

requirement of 218,928.54 MT of maize has to be imported to fulfill the needs of the poultry sector even if the whole of locally produced maize is used for poultry feed production.

The demand of maize for animal feed production is in rise with the growth of the poultry sector as well as with the latest development of dairy industry; especially the mega farms with imported cattle. Though there is special commodity levy of Rs. 20.00 is imposed on maize to discourage importation, the country is still failing to produce the required quantity locally. Therefore, encouragement of maize cultivation and introducing of technology to increase the production efficiency is essential to assure the sustainability of poultry production.

The soybean production within the country is gradually reducing. Almost 100% of soybean meal is imported from which more than 70% is imported from USA at an average cost of Rs 65.00. The price of soybean meal is keep on rising due to the continuous depletion of LKR against the USD.

Exports

Sri Lanka exports number of poultry products; mainly table eggs, hatching eggs, DOC, chicken meat and chicken feet. During the last year exportation of table eggs increased by 22%, chicken meat increased by 15% while chicken feet exportation almost doubled. However, the high cost of production limits the expansion of exportation.

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POULTRY SECTOR ANALYSIS AND FORECAST – 2019



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Poultry remains the most important livestock sub sector in Sri Lanka contributing to 0.5% GDP in 2018 which is more than 61% of the total contribution of Sri Lankan livestock sector. Out of all poultry, broiler sector is the fastest growing segment which has almost doubled the production during last 10 years.

However the industry still faces major drawbacks such as high cost of production and market instability. Yet the poultry products are considered essential food items supplying animal proteins at a comparatively cheaper price. Domestic demand of chicken meat and eggs of the country is fulfilled through local production while small quantity of chicken meat is imported for airline caterings and foreign missions.

BROILER SECTOR

A total of three (03) grandparent (GP) farms are functioning in the country supplying parent birds of Hubbard Classic, Cobb 500 and Indian River strains to 34 parent farms. According to the forward plans of GP farms, it is expected to fulfill 84% of the total parent bird requirement through local production in 2019.

Table 1. Comparison of Broiler Sector Performance for 2017 - 2019

Item	Unit	2017	2018	Change 2017-2018	2019 est*	Expected Growth 2019
Grandparents and Parents						
Grandparent Farms	Number	3	3			
Parent Farms	Number	35	34			
Grandparent Imports	Number	33,136	28,986	-13%	48,860	69%
Parent Local Production	Number	953,157	1,058,993	11%	1,296,977	22%
Parent Imports	Number	346,422	383,930	11%	253,800	-34%
Total Parent Bird Availability	Number	1,299,579	1,442,923	11%	1,550,777	7%
DOC Production	Million	150.59	156.99	4%	167.45	7%
DOC Issues	Million	149.13	156.24	5%		
Meat Production	'000MT	200.98	214.20	7%	230.43	8%
Imports						
Chicken Meat	MT	243.13	237.02	-3%		
Exports						
Chicken Meat	MT	149.05	171.75	15%		
Hatching Eggs	Million	0.02	0.22	1000%		
Day Old Chicks	Million	0.23	0.11	-52%		

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

In 2018, parent DOC importation was increased by 11% while local production was also increased by 11%. As the result the availability of parent DOC was also increased by 11%



reaching 1,442,923 in 2018. According to the stocking plans of the parent farms the total DOC procurement is estimated to be 1,550,777 in 2019 which will be 7% growth compared to 2018.

The commercial DOC production was increased by 4% in 2018 compared to 2017. The parent stock would produce 167.45 million DOC in 2019, if they stick to the stocking plan of 2019, which will be 7% increment compared to 2018. Accordingly, the projected chicken meat (Broiler & Curry chicken) production would be 230.43 ('000 MT) within the year, which will be 8% growth compared to 2018. Considering the human population growth the projected per capita availability of chicken meat would be 10.5 kg/year in 2019.

Table 2 - Monthly Procurement and Production Forecast 2019 - Broiler Sector

Month	Procurement of Parent Birds		Production of DOC (Mn)	Chicken Meat Production ('000 MT)
	Local	Import		
January	65,826	43,750	12.18	17.09
February	110,120	22,500	12.68	17.67
March	83,900	32,850	12.83	17.80
April	152,467	9,000	12.77	17.74
May	110,818	17,150	12.77	17.58
June	102,660	25,700	12.99	17.98
July	103,854	-	14.06	19.37
August	125,330	17,150	14.96	20.60
September	87,436	25,700	15.40	21.11
October	140,800	17,150	15.52	21.05
November	86,660	9,000	15.53	21.05
December	127,106	33,850	15.76	21.39
Total	1,296,977	253,800	167.45	230.43

*Estimates based on imports and stocking plans of breeder farms

The farm-gate price of live broiler ranged between Rs. 160.00 to Rs. 310.00 per/kg during the year 2018. However, higher retail prices of chicken meat were observed throughout 2018 ranging from Rs. 438.00 to Rs. 582.00. Higher retail prices in spite of low farm-gate price could be the result of removal of maximum controlled price. Therefore, close monitoring on market behavior and identification of the factors governing market prices may help to develop better pricing strategies for the benefit of both the consumer and producer to ensure sustainability of poultry production.

Layer Sector

The layer sector has shown positive growth during the year 2018. Eleven (11) layer parent farms were functioning during the year. Imports of layer parent birds were reduced by 37% during 2018 as a result of steps taken to regulate egg production, in consultation with stakeholders to avoid collapsing the sector.

Table 3. Comparison of Layer Sector for 2017 - 2019

Item	Unit	2017	2018	Change 2017-2018	2019 est*	Expected Growth 2019
Parent Farms	Number	14	11			
Layer Parent Imports	Number	108,076	68,511	-37%	88,700	29%
Pullet DOC Production	Million	9.46	7.59	-20%	6.44	-15%
Pullet DOC Issues	Million	9.31	7.53	-19%		
Egg Production	Million	2,856.09	2,852.86	0%	2,410.28	-16%
Exports						
Table Eggs	Million	4.60	5.63	22%		
Pullet DOC	Million	0.007	0.008	9%		

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

The variability of the procurement of parent birds and forecasted pullet and egg production are depicted in Table 4.

Table 4 - Monthly Procurement and Production Forecast 2019 - Layer Sector

Month	Procurement of Parent Birds	Production of DOC	Estimated Egg Production (Mn)
January	7,500	0.44	223.15
February	6,500	0.37	223.87
March	-	0.34	219.29
April	9,000	0.40	213.97
May	7,800	0.53	210.31
June	6,200	0.53	207.35
July	18,500	0.57	203.06
August	-	0.61	186.54
September	5,000	0.65	183.49
October	-	0.66	181.47
November	15,200	0.66	179.98
December	13,000	0.68	177.80
Total	88,700	6.44	2,410.28

*Estimates based on imports and stocking plans of breeder farms

Poultry Feed Production Sector

Poultry feed production had grown by 12% in year 2018 compared to 2017. The local production of maize; the main raw material for poultry feed had increased by 48% in the year 2018 despite of the damage caused by Fall Armyworm. Therefore, the importation of maize was reduced by 49% in 2018.

Table 5. Comparison of Poultry Feed Production for 2017 - 2019

Item	Unit	2017	2018	Change 2017-2018	2019 est*	Expected Growth 2019
Commercial Feed Production	MT	678,187.50	771,773.76	14%		
Self-Mixed Feed Production	MT	450,125.00	489,876.92	9%		
Total Poultry Feed Production	MT	1,128,312.50	1,261,650.68	12%	1,147,270.54*	-9%
Maize						
Local Maize Production (Maha)	MT	163,733.00	242,935.00	48%	230,313.00**	-5%
Extent (Maha)	Ha	44,515.00	63,926.00	44%	83,296.00**	30%
Local Maize Production (Yala)	MT	32,011.00	27,106.00	-15%		
Extent (Yala)	Ha	8,029.00	6,969.00	-13%		
Imports For Animal Feed	MT	192,918.76	98,342.23	-49%		
Soybean						
Local Soybean Production (Maha)	MT	5,207.00	1,186.00	-77%	288.00**	-76%
Extent (Maha)	Ha	3,095.00	720.00	-77%	180.00**	-75%
Local Soybean Production (Yala)	MT	9,156.00	1,304.00	-86%		
Extent (Yala)	Ha	5,221.00	791.00	-85%		
Imports For Animal Feeds	MT	226,437.40	237,281.94	5%		

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

** Crop Forecast, Dept. of Agriculture (vol 04)

Feed cost is the biggest cost component of the cost of production of both chicken meat and eggs. To produce good quality feed, inclusion of high quality maize at 45% or higher rate is considered essential. Insufficiency of maize for poultry feed production had been one of the major problems for both chicken meat and egg industries for last few years. For the year 2019, a minimum of 449,241.54 MT of maize is required for poultry feed. Therefore, the balance

