UNDERSTANDING THE POULTRY VALUE CHAIN: BACKGROUND, STRUCTURE, OPPORTUNITIES & CHALLENGES

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NIGERIAN POULTRY- QUICK FACTS
NIGERIAN AGRIC: QUICK FACTS

Agriculture- the most important sector of the Nigerian economy:

• Agriculture contributed about 29.15% to Nigeria’s overall GDP 1st Q 2018 (24.5% in 2017) and over 36% ($852m) of total non-oil foreign exchange earnings ($2.34b) in 2017.

• Poultry subsector is the most commercialized of all agriculture subsectors, arguably 25% of Agric contribution to GDP.

• About 65% of 198 million Nigerians are estimated to depend on agriculture for their livelihood
NIGERIAN POULTRY: QUICK FACTS

• Currently, only 1 active Grand-Parent company remaining (Government regulated)
• Several large Parent companies and integrators
• 100s of large commercial integrated farms
• Millions of small poultry businesses and backyard farms
• Sector growth projected at 7-10% annually
NIGERIA POULTRY: QUICK FACTS

- NIGERIA: Number 1 egg producing country in Africa
- However, low per capita consumption (3.05kg)

(Source: Poultry Association of Nigeria, 2014)

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>EGGS/ YEAR (BILLIONS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIGERIA</td>
<td>15.383</td>
</tr>
<tr>
<td>SOUTH AFRICA</td>
<td>7.550</td>
</tr>
<tr>
<td>EGYPT</td>
<td>5.600</td>
</tr>
<tr>
<td>MOROCCO</td>
<td>3.833</td>
</tr>
<tr>
<td>ALGERIA</td>
<td>3.150</td>
</tr>
</tbody>
</table>
NIGERIA POULTRY: QUICK FACTS

• NIGERIA: Number 4 chicken meat producing country in Africa
• Also, very low per capita consumption (1.76kg)

(Source: Poultry Association of Nigeria, 2016)

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>(,000) METRIC TONS / YEAR</th>
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<tbody>
<tr>
<td>SOUTH AFRICA</td>
<td>1300</td>
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<tr>
<td>EGYPT</td>
<td>633</td>
</tr>
<tr>
<td>MOROCCO</td>
<td>502</td>
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<tr>
<td>NIGERIA</td>
<td>350</td>
</tr>
<tr>
<td>ALGERIA</td>
<td>253</td>
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</table>
**NIGERIA POULTRY: QUICK FACTS**

- Comparative per capita consumption:

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>CHICKEN(Kg) / CAPITA</th>
<th>EGGS (Nos.)/ CAPITA</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>58.6</td>
<td>305</td>
</tr>
<tr>
<td>CANADA</td>
<td>33.5</td>
<td>221</td>
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<tr>
<td>SPAIN</td>
<td>28.4</td>
<td>340</td>
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<tr>
<td>BRITAIN</td>
<td>24.8</td>
<td>183</td>
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<tr>
<td>FRANCE</td>
<td>22.3</td>
<td>292</td>
</tr>
<tr>
<td>JAPAN</td>
<td>11.4</td>
<td>334</td>
</tr>
<tr>
<td>NIGERIA</td>
<td>1.76</td>
<td>75</td>
</tr>
</tbody>
</table>
POULTRY VALUE CHAIN: POTENTIALS

• Food security

• Job creation

• Wealth Creation

• Potential contribution to trade balance and forex earnings (export market)
CLASSES AND TYPES OF POULTRY

- Turkey
- Quail
- Ducks
- Guinea fowl
- Chicken
CLASSES AND TYPES OF CHICKENS

CLASSIFICATION BASED ON FINAL PRODUCTS
• Meat type/ breed - Broilers
• Egg type/ breed – Layers

CLASSIFICATION BASED ON GENETIC RANKING
• Great grand parents stock (GGPS)
• Grand parent stock (GPS)
• Parent stock (PS)
• Commercial birds (layer, broiler, cockerel)
THE EGG BREEDS
THE MEAT BREED

PARENT STOCK (BREEDER)  BROILER
THE POULTRY INTEGRATION: MEAT TYPE

Breeding Company → Grandparent Operation → Parent Supply Farms → Hatchery → Broiler Farms

Raw Material Procurement and Compound Feed Milling

Consumers

Customers:
1) Retail
2) Food Service
3) Wholesale

Distribution

Further processing

Primary Processing
THE POULTRY INTEGRATION: EGG TYPE

Breeding Company → Grandparent Operation → Parent Supply Farms → Hatchery → Layer/POL Farms

Raw Material Procurement and Compound Feed Milling

Consumers

Customers:
1) Retail
2) Food Service
3) Wholesale

Distribution

Primary Processing

Further processing
THE POULTRY VALUE CHAIN

- PRIMARY PRODUCTION (eggs/ meat/ DOC/ POL)
- INPUTS SUPPLY (Finished feed/ raw materials)
- SERVICE (Labs/ consultancy/ Logistics/Hatching)
- PROCESSING (slaughter/ rendering)
- MARKETING & DISTRIBUTION (wholesale/ retailing)
- STORAGE/ WAREHOUSING
- EQUIPMENT SUPPLY
PRIMARY PRODUCTION: EGGS

- Floor Production
- Cage production
PRIMARY PRODUCTION: BROILERS
PRIMARY PRODUCTION: POINT OF LAY

- Rearing from day-old to 14-16 weeks
PRIMARY PRODUCTION: DAY-OLD CHICKS

NEWLY HATCHED CHICKS

INCUBATION OF EGGS
PRIMARY PRODUCTION: DAY-OLD CHICKS
PRODUCTION: LAYER PARENTS/
GRAND PARENTS
PRODUCTION: BROILER PARENTS/
GRAND PARENTS
COMMERCIAL FEEDMILLING & INPUTS SUPPLY

FINISHED FEED

FEEDMILL
PROCESSING AND PACKAGING

CHICKEN PROCESSING

EGG PROCESSING
SERVICES

LABORATORY/VETERINARY

COMMERCIAL TOLL HATCHING
STORAGE/WAREHOUSING

COLDROOM

WAREHOUSE
THE POULTRY VALUE CHAIN: CHALLENGES

- Poor income profile
- Illegal imports of frozen chicken
- High and increasing cost of inputs
- Government Policy somersaults
- Power issues
- Availability and quality of feed raw materials
- Funding issues (availability & cost of finance)
- Trans-border trade restriction due to insurgency
- Global challenge of bird flu
- Public health and environmental issues
CHALLENGES?

CHALLENGES
OPEN
DOORS OF OPPORTUNITIES;
TO
INNOVATE
AND
ADD VALUE!
THANK YOU FOR YOUR ATTENTION SO FAR