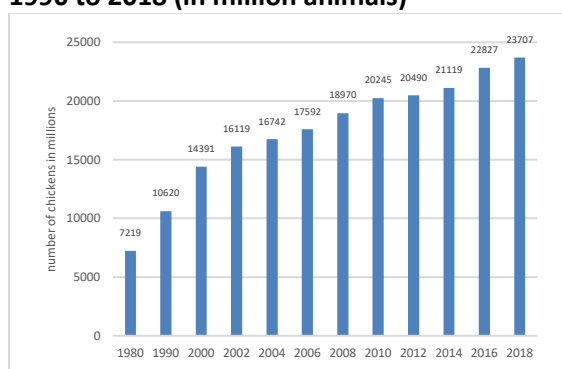


Poultry: the second most widely eaten meat in the world

The globe-spanning chicken is outnumbering human beings on the planet by nearly three to one nowadays. The number of chickens worldwide has more than doubled since 1990. In 2018, there were some 23.7 billion chickens in the world, up from 14.39 billion chickens in 2000. In 2017, poultry meat represented about 37% of global meat production¹.

Graph 1: Number of chickens worldwide from 1990 to 2018 (in million animals)



Source: DG AGRI based on FAOSTAT

Poultry meat and eggs are among the animal-source foods most widely eaten at global level, across greatly diverse cultures, traditions and religions. Chickens convert grain into protein with staggering efficiency. It takes less than two pounds of feed to produce one pound of chicken (live weight), less than half the feed/weight ratio in 1945. By comparison, around seven pounds of feed are required to produce a pound of beef, while more than three pounds are needed to yield a pound of pork². Its short production cycle allows producers to respond quickly to market signals, while also allowing for rapid improvements in genetics, animal health, and feeding practices.

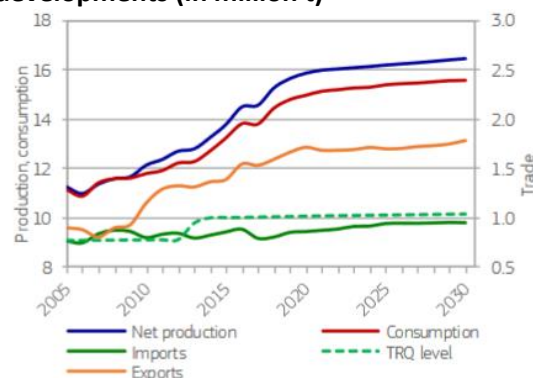
The USA is the world's largest poultry meat producer, with 18% percent of global output

(21.72 million tons in 2019³), followed by China, Brazil and the Russian Federation.

EU poultry production responds to consumer demand

EU poultry meat production is driven by consumer demand. This demand has been rising consistently for many years, as consumers enjoy the advantages of the product (affordability, convenience, healthy image and limited GHG emissions, absence of religious guidelines limiting consumption) and production has followed.

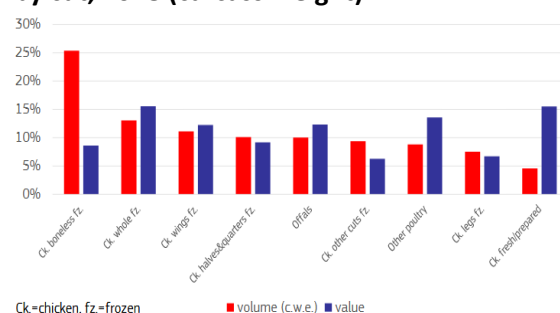
Graph 2: EU poultry meat market developments (in million t)



Source: DG AGRI, 2019⁴

EU consumers buy mostly the more expensive boneless cuts (breasts) while the less expensive bone-in cuts are often exported to markets where they are most valorised (e.g. wings to Asia, halves and quarters to Africa).

Graph 3: Distribution of EU poultry exports by cut, 2018 (carcass weight)



Ck=chicken, fz=frozen

■ volume (c.w.e.) ■ value

Source: DG AGRI⁵

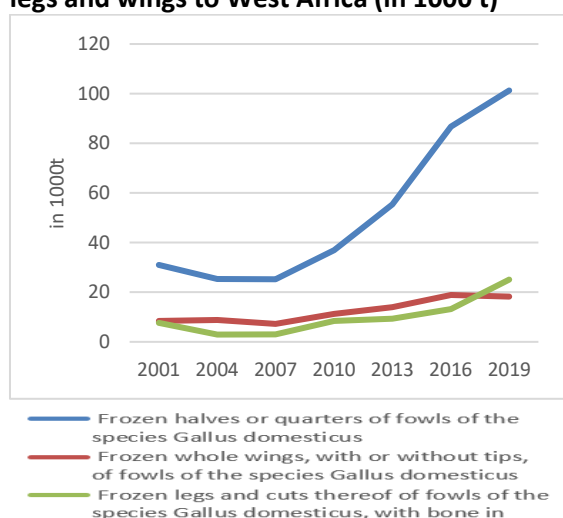
¹ FAO, [Gateway to poultry production and products](#)

² Lawler A., Adler, J. (2012) [How the Chicken Conquered the World](#), Smithsonian Magazine

³ Statista, [Leading egg producing countries worldwide 2018](#)

⁴ European Commission, DG AGRI (2019) [EU Agricultural Outlook, for the agricultural markets and income 2012-2030](#)

Graph 4: EU27 exports of frozen halves, cuts, legs and wings to West Africa (in 1000 t)

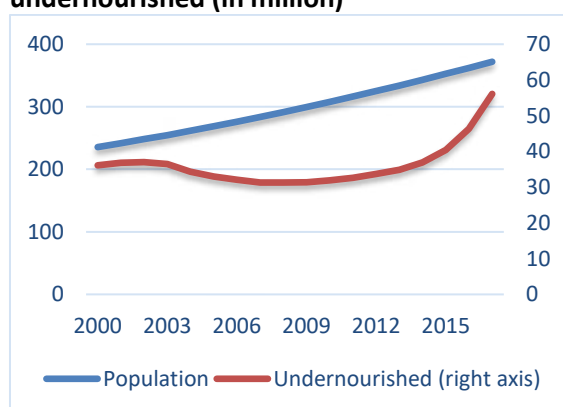


Source: Eurostat – Comext

Increasing importance of poultry for West-African consumers and producers

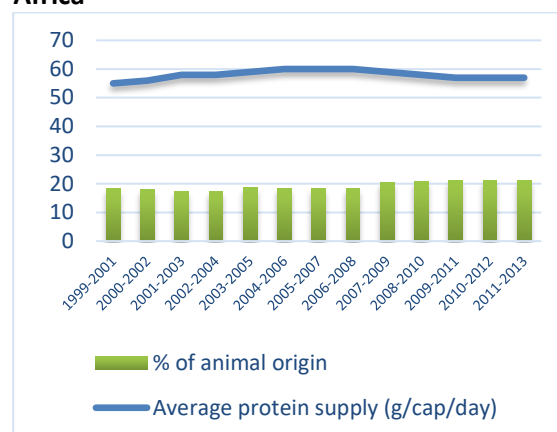
The West-African region is rapidly developing, with a booming population and increasing industrial activity, enabling a middle class to slowly emerge. While this has spurred demand for all kinds of consumer goods, the provision of basic needs to ensure a balanced diet remains a prerequisite for further growth, prosperity and stability in the region.

Graph 5: West-African population and undernourished (in million)



Source: DG AGRI based on FAOSTAT

Graph 6: Average protein supply (total and of animal origin) per capita per day in West-Africa



Source: DG AGRI based on FAOSTAT

Poultry and other animal products are further gaining importance in the consumer basket, given their nutritional value, taste and diversity. For local consumers, especially for those with low income in big cities, affordability however remains key. At the same time, traditional small-scale, rural, family-based poultry systems continue to play a crucial role in sustaining livelihoods in Africa, supplying poultry products in rural areas, and providing important income opportunities for women farmers. Traditional systems account for around 70% of birds in most West African countries⁶.

What are the dynamics in the West-African poultry market?

West African poultry markets are segmented: part of them relies on low price imports chicken parts (frozen), meeting a demand for affordable and prepared meat for easy consumption, while “backyard” poultry production often cannot satisfy requirements for processing, packaging and distribution via cold chain. The availability of frozen parts is more convenient for many urban, low income households because it allows purchasing small amounts of chicken rather than a whole bird,

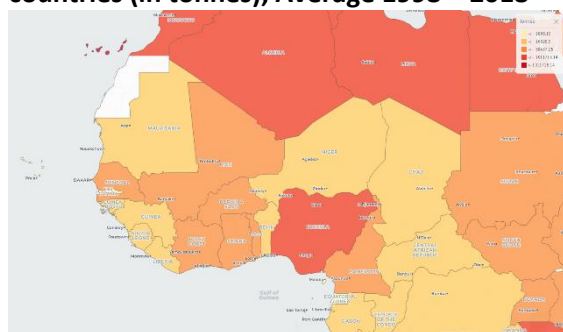
⁵ European Commission, DG AGRI (2019) [Short-term outlook, for EU agricultural markets in 2018 and 2019](#)

⁶ FAO and AfDB, (2015) [Agricultural Growth in West Africa, Market and policy drivers](#)

and the chicken is already dressed and not sold alive, as it is often the case in small-scale traditional systems.

Nevertheless, poultry meat production has been expanding steadily over the years, with some countries more dynamic than others. African poultry production is dominated by South African companies, as four of the top six broiler producers are headquartered in South Africa. RCL Foods and Astral Foods are by far the continent's largest two poultry companies, having slaughtered 260 million and 228.3 million broilers annually in 2017⁷.

Chicken Meat Production in Western Africa countries (in tonnes), Average 1998 – 2018



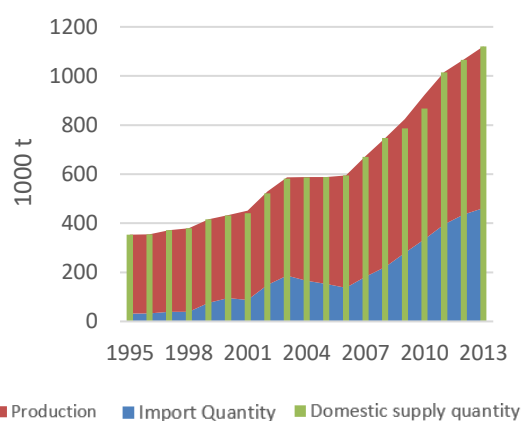
Source: FAOSTAT

Even if modern, commercial poultry production is picking up in Africa, the sector is still lacking competitiveness due to lower efficiency and high cost compared to other regions on the globe. Climatic conditions⁸ (high temperatures) and animal diseases⁹ (e.g. Avian Flu) are additional factors.

The lack of competitiveness of poultry production in many African countries against imported poultry is mainly due to the high cost of production and a lack of investments in the sector. A key element is the cost of animal

feed, due to the low level in production of energy and protein rich plants (e.g. maize and soy) and the fact that main inputs for poultry production (day-old chicks and vaccines) still have to be imported. Modern slaughtering facilities for poultry are limited and informal slaughtering remains predominant. Weak infrastructure (transport, refrigeration) often makes it difficult to supply big cities on the coast with poultry produced in the rural hinterland.

Graph 7: Simplified West African balance sheet for poultry meat



Source: DG AGRI based on FAOSTAT

Studies¹⁰ show that, for example in the case of Ghana, exclusively relying on domestic poultry meat production would require an almost 20-fold increase in capacity and output. This would require the feed and grain sectors to be well positioned to respond quickly to meet demand from the poultry meat sector. Such development can hardly be achieved in the short term, given the current low productivity and capacity levels in both sectors, provided by rain-fed smallholder agriculture.

Moreover, the forecasts for all type of livestock products show a significant increase in demand by 2050, particularly the demand for poultry is estimated to skyrocket by 2050.

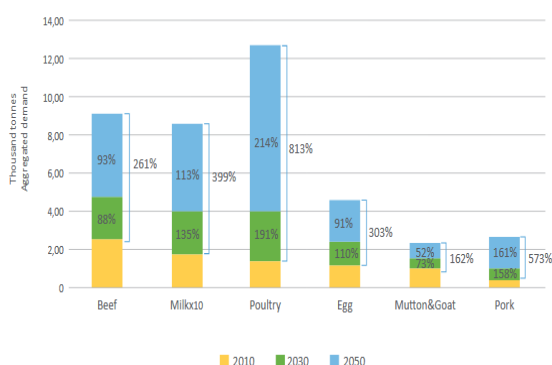
⁷ WATTPoultry (2018) [News and analysis for the global poultry industry. The top 6 poultry producers in Africa](#)

⁸ Liverpool-Tasie, Lenis Saweda O., Sanou, Awa, Tambo, Justice A., (2019) [Climate change adaptation among poultry farmers: evidence from Nigeria](#)

⁹ Fusaro, A., Zecchin, B., Vrancken, B. et al. (2019) [Disentangling the role of Africa in the global spread of H5 highly pathogenic avian influenza](#). *Nat Commun* 10, 5310.

¹⁰ Andam, K. S., Johnson, M. E., Ragasa, C., Kufoalor, D. S., & Das Gupta, S. (2017). [A chicken and maize situation: the poultry feed sector in Ghana](#), Vol. 1601. Intl Food Policy Res Inst.

Graph 8: Expected demand for livestock products in Africa

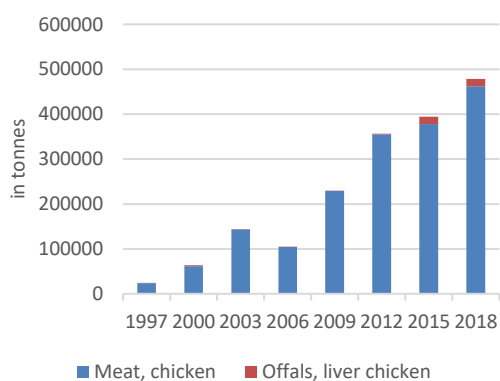


Source: FAO and Acosta and Felis according to FAO¹¹.

How to find the right balance between domestic production and imports?

While serious efforts have to be made to scale up African production and build the related infrastructure, responding to increases in demand, imports will continue to fill the gap in required quantity and quality, allowing African consumers to buy poultry meat at affordable prices.

Graph 9: Imports of chicken meat, offals and chicken liver in West-Africa, in tonnes

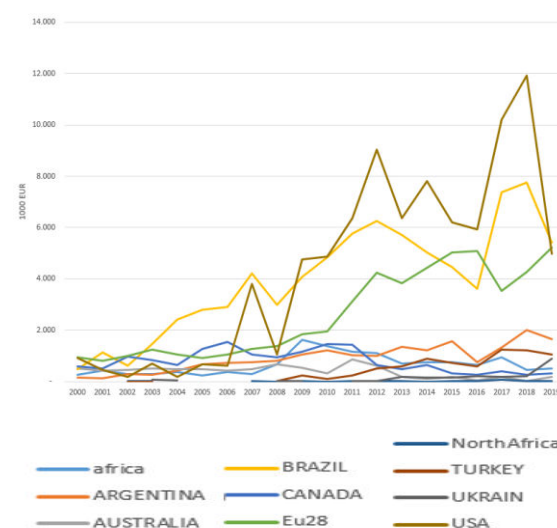


Source: DG AGRI based on FAOSTAT

Part of those imports originate from Europe, but USA and Brazil are also among the main sources for poultry imports. The increasing demand for poultry meat observed after 2007

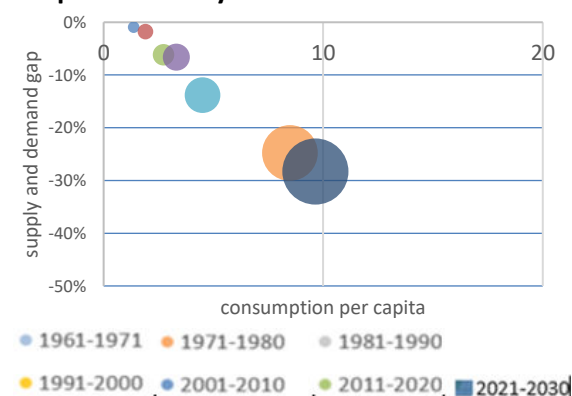
(see graph 7) was covered by imports, as the local production was not able to satisfy it. As from 2014, the EU poultry industry became more competitive vis-à-vis competitors like Brazil and the USA, due to rising domestic demand (and prices) in Brazil and the weak Euro compared to the US dollar. The three main players seem to substitute each other in imports to African markets: whenever imports from one country slow down, these are easily replaced by imports for the other countries. Inter-African trade still seems limited.

Graph 10: Origin of poultry meat imports in Africa



Source: JRC based on Comext

Graph 11: Poultry net trade in Africa



Source: DG AGRI¹²

¹¹ FAO (2017) Animal Production and Health Report. No. 12, [Africa Sustainable Livestock 2050](#) – Technical Meeting and Regional Launch, Addis Ababa

¹² DG AGRI (2019) EU Agricultural Markets Briefs, [Global food supply and demand Consumer trends and trade challenges](#)

Production in Africa is growing but not fast enough to keep up with consumption developments. Given population growth and the switch in consumption patterns closer to western diets, i.e. more meat, together with population growth even led to an increase above 20% of the deficit in Africa.

The loss of poultry market share in recent years for domestic producers reflects among others the difficulties that West African countries face in providing the institutional arrangements needed to ensure the tight coordination of inputs such as feed, veterinary products, and day-old chicks required by modern poultry production systems¹³.

Does the EU support or subsidise private sector exports of poultry?

EU poultry meat exports to West-Africa are recurrently questioned for their possible impact on local markets, alleged for pushing out domestic producers. As argued above, the key factor is seen in production conditions in West-African which still have to overcome severe challenges to better match the growing demand.

On the EU side, successive policy reforms of the last 25 years have seen the Common Agricultural Policy (CAP) moving away from coupled support tied to production of particular products to supporting farmers in a way that is non-market and non-trade distorting. There are no product-specific subsidies for the poultry meat sector within the CAP.

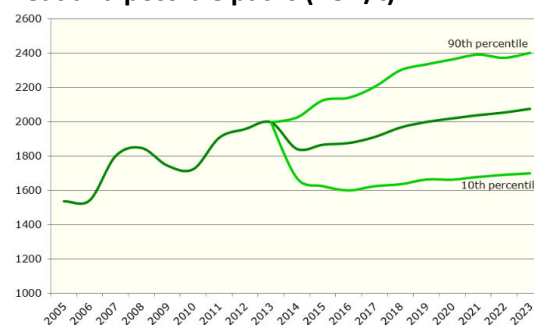
EU export refunds for poultry were discontinued in 2013. As part of the negotiations towards a regional Economic Partnership Agreement (EPA) with West Africa, the EU committed to abstain from agricultural export subsidies altogether. In

addition, the EU was a driving force behind the December 2015 WTO decision to scrap all trade-distorting export subsidies.

The EU has not spent a single euro on export refunds for the agricultural sector since July 2013.

EU poultry production is driven by market developments and poultry farmers are subject to strong variability in prices and income between marketing years, similar to farmers in other sectors, and in other market oriented countries.

Graph 12: Projected price for EU27 poultry meat and possible paths (EUR/t)

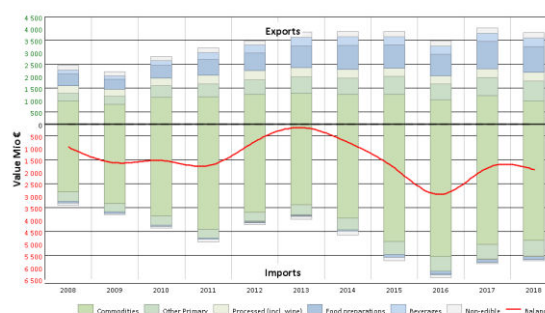


Source: DG AGRI

EU Economic Partnership Agreement with West-Africa: provisions for the poultry sector

For many years, the value of agri-food exports from West-Africa to the EU27 is much higher than the value of agri-food imports from the EU.

Graph 13: EU27 trade balance for agricultural products with West-Africa



Source: DG AGRI based on Comext

¹³ FAO and AfDB, (2015) [idem](#)

Since 2014, Economic Partnership Agreements (EPAs) were concluded covering the majority of economies in Africa to enable barrier-free trade with the EU¹⁴. These agreements favour the African partner countries, since they entail the swift removal of import barriers for African goods to the EU, while only gradually lowering barriers for European goods to African markets. In addition, the agreements include development aid to the African parties.

The interim Economic Partnership Agreement (EPA) between the EU and West African countries excludes poultry and other sensitive products from tariff liberalisation by them. It is their full sovereign decision to set the tariff rates on EU imports at a level that would protect domestic producers against imports from the EU, however increasing the poultry price for domestic consumers. Currently, the tariffs applied to imports from the EU (and from the rest of the world) for poultry meat and poultry meat preparations range between 30-35%.

The tariff rates correspond to the Common External Tariff (CET) of the Economic Community of West African States (ECOWAS) and hence are the same in all its member countries – yet, the situation in the poultry sector varies among the West African countries. In the event of a sudden surge in imports of poultry meat, West African countries have the possibility to impose safeguards, i.e. temporarily raise import tariffs, following the procedures agreed to within the WTO.

The EU actively contributes to the economic development of West-Africa

The EU is addressing shortcomings in the development of the West African agri-food sector through its cooperation programmes and by promoting responsible investment in the region.

Food and nutrition security and sustainable agriculture are the main sectors of intervention of EU development cooperation for the programming period (2014-2020). The priorities are established jointly with governments in the framework of the National Indicative Programmes¹⁵. Support focusses on smallholder agriculture and women farmers, formation of farmers' organisations, supply and marketing chain, and responsible private investment.

EU development cooperation contributes to the long-term strengthening of conditions for poultry production in several West-African countries, while in the short-term these countries might decide to rely on poultry imports to fill the gap between growing demand and limited increase in domestic production. Improving overall business conditions, local infrastructure and the possibility for farmers to organise themselves through development cooperation will provide the room to grow for poultry production in West Africa.

The EU is committed to contribute to the further development of the West-African region. This will be achieved through various public and private initiatives, an exchange about best practices and support for local initiatives to boost sustainable local production and value chains.

¹⁴ Until the adoption of the full regional EPA with West Africa, 'stepping stone' Economic Partnership Agreements with Côte d'Ivoire and Ghana entered into provisional application on 3 September 2016 and 15 December 2016 respectively.

¹⁵ It is the focal sector of EU assistance in 60 developing countries (in particular in Africa). This means 1 billion euro for agriculture in developing countries until 2020 mostly benefitting smallholders. The EU support goes to developing value chains and access to markets for small holders to local, national and regional markets.

Impact of the COVID 19 pandemic

The magnitude of the impact and the duration of the COVID-19 outbreak are uncertain. In the short term, labour supply and transportation problems could disturb supply and marketing chains and affect meat production (including both slaughtering and processing). The measures taken to resist the pandemic also have, in the short term, influence on consumption patterns. The duration of the economic slowdown and its impact on income growth is likely to dampen overall demand in meat, which has a high-income responsiveness¹⁶.

Sustainability of food supply chains as well as food security and safety are nowadays more than ever in the heart of the debate.

The Farm to Fork Strategy

A healthier and more sustainable EU food system is a cornerstone of the European Green Deal. The Farm to Fork strategy advocates for several ambitious targets such as the reduction of the sale of antimicrobials for farmed animals by 50% by 2030. Consequently, the EU poultry sector will need to satisfy more stringent quality, environmental and animal welfare standards. Moreover, the EU is committed to lead by example on the transition to sustainable global food systems, not only within its borders, but also outside.

¹⁶ [OECD-FAO Agricultural Outlook 2020-2029](#)