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European Exports of Poultry and Milk Products to Ghana and Senegal: A Blessing or a Curse?

Janine Pelikan, Mavis Boimah, Craig Chibanda, Claus Deblitz, Anoma Gunarathne, Isam Mohamad Almadani, Petra Thobe, Johanna Schott, Daniela Weible, Omid Zamani



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Introduction



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“Within a few decades, imported chicken parts have become cheaper than locally produced chickens ... with grave consequences for local farmers ... in Ghana” *(Deutsche Welle, 2016)*

“In countries like Ghana, where refrigerated warehouses often break down, frozen imported meat poses a huge health risk.”

(Deutsche Welle, 2014)



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Introduction

- 80 % of the chicken meat in German supermarkets is chicken breast
 - Wings, necks, feet, bones and offal are mainly exported



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- Ghana is one of the top three export destinations in West Africa for German poultry exports

- EU-export practices are strongly criticized

Introduction



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"Don't export EU problems to Africa!" African and European milk producers call on EU to adopt responsible policy.

(European Milk Board, April 2018)

"When large quantities of milk powder from the EU are sent to West Africa, our local milk producers have to shoulder the burden" (Bocar Diaw, president of the Senegalese dairy association FENAFILS, Politico, 2018)



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Introduction – Project Aim

Repeated criticism of German/EU export policies to African countries.

➡ ***Examine the effects of these exports on selected African countries.***

➡ ***Develop and evaluate measures to avoid or reduce undesirable effects of these exports.***

Product focus: Poultry meat and milk products

Country focus: Ghana and Senegal

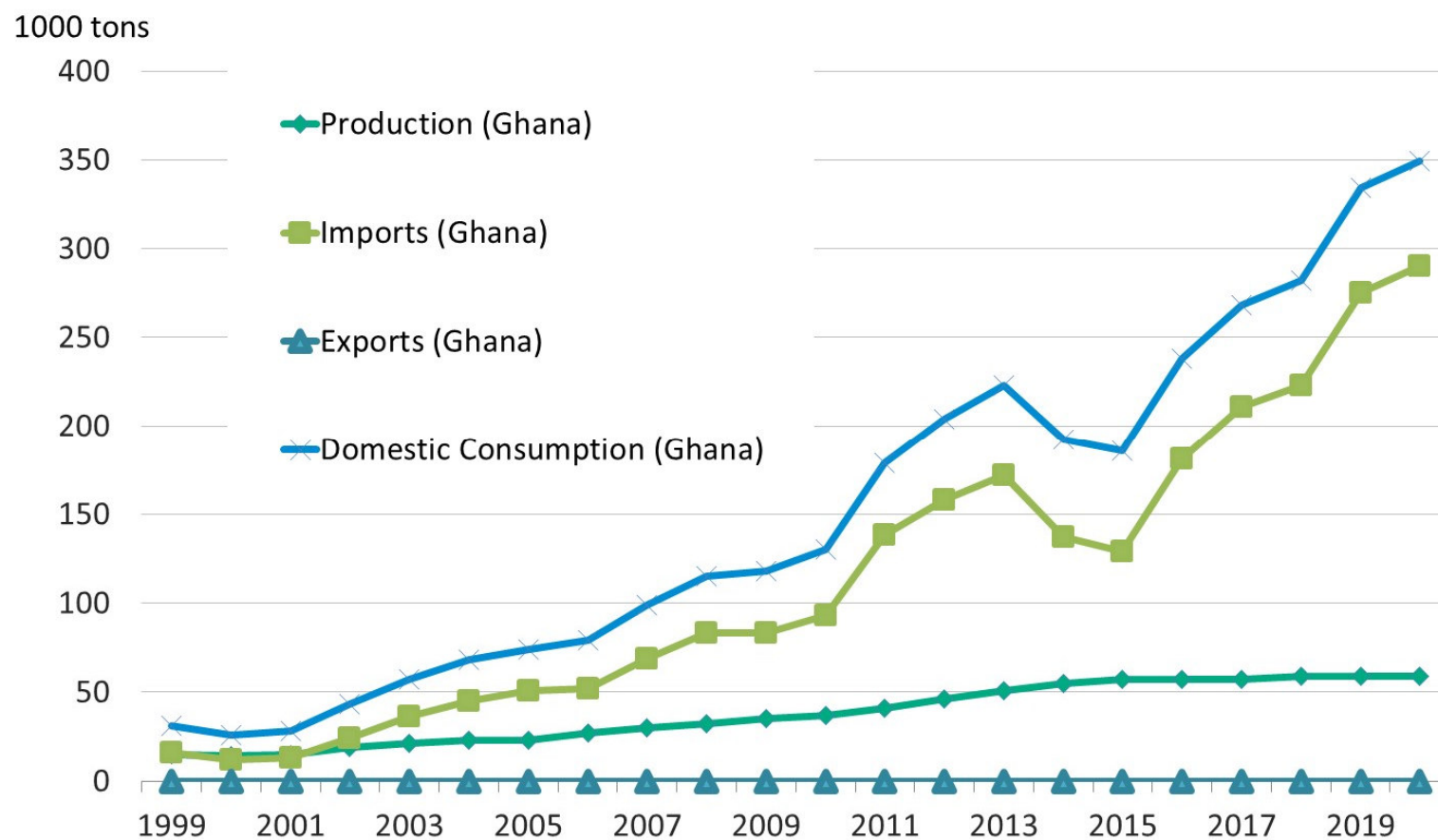
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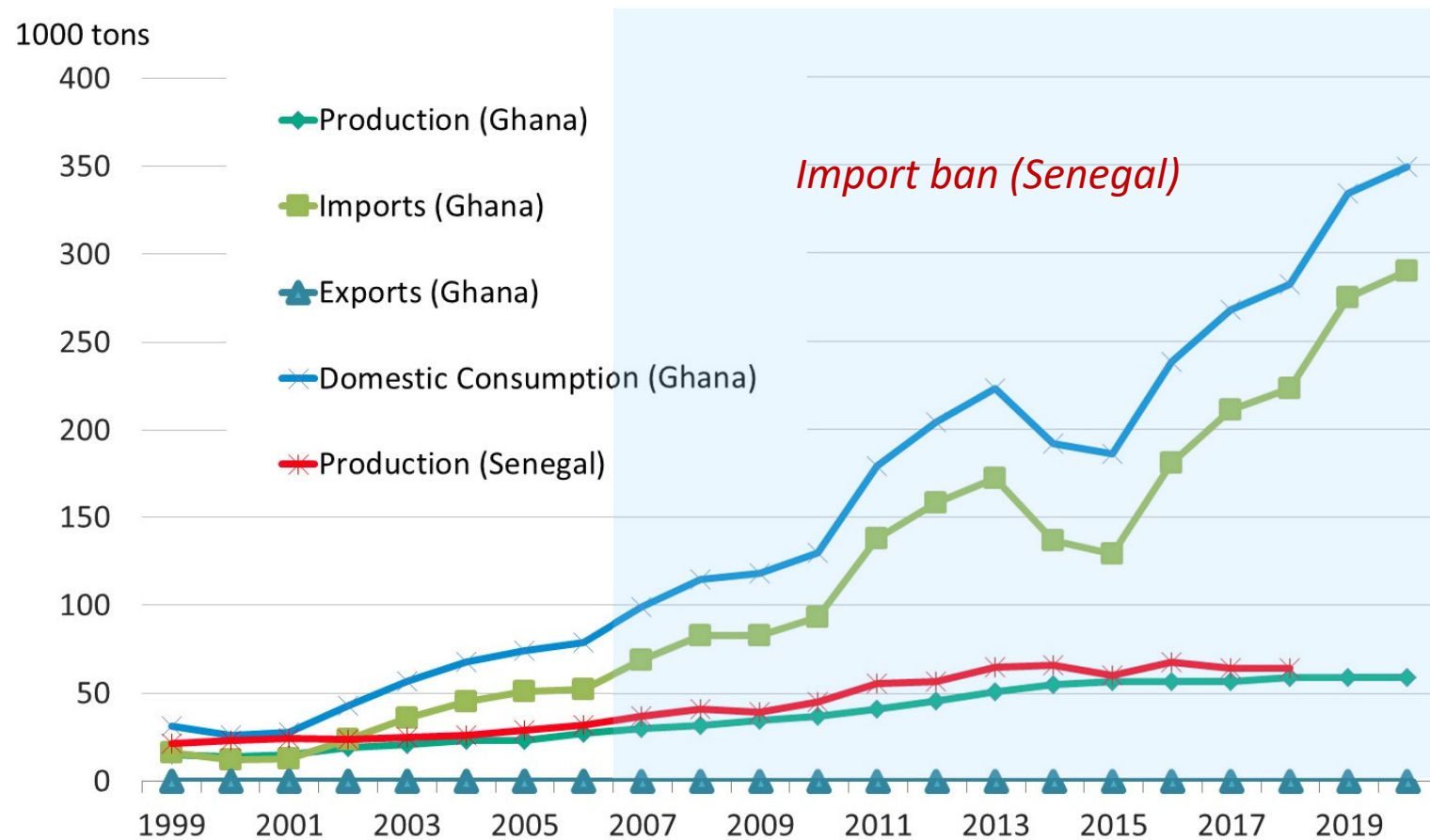
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Development of the Poultry Sector in Ghana



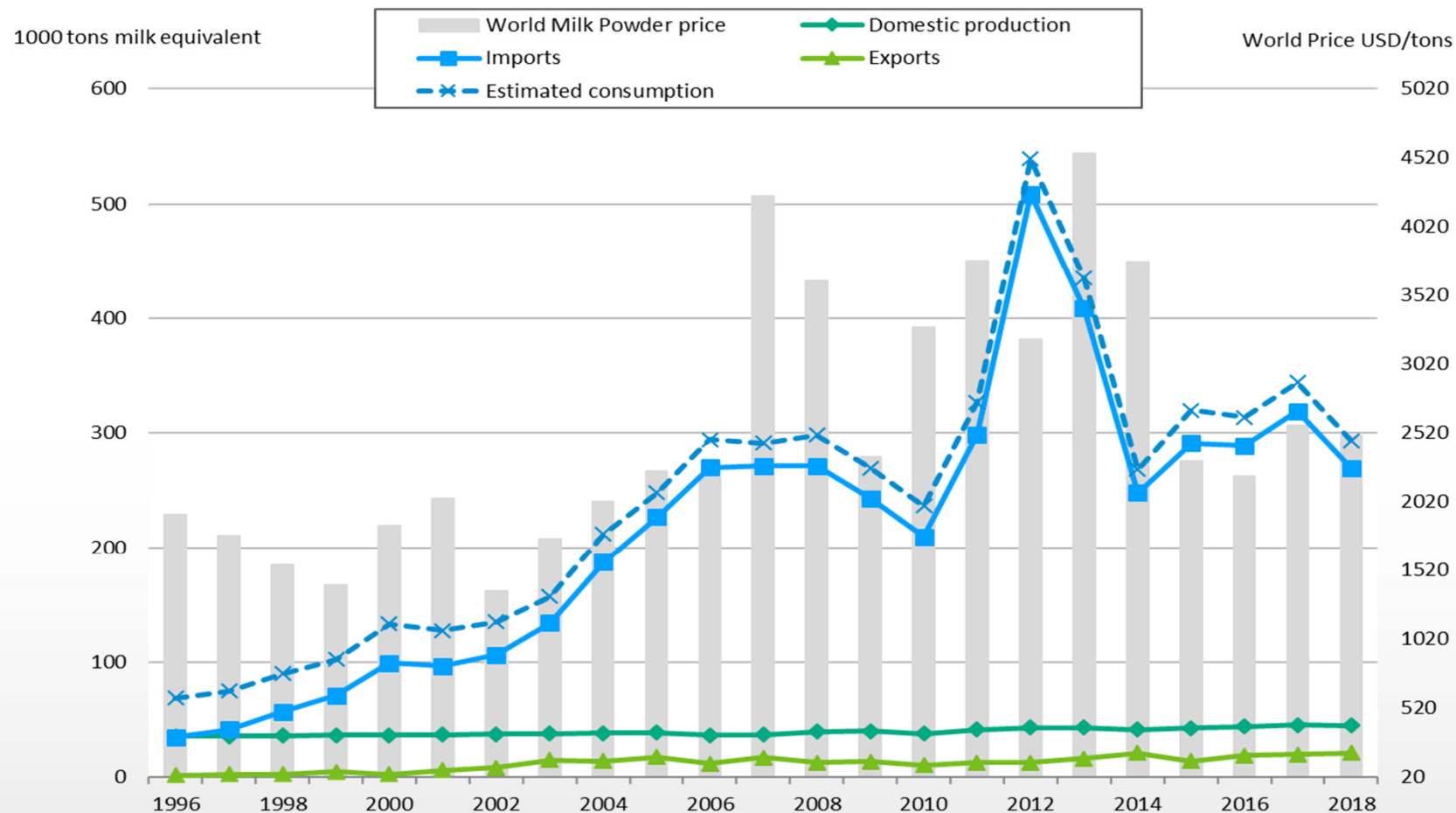
Source: Dataset from USDA (2021); Zamini, Pelikan, Schott (2021)

Development of the Poultry Sectors in Ghana and Senegal



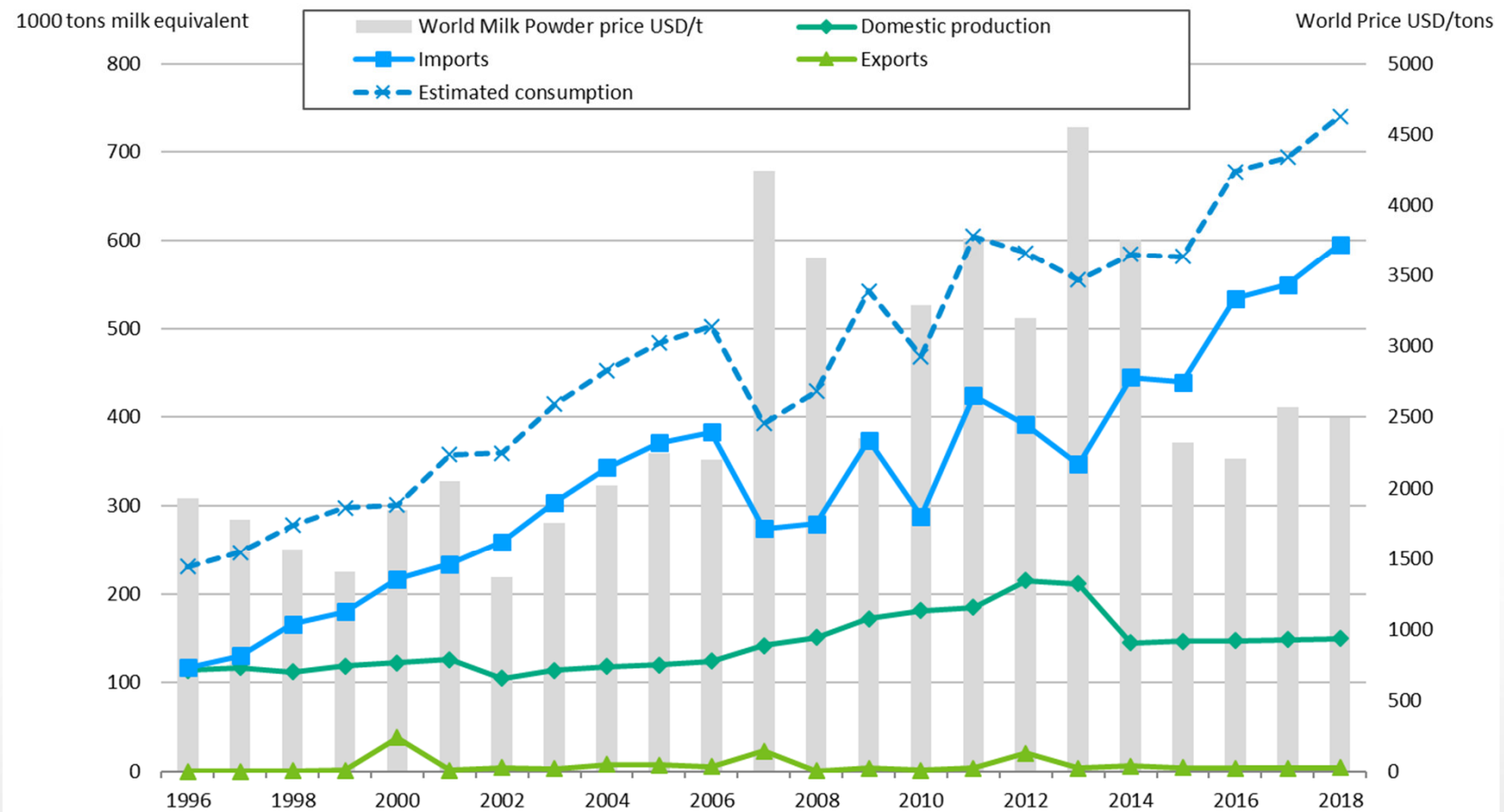
Source: Dataset from USDA (2021); Zamini, Pelikan, Schott (2021)

Development of the Dairy Sector in Ghana



Source: Zamani, Pelikan, Schott (2021)

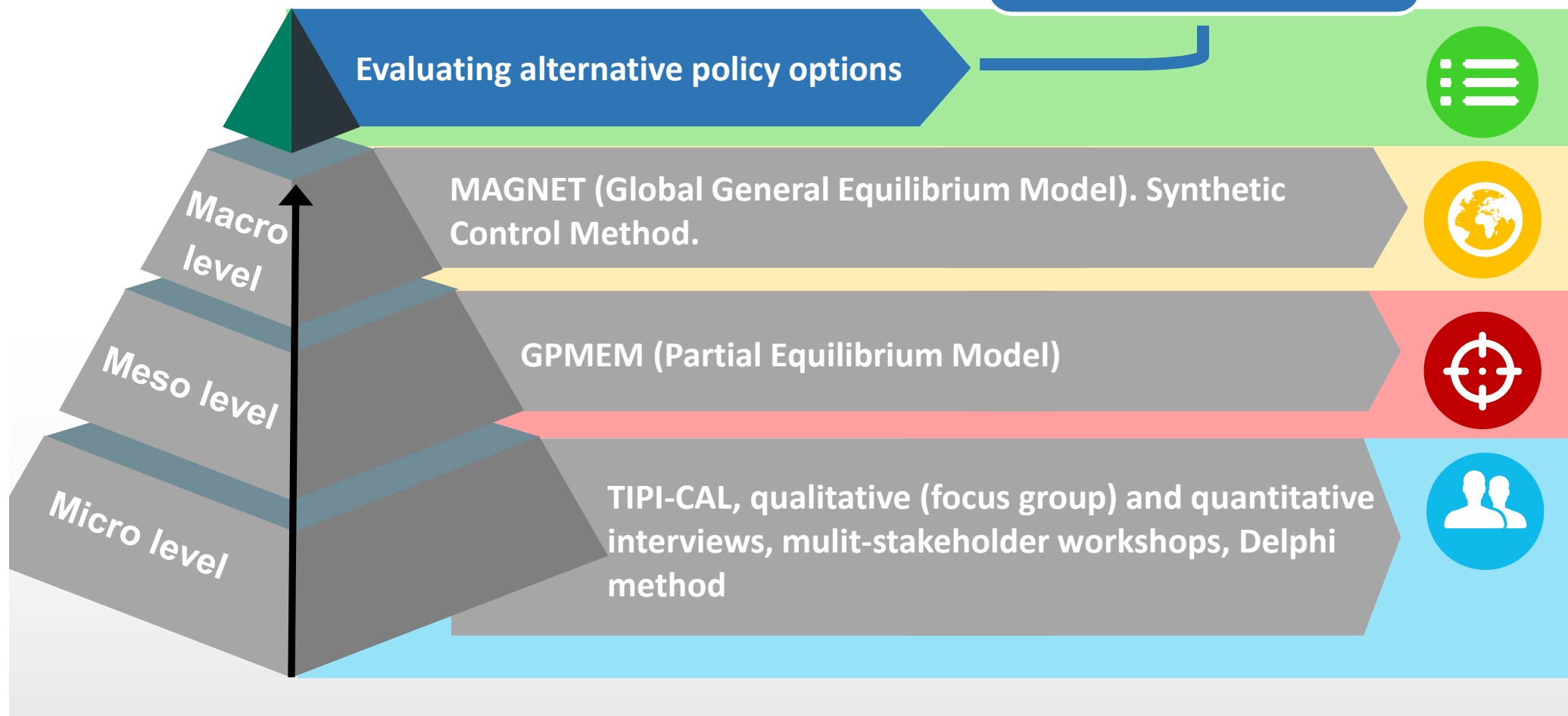
Development of the Dairy Sector in Senegal



Source: Zamani, Pelikan, Schott (2021)

Methods

Policy makers and stakeholders

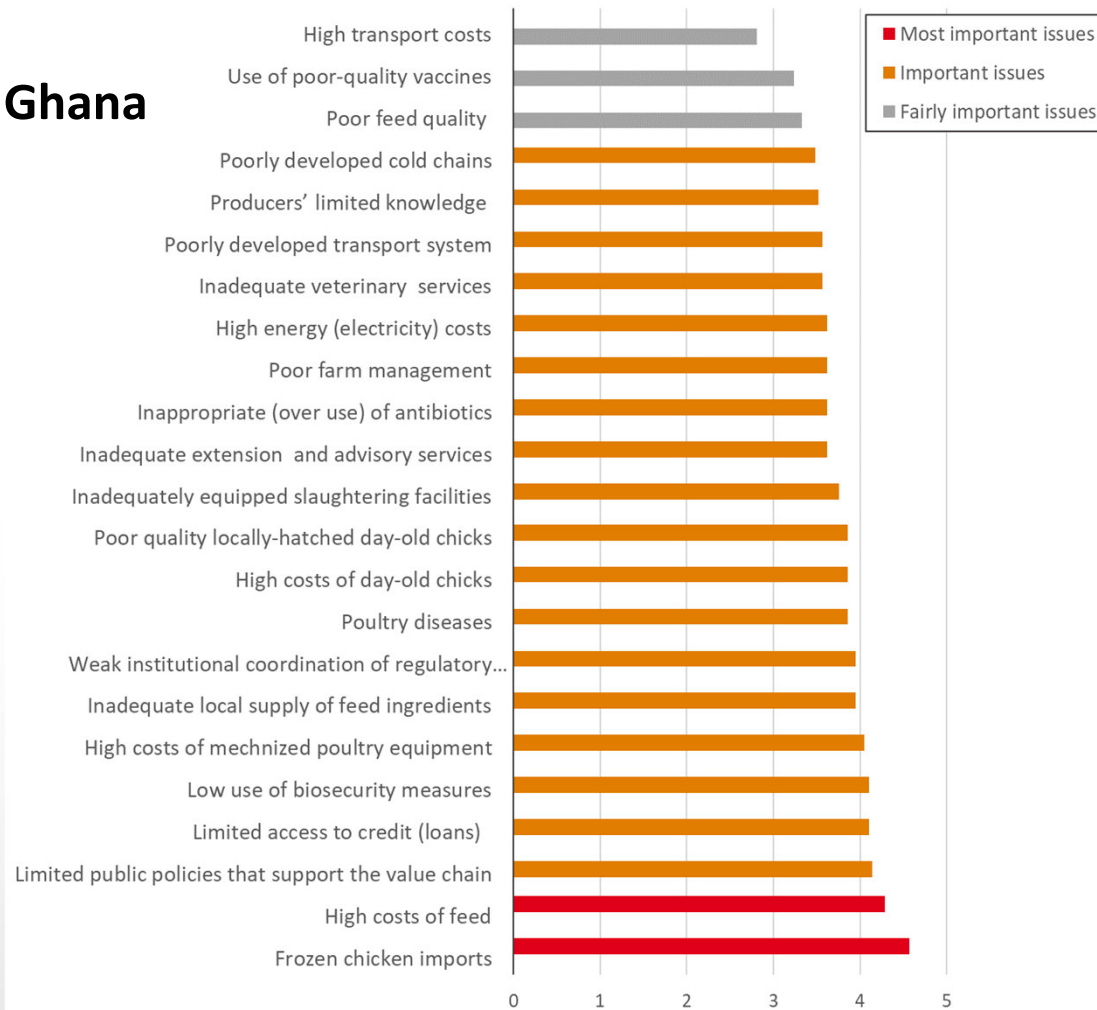


European Exports of Poultry and Milk Products to Ghana and Senegal: A Blessing or a Curse?

	Ghana		Senegal	
	Dairy Products	Poultry	Dairy Products	Poultry
Consumers	Behavior <i>Mavis Boimah et al.</i>		Behavior <i>Mavis Boimah et al.</i>	
Producers		Competitiveness of broiler farms <i>Craig Chibanda et al.</i>		
Value Chain Analysis		Feed cost analysis <i>Omid Zamani et al.</i>		Feed cost analysis <i>Omid Zamani et al.</i>
Trade & Agric. Policies (Impact Analysis)		Feed subsidy, inv. (value chain), exchange rate <i>Omid Zamani et al.</i>		

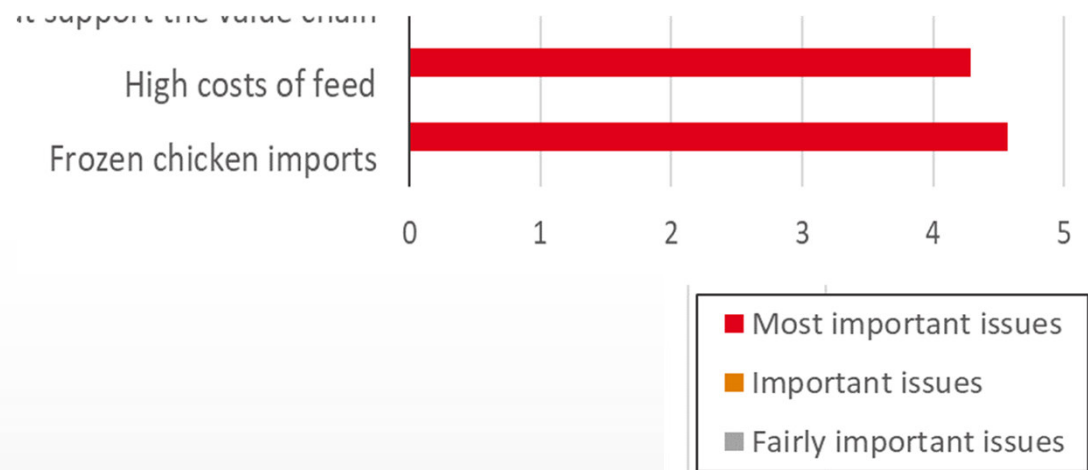
Poultry Imports: Blessing or a Curse?

Ghana



Poultry Imports: Blessing or a Curse?

Ghana



Source: Zamani, Chibanda, Pelikan (2022)

In **Senegal** the ban on imports is perceived as

- good protectionist policy,
- leading to the development of national production and the creation of employment.
- Poultry produced domestically is now more available and cheaper (real prices)

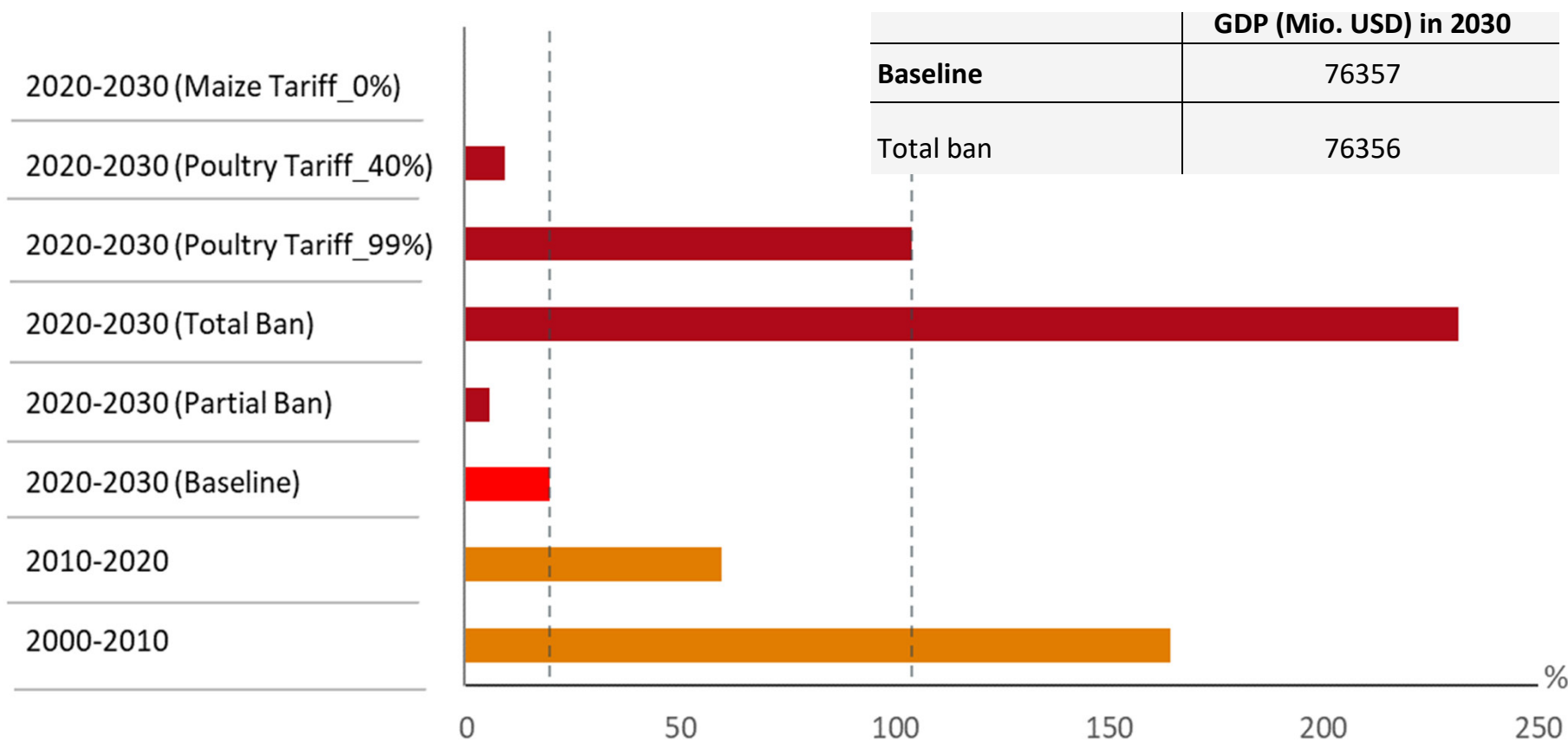
Source: Boimah and Weible (2022)

Consumer Perspective - Poultry: Blessing or a Curse?

- In Ghana imported and domestic chicken meat are often consumed exclusively than in conjunction
→ can be described as (weak) substitutes.
- Price and convenience drives the consumption of imported chicken.
- BUT: Quality (taste, freshness) drives the consumption of domestic chicken meat.
- Consumers in Ghana and Senegal prefer domestic to imported chicken and are willing to pay a premium for domestic chicken if they can afford it.

(Asante-Addo, 2020; Boimah and Weible, 2021)

Results: Policy Scenarios in Ghana (MAGNET)



Source: Zamani, Chibanda, Pelikan (2022)

Dairy Farms – Selected Results: Blessing or a Curse?

- In Ghana all analyzed typical dairy farms show a positive profit and cover total production costs.
- In Senegal two out of three farms are economically unviable in the medium and long term because total returns cannot cover costs.
- In Senegal the imported breeds (Holstein Cows) are not profitable.
 - Heat stress, low access to water and the need for high quality of feed. Therefore, also in terms of animal welfare, it is not advantageous to use these breeds.

(Gunarathne et al., 2022 forthcoming)

Dairy Farms – Selected Results: Blessing or a Curse?

- There are many other challenges than imports in both countries:
 - Insufficient supply of fresh milk in the dry season,
 - High transports fares due to long distances to the milk collectors,
 - Lack of storage facilities,
 - Lack of credit facilities to the dairy value chain actors,
 - Poor road networks,
 - Little hygiene by the local milk handling and traditional processing practices,
 - No training on milk handling, processing and marketing,
 - Water availability (environmental aspect)

(Gunarathne et al., 2022 forthcoming)

Dairy Imports: Blessing 😊 or a Curse ☹️?

	Ghana		Senegal	
	Dairy	Poultry	Dairy	Poultry
Consumers (perceptions, prices, food security)	😊 ☹️	😊 price, convenience ☹️ quality (taste, freshness)	😊 ☹️	☹️ After the ban: Real prices ↓ Quality, Domestic production ↑ employment ↑
Producers	😐 Many other challenges	☹️ Imports as most important challenges	😐 Many other challenges	☹️ Fear that import ban will be lifted.
Environment/ Animal welfare			😊 Water issues Heat stress	
GDP / Welfare		😊		

Next steps ...

Develop and evaluate measures to avoid or reduce undesirable effects of these exports.

Trade Policies: Import bans, Tariff increases or decreases

Agricultural Policies: Subsidies (e.g. feed) → tariff revenue shift

Farm management

Next presentations will give more insights ...