



Poultry Sector Forecast 2017

DEPARTMENT OF ANIMAL PRODUCTION AND HEALTH

Poultry industry has shown a phenomenal growth over the recent years contributing 0.35% to GDP in 2016 which is more than 50% of the total contribution of Sri Lankan livestock sector. As a result, poultry products are considered essential food items supplying animal proteins at a comparatively lesser price. Demand of chicken meat and eggs of the country have been fulfilled by local production.

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 32 parent farms. These GP farms had supplied 76% of the parent bird requirement in 2016. When the forward plans of GP farms for 2017 is considered, it is expected to receive 91% of the total parent bird requirement through these GP farms in 2017.

Table 1. Comparison of Broiler Sector for 2015 - 2017

Item	Unit	2015	2016	Change (2015-2016)	2017 est*
Grandparent farms	Number	3	3		
Parent farms	Number	31	32		
Grandparent imports	Number	35,625	20,950	-41%	52,560
Parent local production	Number	1,014,102	1,043,985	3%	1,270,563
Parent imports	Number	176,674	333,424	89%	107,050
Total parent bird availability	Number	1,190,776	1,377,409	16%	1,377,613
DOC production	Million	130.62	137.16	9%	141.17
DOC issues	Million	127.27	136.50	9%	
Meat production	'000 MT	164.45	182.69	11%	189.02
Imports					
Chicken meat	MT	591.58	252.59	-57%	
Exports					
Chicken meat	MT	1,080.3	1,473.03	36%	
Hatching eggs	Million	2.11	0.07	-97%	
Day old chicks	Million	0.3	0.25	-28%	

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

A total of 32 broiler parent breeders were in operation during the year 2016 producing and supplying day old chicks (DOC) to large, medium and small scale meat producers.

In 2016, parent DOC importation was increased by 89% while local production was increased by 3%. As the result availability of parent DOC was increased by 16% reaching 1,377,409 in 2016. According to the stocking plans of the parent breeder farms, the purchases would remain at the same level in 2017

The commercial DOC production was increased by 9% in 2016 compared to 2015. Existing parent stock would produce 141.17 million DOC in 2017 which will be 3% increment compared to 2016. It is projected to produce a total of 189.02 ('000 MT) chicken meat (Broiler & Curry chicken) within the year, which will be 3% increment compared to 182.69 ('000 MT) in 2016. Broiler sector will continue to grow, though at a slower rate, compared to 2016 to reach 8.8 kg/year per capita availability of chicken meat in 2017. However, the rapid spread of Highly Pathogenic Avian Influenza in some of the importing countries may affect the importation plans of breeder farms lowering the chicken meat production in Sri Lanka.

The farm-gate price of live broiler had been ranged between Rs. 272.50 to Rs. 473.00 per/kg during the year 2016. This price escalation was a continuation of the market behavior observed in the latter part of 2015 which was then disappeared by the end of the year 2016. Commercial DOC prices followed a similar trend.

Layer Sector

The layer sector has shown positive growth during the year 2016. Eleven layer parent farms were functioning during the year. Imports of layer parent birds were doubled during the year and as a result the DOC production for year 2016 had been increased by 20% compared to year 2015. According to the import plans, layer parent DOC importation would increase further by 3% during 2017.

Table 2. Comparison of Layer Sector for 2015 - 2017

Item	Unit	2015	2016	Change (2015-2016)	2017 est*
Parent Farms	Number	11	11		
Layer Parent Imports	Number	56,607	117,548	108%	121,300
Pullet DOC Production	Million	7.29	8.76	20%	9.95
Pullet DOC Issues	Million	7.24	8.68	20%	
Egg Production	Million	2,294.08	2,304.06	-	2,739.12
Exports					
Table eggs	Million	4.20	4.09	-3%	
Pullet DOC	Million	0.007	0.013	86%	

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

Pullet DOC production would increase further by 14% in the year 2017, reaching 9.95 Million. Accordingly, the egg production would increase by 19% during 2017 increasing per capita availability to 130 eggs/year.

Purchase price of Brown eggs varied from Rs. 11.13 to Rs. 16.75 while the same for White eggs varied from Rs. 10.63 to Rs. 15.75 during 2016. The cost of production of an egg varied from Rs. 10.72 to Rs. 13.05.

Animal Feed Production Sector

Animal feed production has been grown by 12% in year 2016 compared to 2015. However, the production of feed raw materials has reduced in the year 2016.

Table 3. Comparison of Poultry Feed Production for 2015 - 2017

Item	Unit	2015	2016	Change (2015-2016)	2017 est*
Commercial feed production	MT	501,819.50	620,310.65	25%	699,389.2*
Self-mixed feed production	MT	396,393.00	413,540.44	04%	466,259.5*
Total poultry feed production	MT	898,212.50	1,033,851.10	15%	1,165,648.7*
Maize					
Local Maize production (Maha)	MT	230,871	207,075	-10%	155,701**
Extent (Maha)	Ha	60,954	57,094	-6%	69,014**
Local Maize Production (Yala)	MT	30,244	36,885	22%	14,500**
Extent (Yala)	Ha	9,017	10,536	17%	4,486**
Imports for animal feed	MT	64,896.7	40,821.8	-27%	
Soya bean					
Local Soya production (Maha)	MT	619	432	30%	5,971**
Extent (Maha)	Ha	318	207	-35%	3,215**
Local Soya production (Yala)	MT	10,635	7,514	-29%	2,969**
Extent (Yala)	Ha	6,065	6,094		1,755**
Imports for animal feeds	MT	171,771.3	196,792.8	15%	

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

** Crop Forecast, Dept. of Agriculture

Animal feed cost is around 70% of total production cost of chicken meat and eggs. The local production of maize is not sufficient to fulfill the requirement for animal feed production and

importation was further restricted during 2016. Thus 182 ('000 MT) of rice and broken rice were made available for the registered animal feed manufacturers as there was a surplus in supply. Rice will no longer serve as an alternative as the local production of rice is not sufficient at present even to fulfill the demand for human consumption. With the fast growth of the industry, demand for maize will further increase, and at least 396 ('000 MT) will be required to maintain the minimum feed quality standards. According to the crop forecast of the Department of Agriculture 40% of the demand will only be fulfilled locally thus making it essential to grant open general licensing procedure to import maize for animal feed.

And also the market prices of locally produced maize has to be controlled as it is fairly high compared to imported maize. In 2016, it varied between Rs. 51.70 to Rs. 63.00 while the price of the imported maize varied between Rs. 33.92 to Rs. 41.42. Therefore maize must be available for animal feed at a reasonable price otherwise the cost of poultry feed and then cost of production of chicken meat and eggs will continue to increase.

The soya bean production is yet remain very low. Only 20% of the demand is fulfilled locally. Also the oil extraction and production of soya bean meal is not taking place at industrial scale, thus the use of locally produced soya bean for poultry feed production is limited.

Exports

Sri Lanka exports number of poultry products; mainly table eggs, hatching eggs, DOC and chicken meat. During the last year exportation of chicken meat has been increased by 36% while exportation of table eggs, hatching eggs and DOC reduced probably as a result of high local demand.

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