

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Ghana**

**Post:** Accra

### **2017 Ghana Poultry Report Annual**

**Report Categories:**

Poultry and Products

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**Report Highlights:**

Post estimates that Ghana's 2017 broiler meat production will reach 35,000 tons, supplying less than 25 percent of demand. Imports are expected to increase by 14,000 tons to 158,000 tons due to insufficient domestic supply and rising demand. U.S. poultry meat exports to Ghana hold over 35 percent market share. Competition from Brazil and the European Union has been increasing; however, U.S. poultry enjoys brand loyalty advantage over its competitors.

**General Information:**

**Poultry, Meat, Broiler Production, Supply, and Demand Table**

**Production**

Poultry, Meat, Broiler Market Begin Year Ghana	2015		2016		2017	
	Oct 2015		Oct 2016		Oct 2017	
	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	55	33	55	33	56	35
Total Imports	120	118	150	144	165	158
Total Supply	175	151	205	177	221	193
Total Exports	0	0	0	0	0	0
Human Consumption	175	151	205	177	221	193
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	175	151	205	177	221	193
Total Use	175	151	205	177	221	193
Ending Stocks	0	0	0	0	0	0
Total Distribution	175	151	205	177	221	193

Post estimates that Ghana's MY2017 domestic broiler meat production will continue to be stagnant with a minimal increase of

six percent to 35,000 tons, compared to the previous year. In 2015, government statistics noted that the total poultry meat production (including broiler meat and spent layers) was 54,000 tons; out of which, approximately 33,000 tons was broiler meat (representing 60 percent of total poultry meat production).

According to poultry producers, broiler production is not profitable. Feed costs represent over 60-70 percent of overall production costs. Despite rising feed costs, producers are unable to dispose broiler birds at six weeks and must continue to feed their birds over 10 weeks, which further increases feed and medication costs. High energy cost also affects overall production. With high production and energy costs, producing domestic broiler birds is becoming more uncompetitive compared to imported poultry products. According to the industry, raising layers is more profitable than raising broilers, and there is minimal competition in marketing of eggs.

**Feed and Feed Ingredient Prices**

Ghana's poultry feed industry is mostly focused on layer feed due to the increase of layer bird production. About 80 percent of feed produced by commercial feed millers is layer feed; however, there is a seasonal broiler feed demand by poultry producers who raise broiler birds for the festive seasons (Christmas, Easter and Ramadan). The main imported feed ingredients are yellow corn, soybean meal, fish meal and vitamin-mineral premixes. The locally available feed ingredients are corn (white/yellow), soybean cake, cotton-seed cake, kernel cake, copra cake, fish meal and oyster shell. The following table shows the prices for feed and feed ingredients between 2015 and 2016.

Feed Ingredient Prices			
	2015	2016	Percentage

					increase 2015-2016
	Ghanaian Cedi	U.S. Dollar	Ghanaian Cedi	U.S. Dollar	
<b>Imported Yellow Corn 50 kg. bag</b>	GHC30	\$7.69	GHC60	\$15.38	100%
<b>Local Corn 100 kg.</b>	GHC86	\$22.00	GHC225	\$57.69	162%

<b>Soybean Meal 50 kg. bag</b>	GHC60	\$15.38	GHC100	\$25.64	67%
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<b>Poultry Feed Prices (measured in 50 kilogram bags)</b>					
	<b>2015</b>		<b>2016</b>		<b>Percent Increase 2015-2016</b>
	Ghanaian Cedi	U.S. Dollar	Ghanaian Cedi	U.S. Dollar	
<b>Broiler Starter Feed (Mash)</b>	GHC100	\$25.64	GHC105	\$26.92	5%
<b>Broiler Finisher Feed (Mash)</b>	GHC94	\$24.10	GHC102	\$26.15	8.5%
<b>Broiler Starter Concentrate</b>	GHC229	\$58.72	GHC238	\$61.00	3.9%
<b>Broiler Finisher Concentrate</b>	GHC220	\$56.41	GHC229	\$58.72	4.1%
<b>Layer Feed (mash)</b>	GHC84	\$21.54	GHC90	\$23.00	6.8%

## Consumption

Post estimates that Ghana's MY 2017 poultry consumption will reach 193,000 tons, up from 177,000 from the previous year. Rapid growth in the hotels, restaurants and fast food sector has increased demand for imported frozen poultry products over the past few years. While red meat consumption remains unchanged, frozen poultry meat consumption has almost doubled. Consumers in urban areas prefer imported frozen chicken products because they are cheaper than domestic chicken products and are already processed with pre-cut parts of leg-quarters and wings. Local poultry processors in Ghana lack the infrastructure and equipment to produce chicken cuts that are preferred by most consumers. In Ghana, poultry meat consumption is dominated by chicken meat, but other poultry products consumed are guinea fowls, ducks, turkeys and ostrich. According to official sources, meat (both livestock and poultry) contributes only 40 percent of the national animal protein supply, with the rest coming from fish. Market prices of local broiler meat tend to be higher than imported meat by 30-40 percent margin, making local broiler meat uncompetitive.

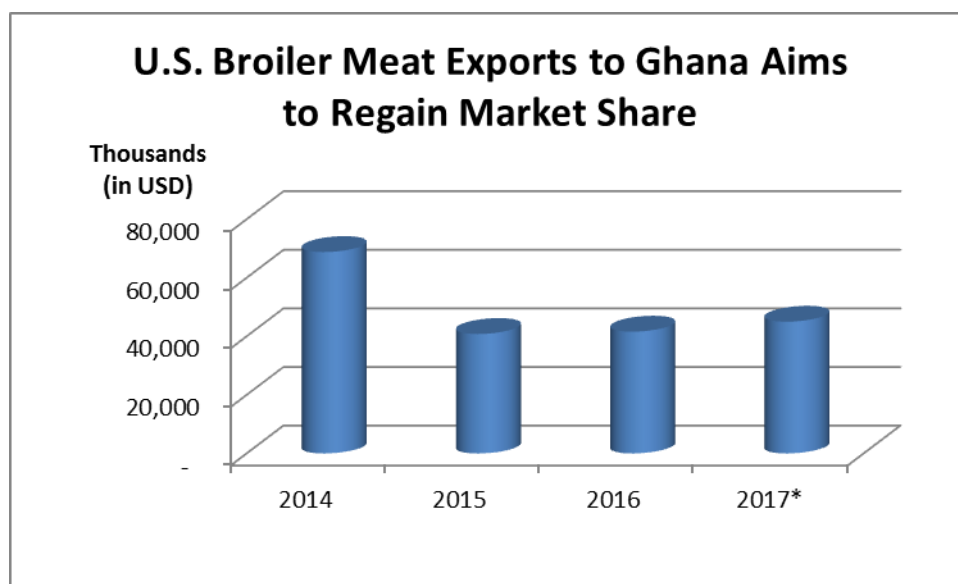
<b>Retail Poultry Prices (per kilogram)</b>				
	<b>2015</b>		<b>2016</b>	
	Ghana Cedis	US Dollar	Ghana Cedi	US Dollar

Imported Chicken	GHC12	\$3	GHC14	\$3.5
Domestic chicken per kg	GHC50	\$12.80	GHC60	\$15

## Trade

Post's 2017 import estimate is at 158,000 tons, an increase of 10 percent from 144,000 tons in 2016, due to increasing demand for less expensive frozen poultry and the deficit created by the low domestic poultry (broiler) meat production. Permits are still required for poultry imports but no domestic purchase requirement is being imposed. The permitting process is not clear and the use of discretionary permit approval is often non-transparent.

Ghana poultry imports are supplied mainly from the United States, Brazil, and European countries. Despite decreasing imports since 2014/15, supplies from the United States capture over 40 percent of market share, while European countries and Brazil have 25 percent each of the market share. 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. That said, U.S. poultry exports to Ghana declined from an all-time high export value of \$76 million in 2013 to \$41 million in 2016, due to the lack of transparency of obtaining import permits for poultry products and other technical barriers to trade.



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 are shipped in either brown boxed packages (U.S. origin) or white boxes with branded names (Brazil origin) with most weighing approximately 10-15 kg. Poultry products from Brazil origin have a light pinkish attractive color and are perceived to be a better quality than those offered by the United States, according to sources. Frozen poultry is widely distributed in the country, through a network of privately-owned cold stores located in major cities. Ghanaian consumers patronize U.S. poultry products because it is cheaper and affordable. The American leg quarters are smaller in size and are preferred by most restaurants and hotels. Most of the fast food operators or Quick Service Restaurants (QSR) and household consumers prefer the Brazilian chicken leg quarters due to their rather large size which can be cut up into more pieces. U.S. poultry continues to

enjoy about \$300 per ton price advantage compared to Brazilian supplies.

### **Policy**

The level of tariffs on imported poultry is 35 percent. Other taxes and levies are:

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