Regional Value Chains in SADC: The case of the animal feed to poultry value chain

1. Why regional poultry value chain?

- Sub-Saharan Africa has experienced relatively high levels of economic growth from the mid-2000s, with rapid urbanisation.
- Increase in demand for processed food. Poultry is the main source of protein in many countries.
- Deficit in the region despite potential in producing main raw materials.
- Increasing production of raw materials in other parts of the region, such as Zambia.
- Research critically assesses the poultry value chain across Botswana, South Africa, Zambia and Zimbabwe.

2. Poultry value chain

- Linkages and coordination from agriculture through levels of production and processing
- Access to day old chicks and feed is very crucial for achieving competitiveness in the value chain.
- Trade deficit presents an opportunity for developing the regional value chain
  - Breeder license holders, Day old chicks breeders and animal feed producers.
  - Broiler producers - large scale production, contract growers.
  - Abattoirs - largely owned by vertically integrated companies.
  - Retailers and fast food outlets.

3. Regional spread of companies

- Spreading of SA companies investing into the region

<table>
<thead>
<tr>
<th>Company Name</th>
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- Large vertically integrated companies which have international relationships with global transnational corporations for the licencing of breeding stock.

4. Prices of key inputs in the region

- Zambia was a net exporter of soya from 2013, increased production and lower prices.

5. Key findings

- Significant investment and local industrialisation in the poultry value chain within countries in the region led by Zambia.
- Spread of large South African based firms investing into other countries in the region.
- Strong potential for a RVC in the poultry industry in southern Africa. Requires ongoing investment in expanded production especially of soya, lower transport cost and reduced obstacles to intra-regional trade.

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