



VIV MEA 2021

# AFRICA HIGHLIGHTS SEMINAR

24 NOVEMBER 2021

# AFRICA HIGHLIGHTS SEMINAR



## JAN HULZEBOSCH

POULTRY EXPERT  
NABC  
(MODERATOR)



# AFRICA HIGHLIGHTS SEMINAR



**THIJS BERKERS**

MARKETING DIRECTOR  
NUTRECO



# “Creating our African footprint”

*Bumpy road with many opportunities*

**Thijs Berkers**

**November 24 2021**

**Abu Dhabi, UAE**



# Nutreco today



**>100**

Production plants  
in 35 countries



**>12,000**

Employees



**€6.4** billion  
Revenues



**>4,000**

Employees in  
growth  
geographies



# Trouw Nutrition

- Premixes
- Compound feed
- Farm minerals
- Young animal feeds
- Animal health products
- Feed additives



## Market

Trouw Nutrition is #2 global premix producer

Sales volume: ≈ 5 mio MT



## Presence

36 production facilities in Europe, 25 plants in the Americas and 11 plants in Asia & Africa



## Customers

Feed compounders, integrators, distributors, farmers, companion animal industry and home mixers



## Suppliers

Producers of grains, vegetable proteins, land animal products, amino acids, trace elements & minerals, vitamins, dairy products, preventive animal health products and organic acids

# Skretting

High-quality innovative feed and solutions from hatching to harvest for more than 60 species of farmed fish and shrimp



## Market

Skretting is a leading global aquaculture feed producer

Sales volumes:  
≈ 2 mio MT



## Presence

Production facilities in 17 countries and sales in over 40 countries



## Customers

Skretting supplies fish and shrimp farmers around the world



# Why Africa



# Feeding the future



## ***Africa:***

*54 sovereign states*

*Second largest  
continent in the  
world*

*Second-most-  
populous continent  
(1.1 billion people)*

# Surging demand for animal protein

## Growing Population

Africa is fastest growing continent and will double its current population to 2.5 bln in 2050 and is expected to become the largest continent by 2100 with estimated 4.4 bln inhabitants

## Growing Middle Class

Africa has a fast-growing middle class with currently >300m people in middle class (around 35%) which is expected to grow further both in terms of percentage and number of people

## Urbanization

Africa's urbanization moves at the fastest pace in the world. Africa will have 20 megacities on the continent with 10mio+ inhabitants by 2025

***These trends will lead to increasing demand of animal protein in (most) African countries***

# Growth barriers

## GDP growth vulnerable and fluctuating

Economies are diversifying from raw materials (f.e. oil, diamonds). Most countries are showing high growth, of which 50% shows stable growth and 50% more vulnerable growth

## Low "Ease of Doing Business" scores

Different countries are making progress in this field and increasingly it is a topic that dominates elections. Not to forget political turmoil

## Volatile currencies and currency availability

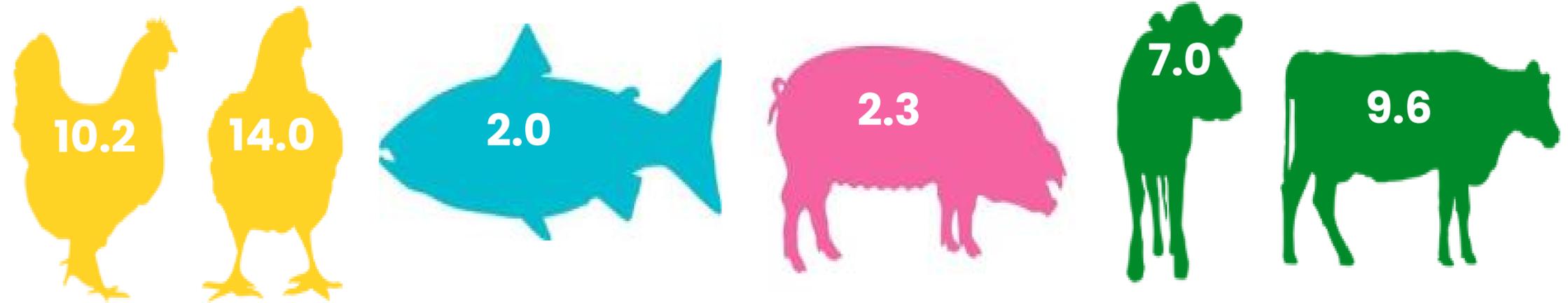
Problems due to high raw material dependence. Most economies have free floating, but controlled, currency systems with common fluctuations. Going local is a solution

***These trends lead to higher risk & larger fluctuations for African business  
Main risk mitigator is spreading business over countries, business streams and species***

# Market developments

- Total African compound feed market projected approx. 46 million tons
- Growth slowed down from a CAGR of 7.5% to 3.6% for the period 2021-2026\*
- Growth in most markets driven by population and professionalization
- Mix of small- and large-scale farmers

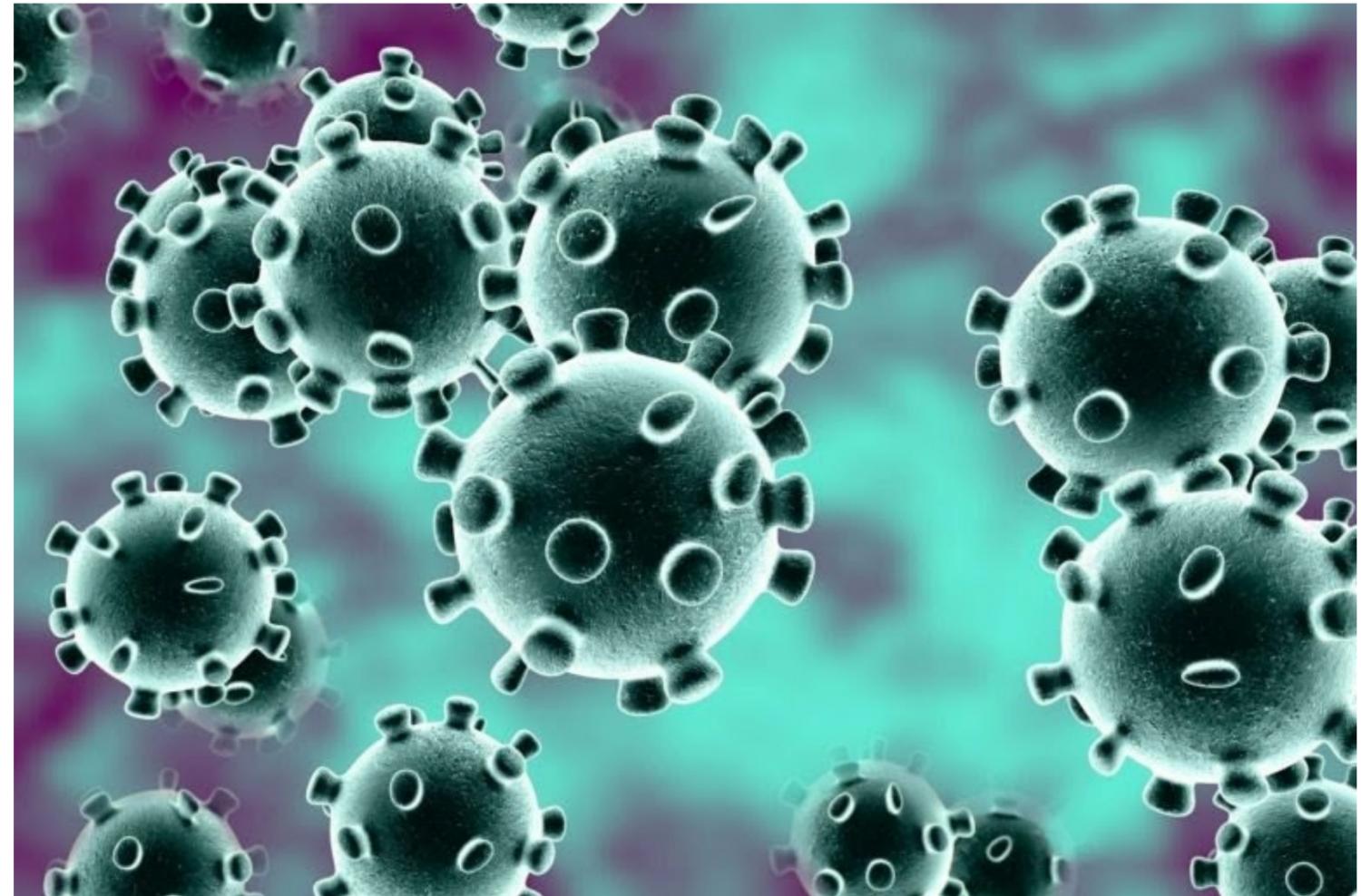
\* Mordor Intelligence, African compound feed market



<ul style="list-style-type: none"> <li>• Layer market growing with home mixers</li> <li>• Broiler markets developing when import protected</li> <li>• Integrations getting stronger with fast food and supermarkets</li> <li>• DOC &amp; feed combi remains important</li> <li>• Growing AMR awareness and sustainability focus</li> </ul>	<ul style="list-style-type: none"> <li>• Aquaculture professionalization driven by access to quality (extruded) feeds &amp; improved genetics</li> <li>• From seasonal wet market to year-round processed</li> <li>• Mostly tilapia &amp; catfish, species diversification (shrimp, marine)</li> <li>• Larger farms &amp; foreign investments coming up</li> </ul>	<ul style="list-style-type: none"> <li>• Traditionally not very big (culture depending) but growing slowly</li> <li>• Improved genetics in Sub-Saharan Africa helping value chains to develop</li> <li>• South African sow herd stable, market growing due to increased productivity</li> <li>• Growing AMR awareness and sustainability focus</li> </ul>	<ul style="list-style-type: none"> <li>• Countries with traditionally a red meat or milk culture</li> <li>• Mostly fragmented and extensive markets (with exceptions like South Africa with large and well-organized beef &amp; dairy markets)</li> <li>• Growing demand for (safe) milk, multinationals coming (Friesland Campina, Danone)</li> </ul>
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# COVID-19 impact

- Affecting the supply AND demand side of feed production
- Implemented COVID-19 restrictions reduced the availability of (micro and macro) raw materials
- Transport and logistic problems increased the raw material availability problem AND cost
- Farmers to cut down spending's due to declining incomes
- Fear of an uncertain (short-term) future leads to decreased or disrupted market demand
- Overall COVID-19 had a negative impact on the African compound feed market and its value chain



# Summarizing



Economic growth  
but shaky .....

Markets change  
fast .....



But ... many  
opportunities if you  
want to see them

# What is needed



# Entrepreneurial spirit



# Skretting Nigeria example



- Joint venture with Durante started on September 18, 2014
- Basically, an acquisition of:
  - *Few good people*
  - *Old rented assets to produce pellets*
  - *Good brand name but relatively low volume (imported)*
- So, in principle what did we acquire:
  - *Market access and a platform for growth*



# The day after ....



- September 19, 2014

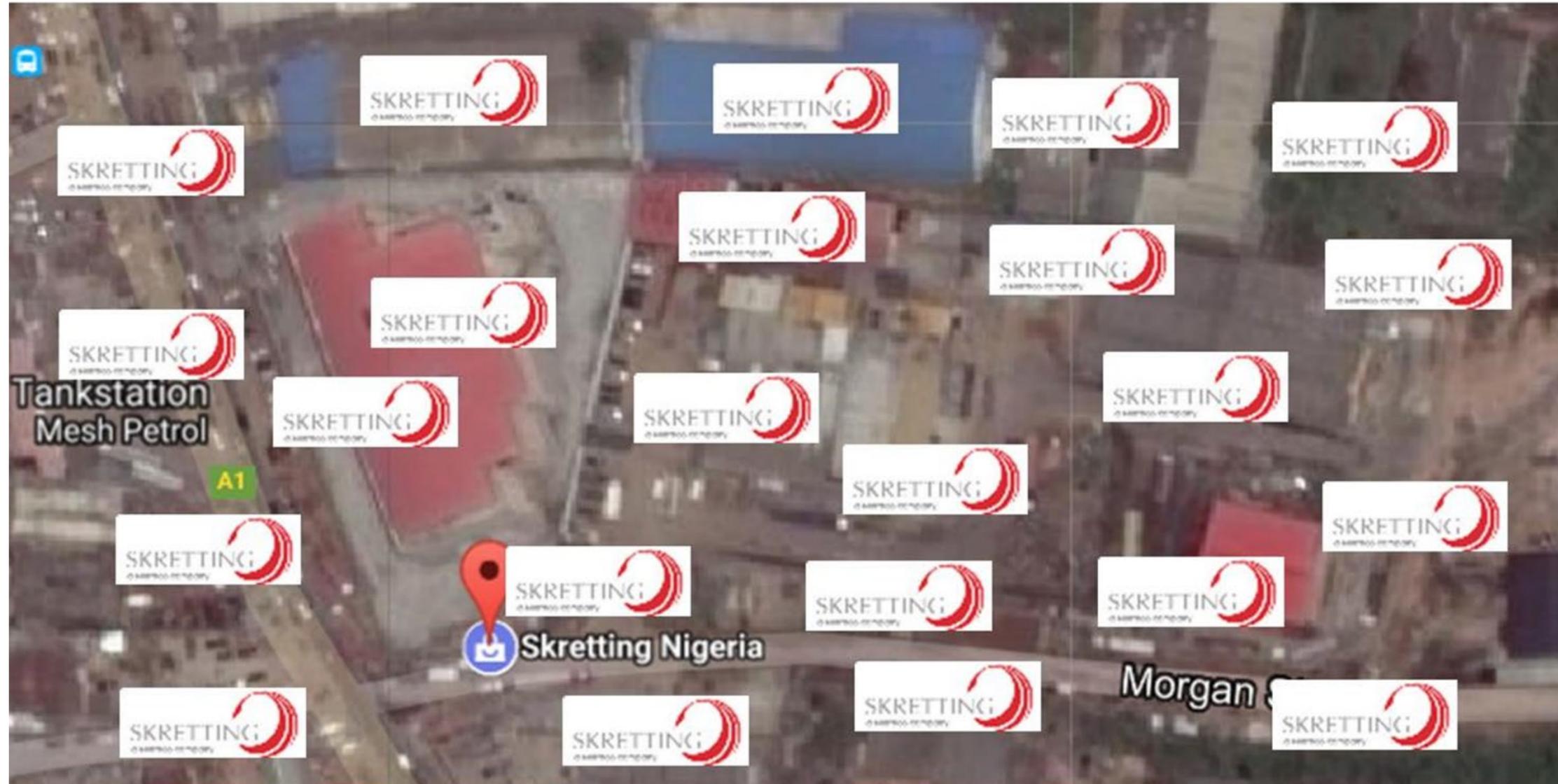
Nutreco: *"What is blocking you to triple business?"*  
Durante: *"Local extruded feed production, salespeople, market coverage and stock-outs"*  
Sales: *"Could not agree more"*



*Agreed principles:*

- No more stockouts
- Increase market presence
- Invest in small extruder line for fast market entry

# The weeks after ...



# Start building ...



More people



Small extrusion line



CCT line



Integrate step-by-step



Shops around the country

# Our approach



# African approach

## Africa



Africa is the fastest growing continent in terms of population. Its population will double by 2050. The growing population will drive the need for animal proteins. Nutreco Africa will play a leading role in the development of the local African market for meat and fish, local for local.

<p><b>Our mission</b></p> <p><i>feeding the future</i></p>	<p><b>Our approach</b></p> <p>Deepen our roots</p>  <p>Create value in Africa for Africa</p>  <p>With an African network</p> 
<p><b>Our values</b></p> 	



# Current footprint



- Nigeria**  
**Skretting & Trouw Nutrition**
- 131 employees
  - First investment done in 2014 with follow-up investment in 2018
  - Catfish feed & poultry concentrates production and Trouw Nutrition products resales



- Egypt**  
**Skretting & Trouw Nutrition**
- 150 employees
  - Fish feed (tilapia) & poultry concentrates
  - New fish feed factory built in 2015
  - New premix factory commissioned in 2021



- South Africa**  
**Trouw Nutrition**
- Around 90 employees
  - Acquisition of Advit
  - Premix factory, young animal feeds and Selko Feed Additives resales

## Nutreco MEA Export

- Export to around 35 countries in Africa
- Dedicated export team of around 75 people
- All species and product groups
- Supporting African Sisco's



# Zambian adaptability & flexibility

From Skretting dedicated feed production facility.....



..... to Skretting feed production in partnership



# Expanding East-African footprint



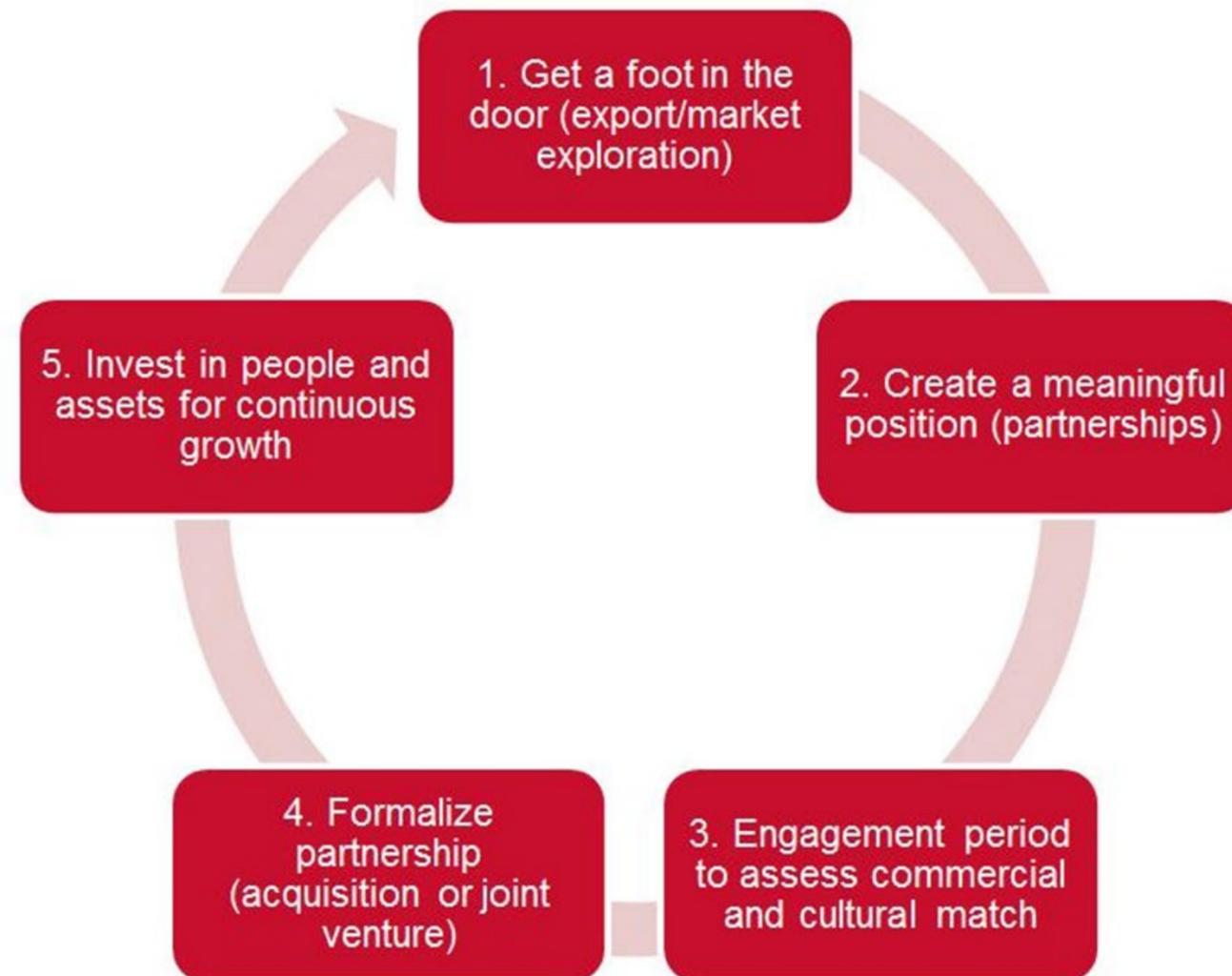
- Subject to necessary regulatory approvals 2 joint ventures with Unga Group will be formed:
  1. Skretting focused joint venture with Unga Farm Care (EA) Limited in Kenya
  2. Trouw Nutrition focused joint venture with Unga Millers (U) Limited in Uganda

# Lessons learned



# Lessons learned

- Think big; and act small
- Balance risk & reward
- Difficult markets require creativity that leads to opportunities
- Stay short and close and remain flexible
- Trust and stay positive
- Take decisions; even bad ones





# AFRICA HIGHLIGHTS SEMINAR



**JAMES WAMAE**

SENIOR ASSISTANT ANIMAL HEALTH OFFICE  
MINISTRY OF AGRICULTURE OF KENYA



# HIGHLIGHTS OF INVESTING IN POULTRY SECTOR IN KENYA

BY JAMES MAINA WAMAE.

MINISTRY OF AGRICULTURE, LIVESTOCK,  
FISHERIES AND IRRIGATION

## **Introduction**

Kenya has a Population of about 47 million people according to population censuses of 2019 and has a Population growth of 3%(2018)

Agriculture is the main stay of the economy, Contributing 25-26% of GDP in the country.

Livestock sector contributes 12% of the GDP which is 38% to AG GDP

Poultry sector contributes 30% of the agricultural contribution to GDP.

The poultry population is estimated to be 40.4million birds of these,82.4% consists of indigenous chicken, 12.6% of broilers, 4.2% of layers and breeding stock. Ducks, Geese, Turkeys ,Pigeons, Ostriches, Guinea fowls and Quails form the remaining 0.8%

Poultry farming in Kenya is mainly for substance consumption with a few commercial farmers concentrated around the urban centers of Nairobi, Mombasa, Nakuru, Kisumu and Nyeri where there is ready market for poultry and poultry products. Recently due to covid 19, there is a sharp increase in demand for poultry and poultry products due to health concerns.

# **Poultry economic contribution**

Poultry farming contributes 3.7% of per capita annual animal protein consumption.

The sector employs over 4 million people mostly the rural population most of who are women.

Poultry has its place in Social cultural roles such as, special meal to special guest(s), dowry and gifts.

Its estimated that there is an average of 20 chickens per household

Indigenous poultry breeds are reared mostly in rural areas and recently in pre urban areas of the cities.

Commercial breeds are reared in peri-urban & urban areas.

# Poultry Population

<b>Poultry type</b>	<b>No. (Millions)</b>	<b>Percent (%)</b>
Indigenous	33.3	82.4
Layers	1.7	4.2
Broilers	5.1	12.6
Others	.3	0.8
<b>Total</b>	<b>40.4</b>	<b>100</b>

# WHY MORE INDIGENOUS BREEDS IN THE RURAL AREAS?

- Majority of the Kenyan population resides in the rural areas and is characterized by low income and food insecurity leading to high levels of poverty and so chicken rearing here is well manageable given that little input is required.
- Poultry production and in particular indigenous chicken (IC) plays a big role in the economic and social life of these resource-poor households, contributing to cheap source of animal proteins and cash income to majority of rural women and children

# continued

- IC are present wherever there are human settlements and their strength lies in their low cost of production and their ability to adapt to harsh scavenging conditions, poor nutrition, diseases and/parasites challenges.
- IC fetches more money in terms of eggs and meat compared to broilers and ex-layers.
- IC needs less feeding – kitchen waste can be the only feed.

## **TYPES OF POULTRY REARING SYSTEMS.**

- ❖ **FREE RANGE-** birds not confined, they scavenge for food and water.
- ❖ **BACKYARD-**birds housed only at night, fed in the morning and evening.
- ❖ **SEMI INTENSIVE-** confined around a specific area where they have access to Shelter, feed and water.
- ❖ **INTENSIVE-**Birds are housed and provided with water, feeds and vaccines. The population ranges from a few hundred birds to a few thousands.

# DIFFERENT REARING SYSTEMS

**FREE RANGE SYSTEM**



**BACK YARD SYSTEM**



## SEMI INTENSIVE SYSTEM



## INTENSIVE SYSTEM



# STRUCTURE

<b>Attribute</b>	<b>Sector 1</b>	<b>Sector 2</b>	<b>Sector 3</b>	<b>Sector 4</b>
<b>Production system</b>	<b>Industrial integrated</b>	<b>Commercial</b>	<b>Semi-commercial</b>	<b>Village/Bac kyard</b>
<b>Bird &amp; product marketing</b>	<b>Commercial processing</b>	<b>Commercial processing</b>	<b>Live birds</b>	<b>Little marketing; live birds</b>
<b>Biosecurity</b>	<b>High</b>	<b>Moderate to high</b>	<b>Minimum to low</b>	<b>Minimum</b>
<b>Inputs</b>	<b>High use of external input</b>	<b>Moderate to high</b>	<b>low</b>	<b>Little or none</b>

# Sector 1: Industrial integrated

E.g. Kenchic Ltd,

Large scale commercial production with several thousand birds.

There is Upstream integration –DoCs production and also Downstream integration –contract farmers with 3,000-12,000 birds.

They have poultry meat outlets.

There is High Bio-security measures at all points of production- slogan- “from farm to fork”

# Sector 2: Hatcheries

They are also found in sector 1,

Rear 10,000 – 12,000 layer breeders p.a.

10,000 – 18,000 broiler breeders p.a.

Non-sector 1 hatcheries are not integrated there  
is High Bio-security measures

## Sector 2: Hatcheries...

<b>Hatchery</b>	<b>sector</b>	<b>Location</b>
kenchic	1	Nairobi
Muguku	2	Kikuyu
Sigma	2	Nairobi
Kenbrid	2	Naivasha
Western Kenya	2	Webuye
Bixa	2	Mombasa
Lake Chick	2	Kisumu
Kim	2	Nakuru
Nyonjoro Nightngale (Turkey)	2	Naivasha
Masai Ostrich Farms	2	Keiyo

## **Sector 3: Semi-commercial**

The sector is dominated by small-scale producers, who are estimated to be 23,661 broiler farms & 11,311 layer farms

They derive 73% of income from poultry and the rest from other agricultural production or businesses.

-Here, about 100-4,000 layers and 300- 2,000 broilers are kept With some been contract farmers with Kenchic Ltd.

-DOC bought from hatcheries

-Contract farmers get DOC, vet care & market from Kenchic

-There is Minimal to low Bio-security except Kenchic farmers – income and level of awareness good

# **Sector 4: village/backyard poultry**

-This involves about 1.5million households with an est.33.3 million birds

-There is a average of 20.8 chicken per household and is Subsistence –oriented.

Here, there is Low-input, little or no purchased inputs

-Usually there is Low output with birds weighing 1.6kg at 225 days; only 3 clutches/yr., producing 33-42 eggs/hen/yr.with75-85% hatchability and 55% chick survival

-Low bio-security; chickens share compound sometimes houses with other forms of livestock and humans.

Transport by foot, bicycles, motorbike or public vehicles

# CURRENT SITUATION OF THE POULTRY SECTOR

- All four poultry sectors are represented in Kenya
- High demand for poultry and poultry products especially from indigenous birds.
- Poultry feeds are available though costly and quality not very good.
- Only one farm could be classified as sector 1;(kenchick) it has adequate sanitary biosecurity measures but it still has some biosecurity flaws to be dealt with.
- There is only one established Turkey farm ,one Duck farm, both in Naivasha and one Ostrich farm in Kitengela.
- Ostriches are farmed for both their products and sports and tourist attraction.
- There are four licensed Chicken slaughterhouses in the country.

# Chicken meat production(2018)

Type of Bird	No Slaughtered	Total meat (MTs)	Value (usd)
indigenous	8,600,000	11,180.0	50,818,181
Broilers	4,731,399	7097.1	12,903,818.2
Culled Layers	690,000	897.0	2,038,636.4
<b>Total (000s)</b>	<b>14,021,399</b>	<b>19,174</b>	<b>65,760,635.6</b>

Source: Ministry of Livestock and Fisheries Development annual report 2018

# Egg production

- Estimated egg production(2019)

Type of bird	No of eggs produced (000's)	Estimated value(usd)
Indigenous Hens	564,375	29,090,909
Hybrid Layers	644,000	25,653,409
<b>Total</b>	<b>1,208,375</b>	<b>54,744,318</b>

**Source : Ministry of livestock and Fisheries development annual report 2019**

# PROSPECT OF THE POULTRY PRODUCTION OVER THE NEXT THREE YEARS

## PRODUCTION AND DEMAND PROJECTIONS FOR POULTRY MEAT AND EGGS

		2021	2022
<b>Poultry</b>	<b>PRODUCTION</b>	<b>24,908</b>	<b>25,607</b>
<b>2024</b>	<b>2024</b>		
<b>26,244</b>	<b>26,900</b>		
<b>Meat</b>	<b>DEMAND</b>	<b>25,252</b>	<b>26,209</b>
<b>26,864</b>	<b>27,637</b>		
<b>(tonnes)</b>	<b>DEFICIT</b>	<b>344</b>	<b>602</b>
<b>620</b>	<b>737</b>		
<b>EGGS</b>	<b>PRODUCTION</b>	<b>1,242</b>	<b>1,278</b>
<b>1,315</b>	<b>1,342</b>		
<b>(millions)</b>	<b>DEMAND</b>	<b>1,312</b>	<b>1,398</b>

# Meat type preferences and trends

## 2019

Mutton & Goat	19%
Beef	23%
Fish	22%
Poultry	33%

## 2009

- Mutton & Goat 13%
- Beef 59%
- Poultry 23%
- Fish 5%

# Determinants of consumer preference for different meat types and meat products.

- Price- affordability
- Health concerns –Red meat/ white meat
- Place of animal origin- different geographic regions, different tastes.
- Feeding systems - caged or free range
- Religious factors
- cultural factors – some communities
- others

# Issues that affect the sector growth

- Marketing- the farmers produce first and then look for market and this is now changing with the use of social platforms and word of mouth. There is also home deliveries and car boot marketing,
- Transportation and logistics- with the devolved form of governance, most of the rural roads are now passable hence access to livestock markets
- Hygiene and biosecurity- this is observed in large farms and also semi intensive sector
- Feeds- the cost of feeds consists of about 70% of the production cost. Farmers are complaining of the feed quality and also availability hence Necessity of quality, safe and affordable feeds
- Processing- large farms have their own slaughterhouses but small farms would mostly sell live birds there is therefore

# cont

- Breeding- since preference is for indigenous chicken meat and their eggs, but take long to mature and lay fewer eggs /bird/year, there is need to have breeding farms/ institutions and Necessity of faster growing indigenous breeds
- parent stock and day old chicks. Due to the growth of poultry production and consumption, there is need for more farms to invest in DOC, production.
- Need of developing education in the sector.
- Necessity of vaccines and drugs supply Necessity of promoting rearing and consumption of meat and eggs of other types of birds such as Ducks, Geese, Turkey, ostrich, Guinea fowls and Quails

# The potential market for poultry and poultry products

- Learning institutions – schools , colleges and universities.
- First food outlets like Gallitos, chicken and chips outlets.
- Airlines
- Established Hotels and tourist hotels
- Outside catering companies
- Military Barracks
- Hospitals

## **Areas to be considered for the growth of the sector.**

-Due to high demand for poultry and poultry products, there is need to **increase production of eggs and poultry meat.**

-Necessity of a higher supply of **parent stock and day old chicks.**

-Necessity of **quality, safe and affordable poultry feeds.**

-Necessity of **faster growing** indigenous breeds without loss of their genetic potential

-Necessity of more **licensed slaughtering facilities.**

-Need of developing **education in the sector.**

-Necessity of **vaccines production and supply.**

-Necessity of investing in **value addition.**

-Necessity of **promoting** rearing and consumption of meat and eggs of other types of birds such as Ducks, Geese Turkey ostrich Guinea fowls and Quails

# opportunities .

- Hatching chicks for sale as Day old.
- Hatching chicks for sale as 3weeks old.
- Rearing pullets for sale.
- Rearing cockerels and hens for laying eggs for hatching.
- Rearing broilers for meat organically.
- Rearing cockerels as breeding cocks.
- Rearing for sports and tourist attraction
- Supply of poultry equipment and packaging materials.
- Home delivery services

**THANK YOU**

# AFRICA HIGHLIGHTS SEMINAR



**KLAAS VAN AKEN**

DIRECTOR OF BUSINESS DEVELOPMENT  
ROYAL GD



# Royal GD

Your partner in Animal Health

Klaas van Aken, DVM

Director of Business Development



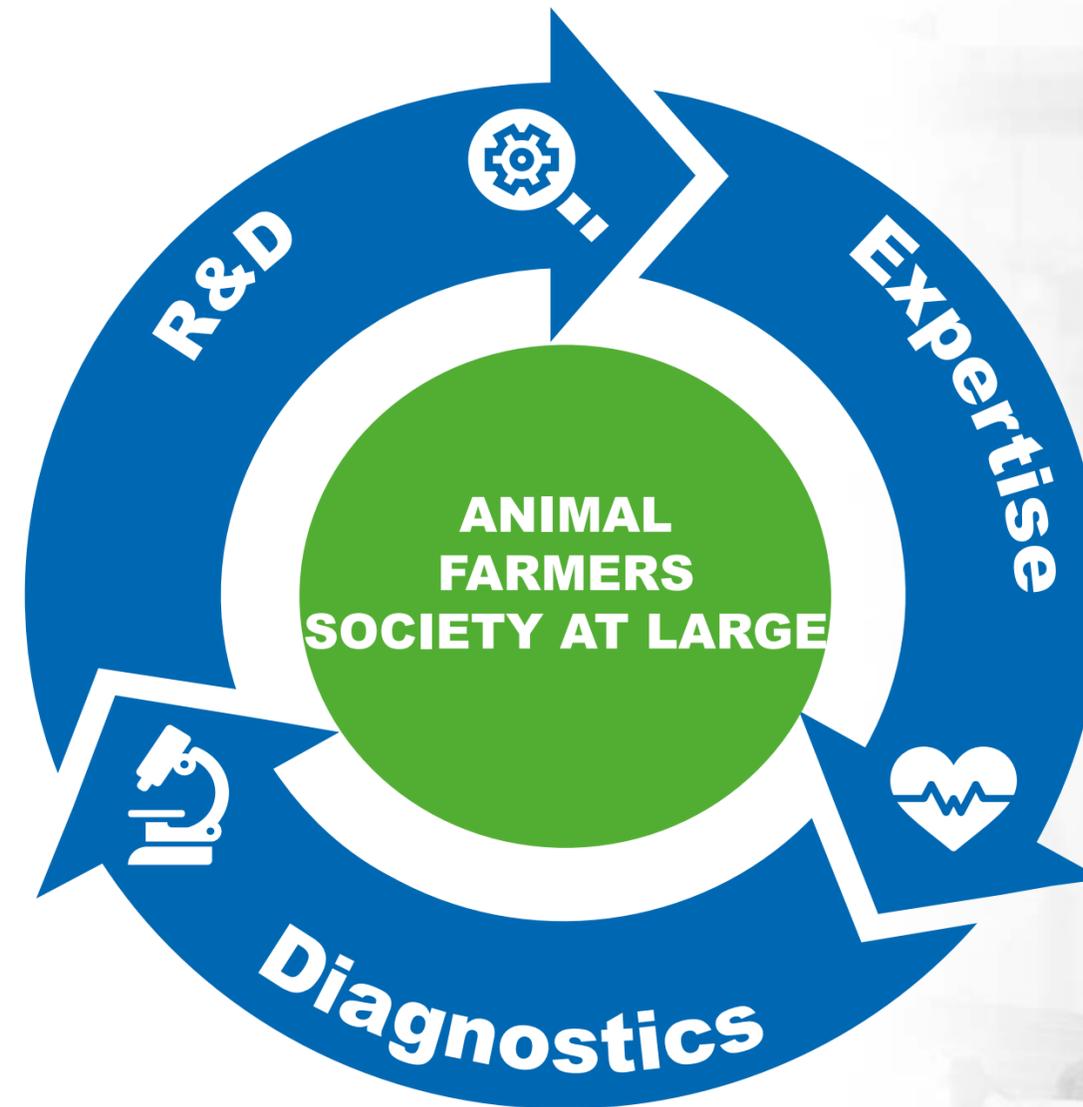
# GD facility in Deventer



# Royal GD – A leading role in animal health



- Founded in 1919
- An independent leading organization, unique in combining animal health expertise, research & development and diagnostics to offer a total solution to our customers
- Worldwide activities
- Livestock only



# Independence is the key



**Animal  
health  
expertise**

**Innovation**



**Products and  
services**





# Royal GD in numbers



**80 million euros**  
in revenue in 2020



**Almost 5 million**  
Lab analyses annually



**Around 500**  
employees



**90**  
Researchers and  
specialised veterinarians

# Activities Royal GD in Africa

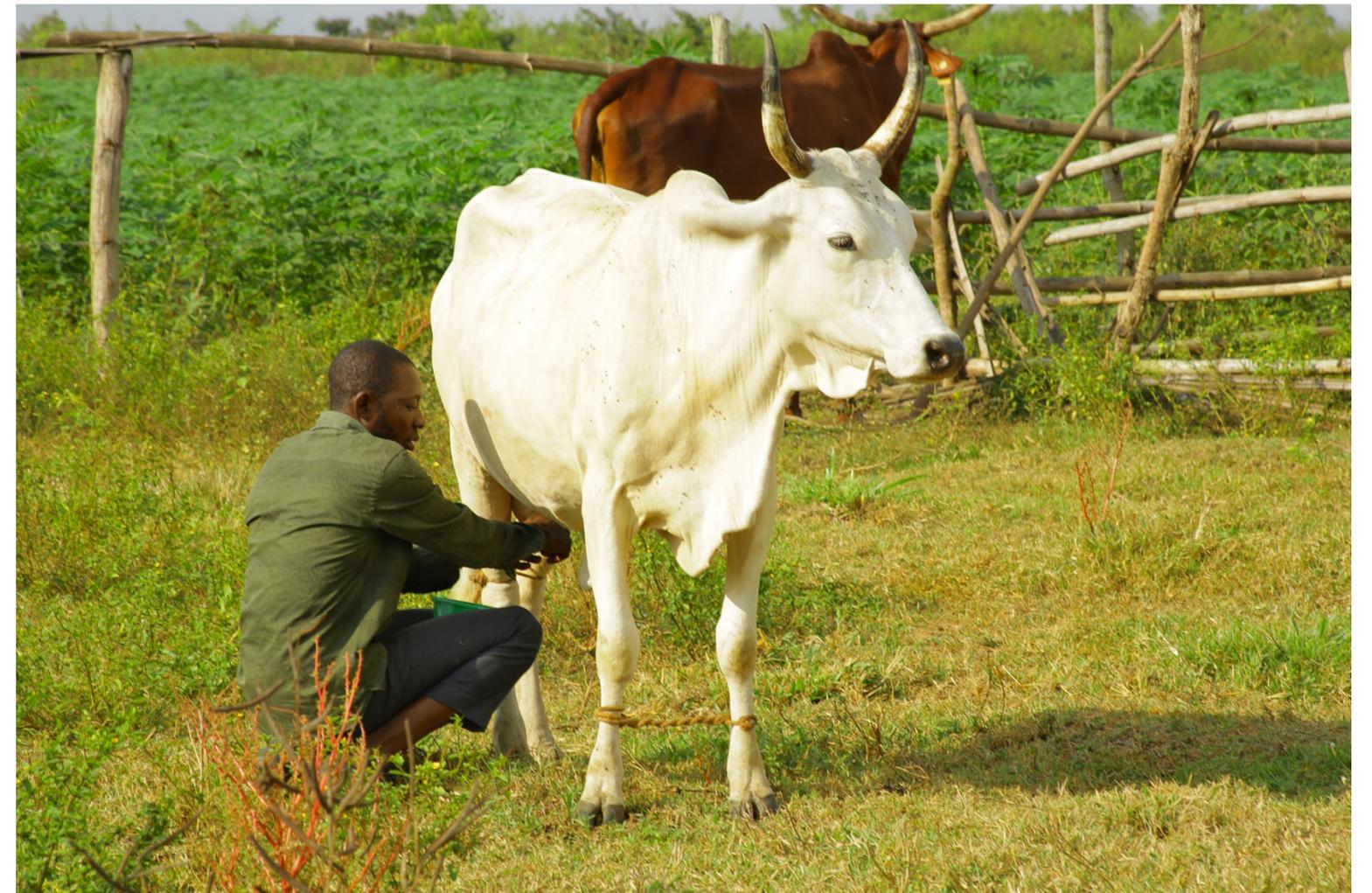


- Egypt - distributor
- Nigeria
- Somalia
- Ethiopia
- Tanzania
- Malawi
- South-Africa - distributor

- Udder health training
- For cattle vets in North Africa and Middle East (Saudi)
- A 5 day training locally in Deventer customers and employees of Zoetis were trained.
- A local *distributor* is appointed
  - Diagnostic reagents
  - PTS testing
  - Local Support of disease monitoring



- A newly set up consortium of Dutch Agri businesses
- Led by Dutch dairy organisation
- Aim is to set up a local new milk production chain
- Not by implementing a fully operating standard farm
- But helping local farmers to cooperate and increase standards
  - Genetics
  - Grass land
  - Standard operating procedures
  - **Udder health**



- Training local lab technicians
- NUFFIC subsidised. In cooperation with University of Somalia
- Train the trainer – *education through GD Academy*
- Aimed at export position in cattle and small ruminants, disease free testing.
- 5 days training on lab expertise on a variety of tests and result interpretation.
  
- Training local veterinarians.
- Train the trainer program for vets that can pass the knowledge on to local vets. Aimed at enhancing export position to the Middle East. The most prevalent zoonotic diseases and non-zoonotic diseases are on the programme
- Content is training on recognising the clinical signs of those diseases and prepare factsheets to get to standardised protocols for approach of these diseases.



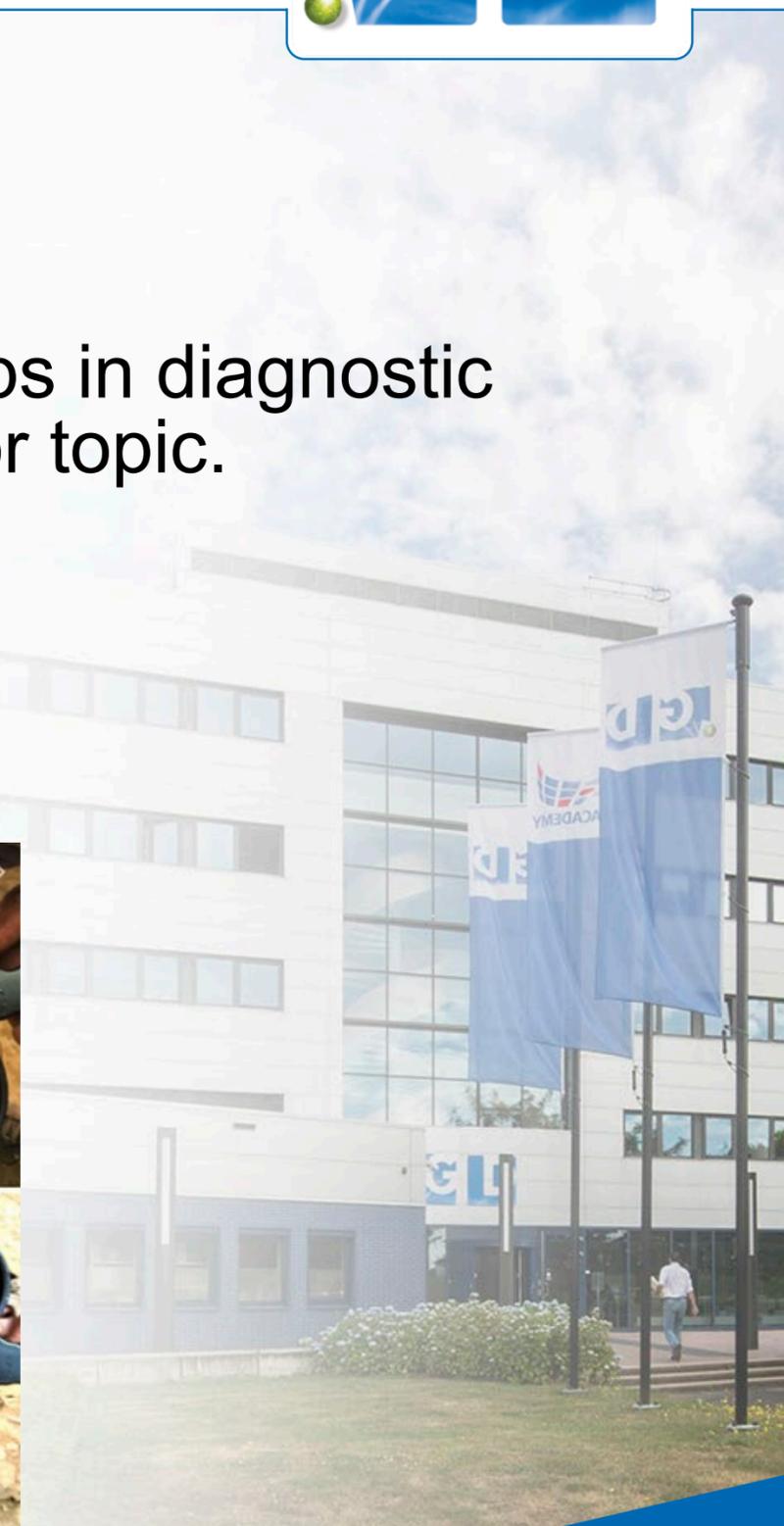
- Poultry health training
- Train the trainer program for local poultry vets
- 2 years period – several visits of GD country experts to Ethiopia to deliver post-education training
- The local vets pass the knowledge on themselves to other veterinarians
- General *poultry vet training*
- Subsidised by the Dutch government



- Cluster project Tanzania, poultry.
- Train de trainer programme for Tanzanian poultry vets, *consultancy*
  - Multi stakeholder project, organised by RVO
    - Impexx / Trouw / Hendrix / Aeres Training center / iGrowChicken / Vencomatic.
- A demo stable was built, completed with inventory from Holland
- Royal GD trained the veterinarians with the aim to increase knowledge level.
- Very nice multi- company cooperation, the ambassador came over to visit the farm.
- Post delivery meetings planned to follow up for feedback and progress.
- Working group Monitoring Tanzania
- The aim is to work on a country wide animal health monitoring system. Royal GD is in contact with the government to design to set up of the system and to design the different *monitoring programs* within the system.



- Training lab technicians
- Only on udder health and mastitis
- Aimed at recognising the basic different types of mastitis and first steps in diagnostic testing. Also prevention of mastitis pathogens on the farm was a major topic.
- Online training – *e-Learning*



# We look forward to teaming up with you!

## Thank you for your attention

For more information:  
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# AFRICA HIGHLIGHTS SEMINAR



**ERIC MOOIWEER**

MANAGING DIRECTOR  
I GROW CHICKEN



# **AFRICAN HIGHLIGHTS**

**PROPOSED APPROACH TO EMBRACING  
TECHNOLOGY IN LIVESTOCK VALUE CHAINS**



# TO ENJOY DOING BUSINESS IN AFRICA

- Have patience
- Step by step
- Remember the African saying “You have the watch, we have the time”
- Learn to dance



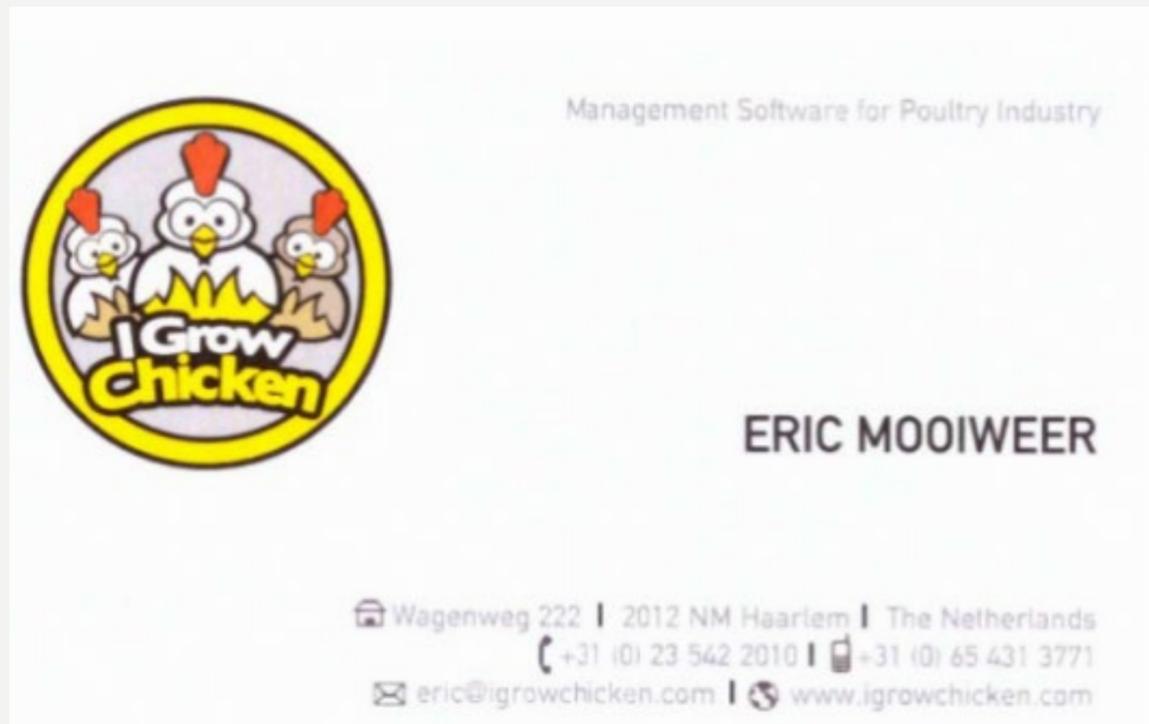
# QUESTIONS

- Who runs a chicken business only?
- Who believes they have peaked their performance?
- Who believes technology can help them achieve that?
- Who has implemented a company wide control system to ensure data is recorded and the business monitored closely?
- Anybody has a question better than the above?

# **NEXT STEPS**



# THANK YOU



# AFRICA HIGHLIGHTS SEMINAR



**THIS BERKERS**

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ROYAL GD



**ERIC MOOIWEER**

MANAGING DIRECTOR  
I GROW CHICKEN





VIV MEA 2021

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24 NOVEMBER 2021

ABOUT NABC:



ABOUT DAPP:

