

Ghana eats cheap Dutch chicken

Only with high import tariffs can Ghana build up its own poultry sector, says economist Peter van Horne.

On 1 April, the TV series 'Prijsknaller' (Price Buster) will focus on the export of Dutch chicken to Ghana, which is killing the local poultry sector there. The programme shows numerous abandoned poultry farms and talks to poultry expert Peter van Horne of Wageningen Economic Research about the causes of this problem.

Van Horne investigated the Ghanaian poultry sector last year on behalf of the Dutch embassy in Ghana. The sector cannot compete with imported chicken from countries such as the United States, Brazil and the Netherlands. The poultry farms in Ghana have poor housing and management, more expensive feed, and inferior chick hatcheries and slaughterhouses. All this leads to a less efficiently organized production chain.

The Gambia and Ghana

Van Horne also conducted research in the Gambia which imports 90 per cent of its chicken, just like Ghana. The EU has now opened an economic development office in the country, as it wants to stimulate the economy and reduce the flow of refugees from Africa. From that point of view, it would be good for

'The governments want cheap chicken to be available'

the Gambia to develop its own poultry sector and provide employment for a lot of people. This will not be possible, Van Horne concluded after research for the EU, because the production of poultry in the Gambia is more expensive than in Europe. Meanwhile, extremely cheap chicken legs from the Netherlands are



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imported into the Gambia and Ghana. Activist groups call this dumping chicken in Africa, but that allegation is unfair, according to Van Horne. 'Dumping would mean that the chicken legs are sold for less than the cost price. And that is not the case. Dutch poultry farmers make a profit on their chicken fillets. Because there is little demand for chicken legs in the Netherlands, these are sold at low prices. There is no export subsidy, and the world market price is low.'

Protection

The Gambia has no import duty on chicken, while Ghana has a very low one. According to Van Horne, there is too little protection for farmers. The governments want cheap chicken to be available for the population and do not want protection. Senegal however bans imports of chicken from countries outside Africa and *does* have its own poultry sector. According to the researcher, import levies could contribute to a competitive poultry sector in Africa.

Ghana had a strong poultry sector in the last century. In the 1960s, the gov-

ernment supported the development of commercial poultry farming. And in the 1970s, the government reduced import tariffs on inputs (such as equipment and breeding materials), creating a competitive sector which supplied 80 per cent of Ghana's chicken meat and even exported some. But in the 1990s, Ghana implemented a series of trade liberalizations, resulting in more free trade and increased imports of chicken products. By 2000, most poultry farms had gone bankrupt or downsized, and currently Ghanaian poultry farmers produce less than 10 per cent of domestic demand. Dutch consumers have contributed to this development too. Since the 1990s, broiler chickens have been increasingly cut up into different products such as chicken fillets, drumsticks, chicken thighs and wings. Chickens are rarely sold whole anymore. Dutch consumers eat more fillets than chicken legs. The surplus chicken legs therefore end up on the world market at knock-down prices. AS