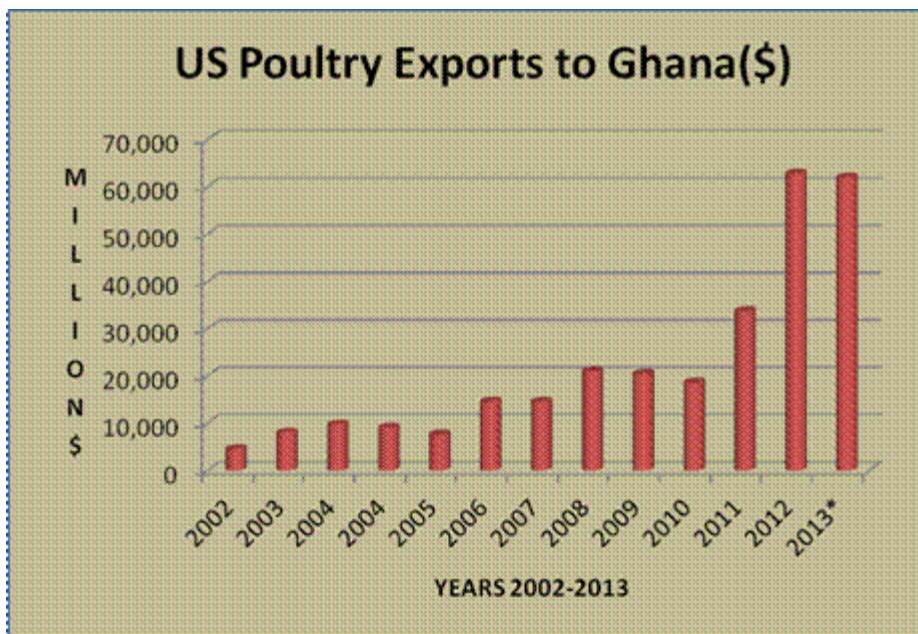
US poultry Exports to Ghana in Quantity and Value (Table 2)

Year	US Poultry Export (MT)	US Poultry Exports ('000\$)
2002	10,068	4,549
2003	17,377	8,034
2004	15,999	9,741
2005	13,075	9,102
2006	12,045	7,668
2007	16,120	14,591
2008	19,401	21,060
2009	22,858	20,501
2010	30,000	18,662
2011	43,400	33,764
2012	50,000	62,857*

Source: Ministry of Agriculture, Poultry Industry, BICO data

***indicates an all time high US exports**

Ghana continues to be a destination for U.S. poultry due to the strong relationships between importers and exporters and loyalty to U.S. poultry products. In 2012 U.S. exports of poultry was an all time high at \$62 million and almost twice that for 2011. Below is the graphical representation of U.S. poultry exports to Ghana.



***2013 FAS/Accra Estimates**

Government Policy

The level of tariffs on imported poultry is 20 percent. Other taxes and levies are:

- Value Added Tax (VAT) is 12.5%;
- National Health Insurance Levy (NHIL) is 2.5% to be collected by the VAT Secretariat;
- Export Development and Investment Fund Levy (EDIF) is 0.5%;
- Inspection fee of 1%;
- ECOWAS Levy 0.5%;
- Ghana Customs Network (GCNET) of 0.4%

PSD Table: Poultry Meat (MT)

Poultry, Meat, Broiler Ghana	2011		2012		2013	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	10	10	10	10	10	10
Total Imports	155	150	167	157	172	165
Total Supply	165	160	177	167	182	175
Total Exports	0	0	0	0	0	0
Human Consumption	165	160	177	167	182	175
Other Use, Losses	0	0	0	0	0	0

Total Dom. Consumption	165	160	177	167	182	175
Total Use	165	160	177	167	182	175
Ending Stocks	0	0	0	0	0	0
Total Distribution	165	160	177	167	182	175
MIL HEAD, 1000 MT, PERCENT, PEOPLE, KG						

Russ Nicely
 Regional Agricultural Counselor
 Agricultural Affairs Office (USDA/FAS)
 American Consulate
 2, Walter Carrington Crescent
 Victoria Island, Lagos-Nigeria
 Telephone: (234) 1 -460-3577
 E-mail: aglagos@usda.gov
 Website: <http://www.fas.usda.gov>

Elmasoeur Z. Ashitey
 Agricultural Specialist
 American Embassy
 Agricultural Affairs Office (USDA/FAS)
 24 Fourth Circular Rd., Cantonments, Accra, Ghana
 Tel: 233-302-741421
 Fax: 233-302-741478
 Cell: 233-244-331507
 E-mail: Agaccra@fas.usda.gov
 Website: <http://www.fas.usda.gov>