

# Poultry Sector Analysis and Forecast – 2024

DEPARTMENT OF ANIMAL PRODUCTION AND HEALTH

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Poultry production has been the foremost livestock industry for decades. The sector experienced the worst challenge ever during 2022, of which the impact was to be seen 2022 through 1<sup>st</sup> quarter of 2024. Expenditure of production rose tremendously, hiking the cost of production. Consumer affordability was lowered as a result of high cost of production and depleted market availability. Extended production cycle and nature of the business increased the vulnerability of layer segment of which the production reduced drastically forcing to import table eggs for local consumption for the 1<sup>st</sup> time after 1962. Despite these facts the sector contributed to 1.1% of National GDP at current price in year 2023 valued Rs Bn 21.9 which is 79% of the total livestock GDP.

The industry has huge export potential due to adoption of modern technology and quality standards with added advantage of the country freedom of highly pathogenic avian influenza (HPAI). Import dependency on supply of inputs; mainly feed raw materials is the biggest disadvantage of which the impacts were thoroughly experienced in 2022, 2023 periods.

## Broiler Sector

Three (03) grandparent (GP) farms were continued operating supplying parent birds of Cobb 500, Indian River and Ross 308 strains. Twenty eight (28) parent farms were functioning during 2023. According to the forward plans submitted to DAPH for 2024, local parent bird production would be 1,924,369. Planned procurement by the parent farms is 1,583,618 from which 87% is expected to be purchased locally.

**Table 1. Comparison of Broiler Sector Performance (2022 – 2024)**

Item	Unit	2022	2023	Change (2022 - 2023)	2024 forecast - January*	Predicted Change (2023 - 2024)*
Grandparent Farms	Number	3	3			
Parent Farms	Number	31	28			
Grandparent Imports	Number	33,564	46,121	37%	37400	-19%
Parent Local Production	Number	1,157,835	1,159,834	0%	1,924,369	66%
Parent Imports	Number	89,836	282,891	215%	200,200	-29%
Total Parent Bird Availability	Number	1,247,671	1,425,581	14%	2,124,569	49%
DOC Production	Million	162.06	166.78	3%	181.18	9%
DOC Issues	Million	160.88	166.45	4%		
Meat Production	'000 MT	228.13	236.11	4%	254.66	8%
<b>Imports</b>						
Chicken Meat	MT	171.15	236.84	38%		
<b>Exports</b>						
Chicken Meat	MT	1,804.66	1,502.81	-17%		
Hatching Eggs	Million	0.02	0.02	0%		
Day Old Chicks	Million	0.10	0.05	-50%		

\*Based on imports and stocking plans of breeder farms

In 2023, parent DOC importation was increased by 193,055. Local production was remained same. Net availability was increased by 14% compared to 2022. The commercial DOC production was increased by 3%. Sale of 166.45 Mn DOC resulted in production of 236.11 ('000 MT) chicken meat in 2023 which was 8,000 MT higher than the previous year's production.

Day old chick price ranged from Rs 156.00 in January to Rs 274.00 in July in year 2023. The retail price of dressed chicken meat ranged from Rs. 1,112/ kg in October to Rs. 1,442/kg in September.

According to the input plans and actual placements of broiler GP and parent farms 187.57 Mn DOC and 259.95 ('000 MT) chicken meat production of is predicted at the end of March, 2024.

**Table 2 – Monthly Procurement and Production Forecast 2024 - Broiler Sector**

Month	Procurement plan of Parent Birds		Production of DOC (Mn)*	Chicken Meat Production ('000 MT)*
	Local	Import		
January	155,630	18,000	14.37	21.16
February	101,285	13,200	14.17	20.33
March	123,720	15,400	15.59	20.03
April	170,405	13,800	14.37	21.87
May	89,110	8,200	14.53	20.04
June	150,820	31,600	14.95	20.30
July	139,872	20,800	15.67	20.83
August	122,660	13,200	16.24	21.87
September	123,595	4,000	16.48	22.72
October	148,966	9,000	16.91	23.19
November	107,960	25,600	16.99	23.77
December	149,595	27,400	17.30	23.84
<b>Total</b>	<b>1,583,618</b>	<b>200,200</b>	<b>187.57</b>	<b>259.95</b>

\*Estimates based on actual inputs up to March, 2024.

### Layer Sector

Eleven (11) layer breeder farms were functioning during the year 2023. There was a high demand for layer DOC due to scarcity in supply. Prices of both DOC and table eggs increased exponentially as the result. The prices of DOC ranged from Rs 388.00 in January to Rs 567.00 in July, 2023. Colombo market retail price of egg ranged from Rs 42.00 in November to Rs 56.00 in December, 2023. The cost of production of an egg ranged from Rs 30.00 to Rs 44.00 (large scale minimum COP to small scale maximum COP) during the year considering the different scales of production. The market environment was highly conducive for farmers. However, the demand for DOC was not that high during the 1<sup>st</sup> half of the year as farmers were reluctant to re-start farming due to matters related to retail price of eggs and difficulties in obtaining required capital. Situation was changed towards the end of the year, the prices of DOC kept on rising even though the DOC supply was higher in latter part of the year than the regular supply.

**Table 3. Comparison of Layer Sector Performance (2022 - 2024)**

Item	Unit	2022	2023	Change (2022-2023)	2024 forecast - January*	Predicted Change (2023 - 2024)*
Parent Farms	Number	11	11			
Layer Parent Imports	Number	34,351	116,935	240%	142,700	22%
Layer DOC Production	Million	5.3	7.29	38%	10.90	50%
Layer DOC Issues	Million	4.9	7.17	46%		
Table Egg Production	Million	2,089.70	2,047.05	-2%	2,960.59	45%
<b>Exports</b>						
Table Eggs	Million	17.92	14.13	-27%		
Pullet DOC	Million	0.04	0.03	-33%		

\*Estimations are based on imports and stocking plans of breeder farms

DAPH took several measures to ensure the supply of both parent birds and commercial DOC.

Based on risk assessment the regulations pertaining to HPAI were relaxed as possible, allowing higher access to overseas hatcheries. Permissions were granted to import commercial hatchable eggs to hasten the recovery of the sector. 116,935 parent birds were imported to increase the DOC supply. As the result, 7.29 Mn layer DOC was produced within the year which was 38% growth compared to 2022. However the egg production remained at the same level as previous year as the DOC production during 2022 and 1<sup>st</sup> half of 2023 was considerably lower than the required level. Therefore, to cater the market demand and keep market prices of eggs bearable for general public, 168.52 Mn eggs were imported during March - December, 2023 period. In 2024, it is expected to regain self-sufficiency of eggs with the predicted 2,975 Mn egg production. Monthly procurement plan of parent birds and forecasted layer DOC and egg production as per the actual inputs up to April, 2024 are depicted in Table 4.

**Table 4 - Monthly Procurement and Production Forecast 2024 - Layer Sector**

Month	Procurement plan of Parent Birds	Pullet DOC Production forecast (Mn)*	Egg Production forecast (Mn)*
January	10,500	0.85	196.02
February	7,000	0.82	207.42
March	15,500	1.20	215.84
April	15,100	0.91	221.16
May	14,500	0.87	233.13
June	5,000	0.87	234.77
July	20,300	0.82	255.09
August	0	0.76	264.79
September	11,150	0.73	275.26
October	12,000	0.74	279.05
November	12,500	0.85	291.10
December	19,150	0.92	301.89
<b>Total</b>	<b>142,700</b>	<b>10.34</b>	<b>2,975.51</b>

\*Estimates based on actual inputs up to April, 2024.

### Import and export

In year 2023, importation of both chicken meat products, eggs and egg products increased. Exports of chicken meat and table eggs reduced. However, with the resolve of impact of economic crisis, it is expected to observe an increase in exports in year 2024. DAPH and the industry stakeholders are taking collective measures to expand the potential export avenues through improving the quality certification systems. However, the supply of inputs at lowest possible costs is required to assure product competitiveness. Introduction of export based rebate system will also be helpful in the initial stages.

### Poultry Feed Production Sector

Feed production was regaining the status before the economic crisis by the latter half of 2023. Price reduction by about 10% for major raw materials, and 12 - 13% reduction in finished feed was observed during the 2<sup>nd</sup> half of the year 2023. The reductions may attributed to appreciation of Sri Lankan rupee and increased availability of locally produced raw materials compared to 2022. Importation of 225,000 MT of maize was permitted in August to December 2023, from which 178,450 MT was imported during the year. Cost of production of both chicken meat and egg was reduced compared to latter half of 2022. Nevertheless the COP reduction was not reflected in egg retail prices due to low supply. With the predicted growth of poultry industry it is estimated that 1,220,381 MT poultry feed production is required for 2024. With the predicted

local production of 298,985 MT of maize, it is estimated that 473,286 MT of cereals are further needed for feed production in 2024. A portion of this requirement will be fulfilled through rice by-products such as broken rice, peacock rice, rice polish and rice bran. The rest of the cereal supply has to be provided through imports.

**Table 5. Comparison of Poultry Feed Production for 2022 – 2024**

Item	Unit	2022	2023	Change (2022-2023)	2024 forecast	Predicted Change (2023 - 2024)
Commercial Feed Production	MT	836,138	995,263***	19%	854,267*	-14%
Self-Mixed Feed Production	MT	259,846	170,164***	35%	366,114*	115%
<b>Total Poultry Feed Production</b>	MT	1,095,985	1,165,427***	6%	1,220,381*	5%
<b>Cereal</b>						
Maize Production (Maha)	MT	236,928	198,601	-16%	298,985**	
Extent (Maha)	Ha	77,980	69,383	-11%	88,389**	
Maize Production (Yala)	MT	22,112	22,647	2%		
Extent (Yala)	Ha	6,179	6,599	7%		
Maize Import for Animal Feed	MT	184,611	178,450	-3%		
<b>Oil Meal</b>						
Soybean Production (Maha)	MT	341	456	34%	283**	
Extent (Maha)	Ha	211	272	29%	168**	
Soybean Production (Yala)	MT	3,501	7,324	109%		
Extent (Yala)	Ha	1,720	3,714	116%		
Soybean Meal Import for Animal Feed	MT	184,358	199,803	8%		

\*Estimates are based on DOC import plans, imports and estimated production of DOC

\*\* Crop Forecast, Dept. of Agriculture - vol 04) 2023/24 Maha final

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