



Poultry Production in Cameroon

How the import restriction affects
the Cameroonian poultry sector

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ABSTRACT

In 2005 Cameroon started to restrict the import of frozen poultry cuts, making it one of a few African countries with such a restriction in place. Simultaneously, the government installed support programmes to actively promote the domestic poultry sector.

Since then, the domestic poultry sector has been characterized by sustainable growth, especially with regards to hatcheries, feed producers, importers of feed and veterinary products – which have been able to gain a strong foothold in the market.

With a market share of 42 % of the domestic meat production, the poultry sector has now become an important sector.

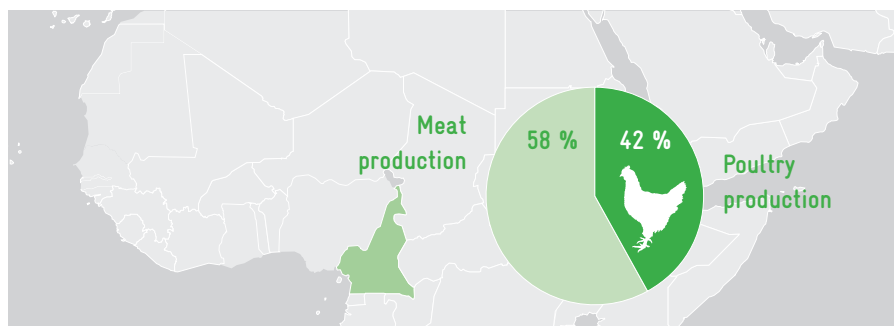
Current challenges of the sector

- High expenses for feed; with a share of 60-70% they are the largest cost factor.
- Insufficient organisation of the actors.
- A lacking cooling infrastructure and missing laboratories for testing and quality control.

The government and international cooperation actors can further increase the competitiveness of the Cameroonian poultry sector by:

- Improving the investment conditions (access to loans etc.)
- Advancing the quality infrastructure.
- Training the stakeholders along the value chain.

Meat and poultry production today



BACKGROUND

Dietary habits have changed tremendously in recent years. In many industrialised countries, consumers prefer chicken breasts over the other cuts of the birds. Therefore, the European meat industry usually exports those parts that are too hard to sell in Europe to developing countries and emerging economies.

Cuts too hard to sell are shipped to Africa

In 2016, Europe exported more than 500,000 tons of poultry to Africa, accounting for 33 % of all European poultry exports. Frozen poultry cuts, practically not marketable in Europe, can be sold on African markets for a much lower price than locally produced poultry cuts.

EU poultry exports to Africa 2016

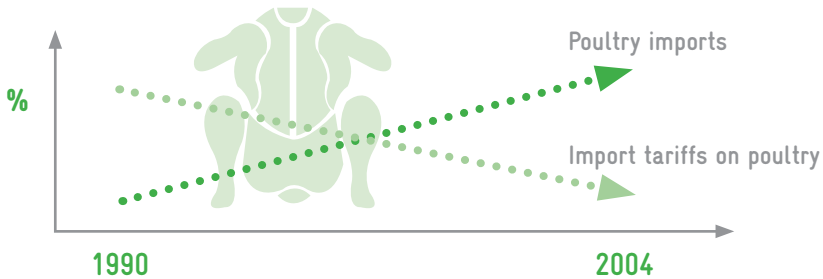


Repercussion: An extremely competitive market situation

Like many other countries, Cameroon pursued an extensive opening of its domestic markets in the 1980s and 1990s. Lowering import tariffs for poultry from 20 to 5 % helped meeting the growing demand and led to a steady stream of frozen poultry imports. For the local poultry sector however, the increased competition brought massive financial losses and ultimately the loss of about 100,000 jobs¹. From 1997 to 2004, Cameroon's poultry production declined by 60 %.

¹ Data based on estimates of Cameroonian NGOs

Trends of tariffs vs. import quotas until 2004



Health risks

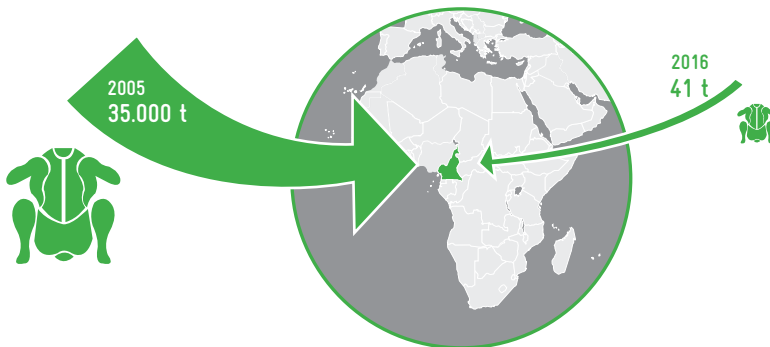
In addition, no rigid quality control of the cooling chain could be ensured in Cameroon, frequently causing poultry cuts to be contaminated microbiologically. A severe food safety hazard.

In light of the situation, protests flared up in Cameroon in the beginning of the 2000s. Several civil society organizations mobilized the public, raising awareness on the subject and ultimately demanding an import ban for frozen poultry parts.

Import restriction

In 2005, the government decided to restrict import licenses. Since then, only small volumes of frozen poultry cuts enter the Cameroonian market from outside.

Import of frozen poultry cuts in 2005 and 2016



ANALYSIS

Development of the poultry sector 2006-2016

Since the introduction of the import restriction all sorts of poultry businesses have grown substantially. Hatcheries, feed producers as well as importers of animal feed and veterinary products have emerged along the entire value chain.

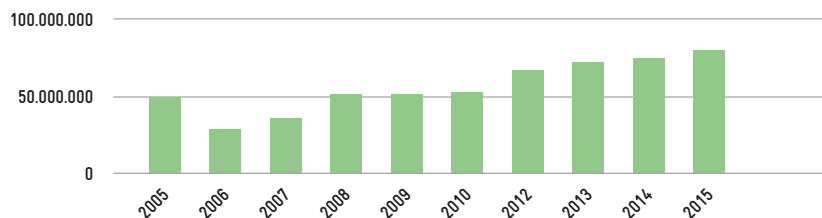
Nowadays, the poultry sector accounts for 4 % of Cameroon's GDP and plays an important role for both food security and employment. It provides income opportunities for urban and rural populations and with a share of 42 % of the total meat/poultry production, poultry is dominating the respective sector in the country.

Political measures

In order to meet the demand, government has aimed at increasing the productivity of the poultry sector by introducing measures that advance the entire value chain. Particularly in the vicinity of larger cities, such as Douala and Yaoundé, broiler production sites are developing well, thanks to their close proximity to the sales markets.

Government support action focuses on empowering farmer organizations, expanding the capacities of hatcheries and cultivating feed, such as maize. In addition, various projects of the international cooperation agencies are supportive of these measures.

Number of poultry in Cameroon 2005-2015



Source: Own illustration based on MINEPIA (Cameroonian Ministry Livestock, Fisheries and Animal) 2014

Marketing of broiler chicken



In Cameroon, marketing of broiler chickens is similar to that in developed countries. Intensively, semi-intensively as well as traditionally kept poultry is traded. Only the respective quantities are different.

Not traditionally kept poultry is purchased by intermediaries who sell to wholesalers at a price ranging up to CFA 2200 (€3,35). The wholesalers sell the living animals either for up to CFA 2500 (€3,81) to retailers in the urban centers (Douala, Yaoundé und Bafoussam), or export them to regional markets in Gabon, Central Africa or the Republic of Chad. In the urban centers, poultry is sold to the consumers for up to CFA 2800 (€4,27) plus the cost for slaughtering. Poultry from traditional farms is either marketed directly by the producers or sold via intermediaries to retailers in small towns.

About the poultry population

Up until 2014, the poultry population in Cameroon increased to approximately 75 million birds. Since 2010, poultry production has grown at a rate of about 7 % annually, having reached approximately 135,000 tons in 2015.

A dozen hatcheries produce chicks for broiler production without exploiting their entire capacities – which is due to some extent to seasonality of consumer demand for poultry. About 12 million chicks and hatching eggs are still imported. A surge in demand between 2006 and 2016 led to a price hike of 67 % for chicks for broiler production and 18 % for chicks for laying-hen production.

Development of the supply side

In Cameroon, per capita poultry consumption more than doubled from 2.2 kg to 5.6 kg between 2006 and 2016. According to FAO data, the supply of poultry has remained relatively stable since 2006. Other sources even see a steady increase in supply. Per capita egg consumption jumped from 16 to 52 eggs annually.

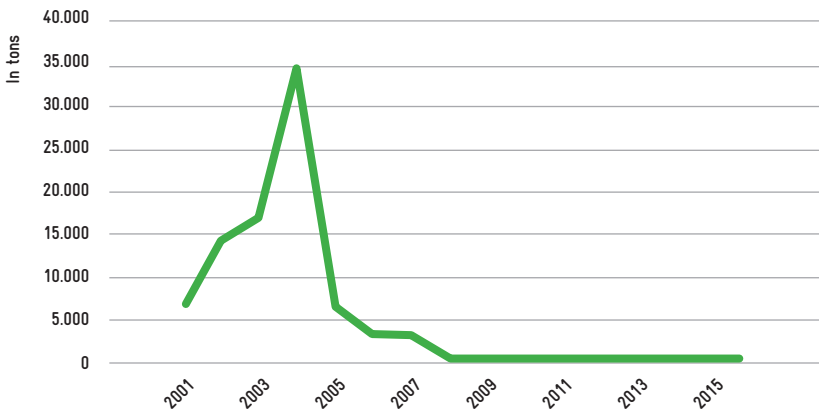
Although prices of fresh poultry have fluctuated over the past 20 years, neither the surge of frozen poultry imports nor the import restrictions have had a significant impact on the nominal price over time.

However, the slow expansion of the processing chain limits the availability of local poultry and contributes to the smuggling of cuts from Equatorial Guinea and Gabon. The Poultry Producers Association estimates that smuggled poultry has a total market share of 10-15 %.

Trade

Importation of poultry has declined significantly as a result of the import restrictions. Whereas the imported quantities had amounted to several thousand tons annually at the beginning of the 2000s, Cameroon only imports very small quantities of 20-60 tons of frozen poultry cuts since 2010. (See figure below)

Cameroon's imports of frozen poultry cuts



Source: ITC Trade Map

Meanwhile, Cameroon has become a sizeable poultry exporter, supplying Chad, Central Africa and Sudan in particular. Note: 90 % of broilers are exported alive.

Upstream

The number of feed producers has increased significantly and production of feed has expanded. However, the demand for feed cannot be met. Cameroon is still depended on imports of soy flour, peanut extraction meal and maize. Since the latter is highly demanded by the feed industry and the breweries as a commodity, prices are relatively high. Therefore, the feed costs are a critical production factor in the poultry sector.

Professional skills

The professional knowledge of the poultry farmers and the capacities of their farms have improved in recent years. Farms have become more productive and the number of eggs per hen as well as the meat performance of broilers have increased significantly. Although, the processing of poultry remains mostly manually, there are some industrial abattoirs with effective cooling chains downstream.

New job opportunities

The growth of the industry as well as the modernization and professionalization of the poultry value chain have created new income opportunities, particularly for women – both in the cities and in rural areas.

Approximately 60 % of the employees in the value chain are young men under the age of 35 and 30 % are women. Additionally, only a small start-up capital is necessary to set up a business in the sector. Overall, salaries in the poultry sector are above the Cameroonian minimum wage, which is currently set at CFA 36,270 (€55) per month.

Some sources reckon that 320,000 jobs have been created in the poultry value chain in recent years. Furthermore, there are new employments in the upstream and downstream businesses of packaging, loading and transport.

ASSESSMENT

At international level, developing and least developed countries have instruments available to them to protect their poultry sectors—which are of great importance to their national food security. Nevertheless, many governments do not apply these possible measures. Reasons can be that the institutions involved are too weak or it can be strategic considerations that lead to a favouring of urban populations.

In some cases, protectionist measures can be required to achieve a sustainable development of these countries. This is especially true for sensitive sectors, which are typically characterized by providing employment opportunities in rural areas.

The measures taken by the government of Cameroon serve as an important case in point. The practice demonstrates the positive effects an active agricultural trade policy is capable of generating. The alignment of agriculture and trade policies has strengthened the domestic poultry sector. Consumers have been included and producing farms as well as value chain actors mobilized, which has led to a sustainable development path of this agricultural sector.

At the same time, government efforts and private-sector activities helped to build up the local poultry sector to meet the demand.

Policy recommendations

International development cooperation actors can advise governments of partner countries to review their trade policy safeguards under WTO rules and assist them with the implementation.

Additionally, awareness of how sustainable poultry consumption patterns look like must be raised in industrialised countries. At present, consumers rarely know how their food preferences alter EU export practice and the impact it has on recipient countries.

Possible measures to foster the poultry sector in Cameroon

Which opportunities do exist for the government and international cooperation actors to further strengthen the Cameroonian poultry sector?

Improving framework conditions

- Start agriculture and trade policy reforms and supporting programs.
- Improving access to finance for all actors along the value chain.
- Investment support for service providers in upstream and downstream business along the value chain.
- Promoting regional trade by reducing non-tariff barriers and infrastructure development.

Promoting a quality infrastructure

- Expanding transport and cooling infrastructures as well as quality management systems to strengthen marketing channels for local poultry.
- Improving access to veterinary services.

Build up competencies

- Advance training to increase both production and business skills, e.g. in terms of breeding performance and hygiene practices.

An active agricultural and trade policy can significantly strengthen the development of a country's agriculture. For a realistic implementation, the political situation should be taken into account—beyond analysing trade flows and competing economic sectors. The economy cannot be dissociated from the political system, they are mutually connected.

On behalf of



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