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Approved By:

Russ Nicely

Prepared By:

Marcela Rondon and Elmasoeur Ashitey

Report Highlights:

Ghana poultry imports have more than quadrupled since 2002 as Ghana's domestic poultry sector continues to 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 22-25 percent of the market demand, although competition from Brazil and European Union (EU) origins has increased.

Currently U.S. poultry enjoys a price advantage compared to the others, especially over products with EU origins. For example, a 10 Kg box of U.S. poultry costs \$22 while the same sized box of Brazilian and EU poultry cost \$24 and \$33 respectively. Ghana continues to be a destination for U.S. poultry due to price advantage, strong relationships between importers, and exporters, and loyalty to U.S. poultry products.

Executive Summary:

General Information:

Production

Commercial poultry production in Ghana grew rapidly during the 1980-1990s, developing into a vibrant sector that supplied about 80 percent of the available chicken meat and eggs in the country. The development of the commercial poultry industry was initially slow, due to the irregular supply of imported day-old chicks, a lack of veterinary drugs, and frequent outbreaks of poultry diseases. In order to increase growth the Government of Ghana (GOG) removed customs duties on poultry inputs (feed, additives, drugs and vaccines) and improved access to veterinary services.

According to GOG sources broiler production has experienced a steep decline from 80 percent of the market supply 2000 to 10 percent in 2010. This downward trend is due primarily to a very high cost of production (feed, drugs,). Other constraints include the high energy prices which have pulled up production costs by over 60 percent. By 2005 commercial domestic poultry production was only able to meet 34 percent of total demand as most poultry producers shifted from producing broilers for meat to the production of eggs. Both GOG and industry sources have indicated that poultry meat (broiler) production for 2009/2010 fell to below 10 percent of the demand. Most of the small and medium-scale producers completely shut down. In Ghana local processing of poultry into cut portions to facilitate quick and easy use by consumers is limited. Imported poultry products tend to be 30-40 percent cheaper than locally produced chicken. Ghana's current poultry layer count stands at 21 million birds while broilers are at 5 million (2009 National poultry census). Locally produced eggs face relatively minor competition on the Ghana market.

Although there was an outbreak of H5N1 avian influenza (AI) in May 2007, the disease was quickly contained by quarantining and destroying all the birds on the affected farms to stop the spread of the virus. To prevent further outbreaks of H5N1 AI, the GOG continues to do public awareness programs in both print and electronic media (radio). 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 training on detection and control of AI has also been carried out countywide for all veterinary officers of the Ministry of Food and Agriculture by USDA/APHIS.

Industry Composition

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. Domestic commercial farms are privately owned by individuals or a family. The large-scale category forms about 20 percent of the total poultry sector, producing mainly eggs. 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. The medium-scale and the small-scale categories comprise 80 percent of the poultry sector and rely on hatcheries for their day-old chicks and feed mills for their feed. The medium-scale category also

produces primarily eggs. Included in the small scale category are backyard poultry producers who mainly produce 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 AI. Some of the commercial poultry farmers produce broiler birds for sale only during the festive seasons (Christmas, Easter), periods when Ghanaians buy live chickens. Most of the poultry producers also sell off spent layer chickens at these times.

For several years now day-old chicks for commercial production have been primarily produced by ten hatchery companies according to MOFA sources. Currently the poultry hatcheries are only producing up to 60 percent of capacity due to low demand. Only three of these hatchery companies maintain their own parent stocks of layer or broiler birds. The other poultry producers import fertile eggs. The GOG is yet to pass into law a Hatchery bill which will ensure that quality day-old chicks are produced from domestic hatcheries.

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. 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) is estimated at GHC10.00 (\$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.

Feed production

Ghana's poultry feed industry has shifted to producing layer feed due to the drop off in domestic broiler production. About 90 percent of feed produced by commercial feed millers is layer feed; Broiler feed is primarily purchased by small scale backyard poultry producers. 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.

Feed manufacturers in Ghana can be categorized into commercial feed millers and on-farm self millers. Ghana has about ten (10) commercial feed mills with a total installed operating capacity of 1000 MT per day. However, most feed millers are only producing at about 40-50 percent of their capacity due to the low demand from the local poultry industry. The average amount of compound feed produced in Ghana is about 10,000 MT annually in the past few years.

Commercial feed millers supply poultry feed mostly to medium and small-scale poultry producers because large scale poultry producers mostly make their own feed. These commercial feed millers produce mainly mash feed, a few produce high feed concentrates, and one feed mill pelletizes feed. Most small and medium-scale poultry producers prefer feed concentrates because it is cheap, convenient, and less bulky for transportation.

The main ingredients for compound feed are locally produced corn or imported yellow corn and wheat bran. 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. Feed prices in Ghana have been climbing primarily due to the rising cost of corn. The price of a 50kg bag of white corn in June 2011 was GHC45.00 (\$30), compared to GHC25 (\$17) in the same period in 2010. 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. Soybean meal inclusion in poultry feed is low due to its high cost. 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. 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, by-products of agro-processing.

Consumption

Poultry consumption in Ghana has continued to rise and Post forecasts Ghana's total poultry consumption for MY 2011 at approximately 115,000 MT, up from 108,000 MT in MY 2010. Poultry meat imports to Ghana in 2010 accounted for nearly 90 percent of consumption while the domestic production of all types including commercial and non-commercial or backyard poultry production provided only about 10 percent. Ghanaians consume mostly chicken, but also consume guinea fowl, duck, turkey and ostrich. The estimated per capita consumption of poultry products in Ghana is increasing, from 3.5kg meat in 2003 to 4kg in 2010 (MOFA 2010 fact sheet). 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 it is cheaper than locally produced poultry and it is already pre-cut, such as leg quarters and wings, and processed whole chicken and gizzards. As such, the convenience of a ready-to-use chicken product has boosted consumer demand. Furthermore, the rapid growth in the restaurant, hotel and fast food sector has increased demand for frozen poultry products in the past few years.

Consumption of chicken and eggs continues to increase, despite the significantly higher prices. The price of a kilo of imported chicken leg quarters is currently GHC3.50-GHC4.50 (\$2.33-\$3) compared to GHC2.7-GHC3.00 (\$1.8-\$2) this time last year. The wholesale price of a crate of eggs (30 eggs per crate) in 2011 is GHC6.50-GHC8.00 (\$4.33-\$5.33), up from GHC4.00-5.50 (\$2.67-\$3.67) in 2010.

Trade

Post forecasts poultry imports for Ghana in MY 2011 at 105,000 MT, up from 98,000 MT in MY 2010 due to increasing demand and the decline in domestic commercial poultry meat production. Ghana poultry imports are supplied mainly from the United States, Brazil and the EU. About 90 percent of exported frozen chicken to Ghana is processed into cut portions/parts, mainly chicken leg quarters and wings, and 10 percent is frozen whole chickens and gizzards. Ghana's official statistics indicate that poultry imports have more than quadrupled in recent years, from 20,000 MT in MY 2002 to over 98,000 MT in MY 2010 as shown in table 1.

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

Year	Total Poultry Export to Ghana	USA Poultry Exports to Ghana	US percent share of
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	(MT)	(MT)	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	98,000	21,927	22 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 US type which is red (trade sources). Also the brown packaging material of the US is perceived to be unattractive compared with the white colored Brazil packaging materials. U.S. poultry does enjoy a price advantage compared to Brazilian supplies. The current cost of U.S. poultry per 10kg box is \$22, \$24 for Brazilian and \$33 for EU. 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.

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 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	21,927	18,662

Source: Ministry of Agriculture, Poultry Industry, BICO data



****2011 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%;

The National Poultry Farmers Association (NPFA) continues to pressure the GOG to increase poultry tariffs to protect the industry. The NPFA members believe that the poultry industry in Ghana is not thriving because of the competition from frozen poultry imports. NPFA members have expected a policy change from the new government which took office in January 2009, but nothing has happened to date. One major concern for poultry importers industry is that the GOG appears to delay the issuance of import permits to protect the domestic poultry industry in the country. According to GOG sources a document on revitalizing the poultry industry in Ghana is being prepared for consideration by the GOG but they have not yet moved forward on it. The United States Poultry and Egg Export Council (USAPEEC) and the NPFA have been discussing the possibility of training to assist them to produce poultry more efficiently but it has not been finalized yet.

PSD Table: Poultry Meat (MT)

Poultry, Meat, Broiler Ghana	2009		2010		2011	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	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
Whole, Imports	0	0	0	0	0	0
Parts, Imports	83	89	93	98	100	105
Intra-EU Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
Total Imports	83	89	93	98	100	105
Total Supply	93	99	103	108	110	115
Whole, Exports	0	0	0	0	0	0
Parts, Exports	0	0	0	0	0	0
Intra EU Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
Total Exports	0	0	0	0	0	0
Human Consumption	93	99	103	108	110	115
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	93	99	103	108	110	115
Total Use	93	99	103	108	110	115
Ending Stocks	0	0	0	0	0	0
Total Distribution	93	99	103	108	110	115
MIL HEAD, 1000 MT, PERCENT, PEOPLE, KG						

POST CONTACT AND FURTHER INFORMATION

Russ Nicely
Regional Agricultural Counselor

Marcela E. Rondon
Regional Agricultural Attaché

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: 233-21-741478
Cell: 233-244-331507
E-mail: Agaccra@fas.usda.gov
Website: <http://www.fas.usda.gov>

