

Project *brief*

Thünen-Institut für Marktanalyse

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Exports of poultry and dairy products to West Africa: An analysis based on trade data

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- The EU is the main exporter of poultry meat and dairy products to West Africa. EU's market share and total trade with these products have increased strongly in recent years.
- In West Africa, Ghana and Senegal are major importers of German and European dairy products.
- In Senegal, there is an import ban on poultry meat, while Ghana imports nearly 80 percent of its domestic consumption.
- From 2006 to 2018, poultry meat production increased by 119 percent in Ghana and 233 percent in Senegal. In contrast, dairy production in both countries remained relatively constant over the same period.

Background and aims

This Project brief summarizes the first work package of the project "Impact of Meat and Milk Product Exports on Developing Countries" (IMMPEX). In this project, we analyse the effects of German and European exports of poultry and dairy products on the agri-food sectors in Ghana and Senegal. The aim of the project is to develop and evaluate measures to avoid or reduce undesirable effects of these exports. In the first work package of IMMPEX we analyse the trade flows from Germany and the EU to Africa and define additional criteria for the selection of the two African project countries.

Approach and country selection

For our study we selected the poultry and dairy sectors of Ghana and Senegal. The analysis of trade data shows for both countries that the import volume and market share of German and European livestock products are particularly high. Media and Non-Governmental Organizations report in particular on problems with European poultry imports in Ghana and dairy product imports in Senegal. In addition to that, existing policy measures encouraged us to choose these countries. Ghana, for instance, imposes a 35 percent tariff on poultry imports. In contrast to this, Senegal implemented a ban on poultry imports in 2006. Moreover, we used additional criteria like feasibility, data availability, and accuracy as well as findings from previous studies to select the research countries.

Key findings

The EU is the main supplier of **poultry meat** to West Africa, ahead of the USA and Brazil. Among different types of poultry meat, frozen chicken cuts and frozen whole chicken accounted for 84 percent of the quantity of all poultry exports to West

Africa in 2017. According to the United Nations trade statistics, poultry meat exports of the Netherlands and Belgium make up nearly half of the quantity of all EU poultry meat exports to West Africa.

Germany exported 8000 tonnes of poultry meat to West Africa in 2017. Ghana and Benin are the main importers of German poultry meat. However, the largest share of Benin's poultry meat imports is formally and informally diverted to neighbouring countries such as Nigeria. Additionally, Germany exported 547000 tonnes of live fowls to the Netherlands for slaughtering. From there, mainly boneless parts and whole chickens are re-exported to Germany. It is likely that the remaining parts, including legs and wings, are being exported as Dutch exports to West Africa.

Total imports in Ghana accounted for nearly 80 percent of the Ghanaian poultry meat consumption in 2018. The share of imports in domestic consumption of poultry meat in Ghana has increased sharply during the last decade. While domestic production increased by 119 percent, imports rose to a much higher degree from 2006 to 2018 (Figure 1). As a result, the self-sufficiency rate fell from 34 percent in 2006 to 21 percent in 2018 - even though domestic production more than doubled in this period.

We found an opposite pattern in Senegal. As a result of the import ban, the self-sufficiency rate for poultry meat reached almost 100 percent. Between 2006 and 2018, domestic production in Senegal increased by 233 percent, which is significantly more than in Ghana in the same period.

With population growth and accompanying increase in consumption, **milk and dairy products** are gaining in importance in West Africa. In 2017, more than 65 percent (equal to 1,078 million US Dollars) of West Africa's dairy imports came from the EU. The EU exported mainly milk powder and

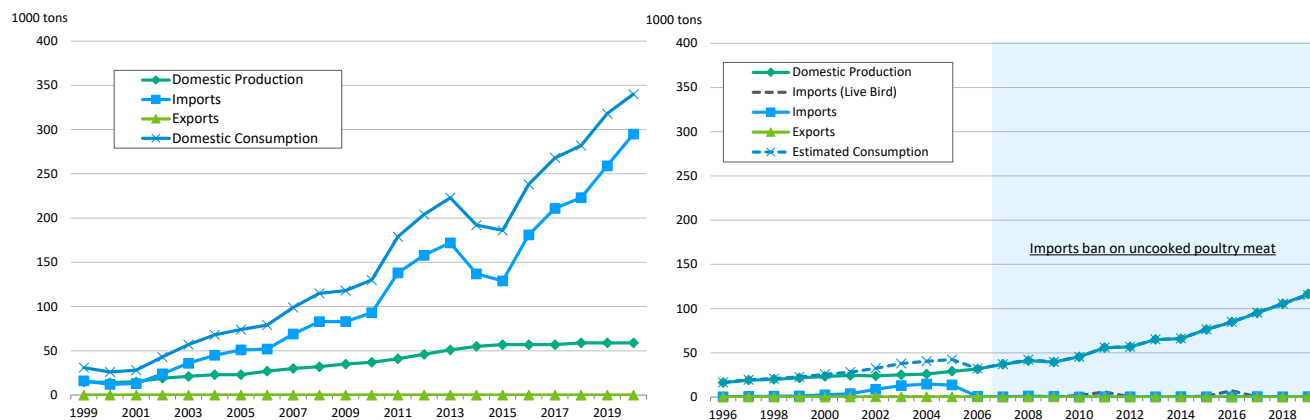
milk powder preparations to West Africa. These product groups accounted for 73 percent (equal to 884 million US Dollars) of all dairy exports in 2017. In the same year Nigeria, Senegal, and Ghana were the largest importers of German dairy products. Total dairy imports of Senegal amounted to 240 million US Dollars in 2017 (equal to 550 million tons milk equivalent), of which 85 percent was milk powder and milk powder preparations.

The reason for this is increasing domestic consumption: Per capita consumption increased from 25.9 to 53.1 kilograms of milk equivalents between 1996 and 2018.

However, the self-sufficiency rate of the Senegalese dairy sector has steadily declined until 2018 (Figure 2). A country comparison shows that local milk production is more important in Senegal and starts from a higher level than in Ghana, where domestic production is low.

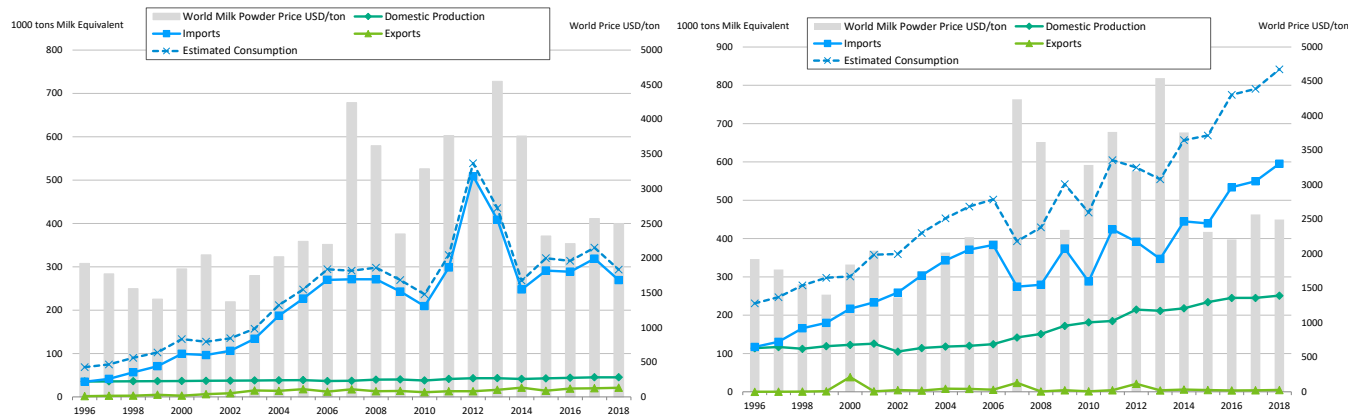
Data from two decades show a strong increase on the import side for both countries and marginal growth in domestic milk production.

Figure 1: Development of the Poultry Meat Sector in Ghana (left) and Senegal (right) (in 1000 metric tons)



Source: Zamani et al. (2021), UN Comtrade (2018), USDA (2019).

Figure 2: Development of the Dairy Sector in Ghana (left) and Senegal (right) (in 1000 tons, milk equivalent)



Note: Milk equivalent is the quantity of fluid milk used in a processed dairy product.

Source: Zamani et al. (2021), UN Comtrade (2018), FAO (2018), OECD (2018).

Further Information

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