The Challenges and Prospects of Poultry Farmers: The Case of Dormaa Ahenkro Municipal Area

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Abstract

The research was carried out at Dormaa Ahenkro Municipality in the Brong Ahafo region of Ghana to assess the current challenges and prospects of the commercial poultry industry in Ghana. Descriptive survey was adopted as the research design and 87 questionnaires were self-administered to the managers and/or owners of the existing commercial poultry businesses in the region. A response rate of 100% was recorded. Data obtained were analysed using SPSS Version 17.0. The findings of the study revealed that the poultry industry at Dormaa Ahenkro is saddled with many challenges, notably, high cost of energy and erratic power supply, high transportation costs, high cost of materials, financial constraints, limited support from central government, fierce competition from well advanced foreign firms and limited supporting industry in the value chain system. Owing to the current state of the commercial poultry industry, future prospects of the industry was rated “Less Promising.” Urgent proactive measures are required to salvage the industry from deteriorating or collapsing.

Keywords: Commercial Poultry, Challenges, Prospects, Dormaa Ahenkro

1. Introduction

In the 1960s the Government of Ghana identified poultry production as having the greatest potential for addressing the acute shortfall in the supply of animal protein and job creation and established an integrated poultry project in Accra (Food and Agricultural Organisation [FAO], 2014). Flake and Ashitey, (2008) asserted that the poultry industry in Ghana grew rapidly during the 1980’s to 1990’s, developing into a vibrant agricultural sector and supplying about 95% of chicken meat and eggs in the country. Ghana’s overall livestock production has been on the rise since 2000; however, this is largely the result of exponential growth of the poultry sector in the southern regions of the country (FAO, 2014). Poultry sector in Ghana continues to contribute immensely to GDP of Ghana, through its tremendous impacts in Agriculture sector of the economy, which continues to lead the economy with a 34.5% share of the total GDP (Atuahene, Attob-Kotoku and Mensah, 2010). Landes, Persaud and Dyck, (2004) reported that, poultry meat is the fastest growing component of global meat production, consumption, and trade, with developing and transitional economies playing a leading role in the expansion. The industry creates jobs, provides revenues to

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government, and serves as a source of income to the farmers. The Ghana National Association of Poultry Farmers (GNAPF) was established to plan the development of the commercial poultry industry so as to attain national self-sufficiency in poultry and poultry products. In 2012, the association had 1,300 members, and is open to all poultry farmers registered with their regional associations. (http://www.gnapf.com/index.php/membership).

The poultry sector is private by nature with subtle support from the central government. The typical case of private businesses in Ghana is that, they are left on their own in the face of unfriendly marketing systems, mostly from foreign/international businesses owing to the trade liberalisation adopted by the state through its economic frameworks such as Economic Recovery Programme (ERP) (1983), flexible exchange rate system (1986), Medium Term Agricultural Development Programme (MTADP) (1991), the Accelerated Agricultural Growth and Development Strategy (AAGDS), (2001) and several Structural Adjustment Programmes (SAP). Poor political will on the part of successive governments who manage the Ghanaian economy based on “Party Manifesto” instead of “National Development Plan” has rendered most local industries into unproductive operations. This has killed the entrepreneurial drive of the youth and therefore requires other stakeholders’ support to sustain the development of Ghana.

It becomes eminent to undertake this study to uncover the challenges poultry farmers at Dormaa Ahenkro in the Brong Ahafo Region face and the prospects within the industry. The findings would provide clear insights into the challenges faced by poultry farmers and further recommend immediate reactive and proactive strategies required to improve the industry. The marketing gaps that can be exploited by investors within or outside the municipality would also be identified. Additionally, the results of the findings would guide policy makers towards policy formulation and implementation.

2. Literature Review

Most businesses in Ghana especially commercial poultry businesses are Small and Medium Enterprises (SMEs) and are privately owned. There are over 1,500 small- to medium-scale poultry producers comprising over 95 percent of the poultry sector and they rely on hatcheries for their day-old chicks and on feed mills for their feed (Ghana Annual Poultry Report, 2013). Commercial poultry production in Ghana can be categorized into large-scale (over 10,000 birds), medium-scale (5,000-10,000 birds) and small-scale (50-5,000) enterprises. The choice of this definition is reflective of the situation in Ghana and allows for a wider inclusion of many enterprises in the study. The development of the then traditional poultry farming into a vibrant modern commercial industry in Ghana took so many years of deliberate government structures and programmes that supported private business men and women in diverse ways. Ghana’s poultry industry began growing right after independence in the late 1950s, reached its prime in the late 1980s and then declined steeply in the 1990s. There was significant government intervention in the 1960s (including disease control) that enhanced the poultry sector. The productivity of poultry grew from one million birds in the late sixties to ten million by the late seventies (Khor, 2006).

The government of Ghana had to intervene and support the local production of feed and raw materials because of the rapid growth of the poultry industry. The sector needed feed supply to cater for the growing numbers of birds therefore cultivation, production and importation of feed-mill ingredients were made available by the government. This amplified need for feed made use of waste by-products from other agricultural processing activities such as fish meal, oyster shells, rice and wheat bran and vegetable oil. However, in the early 1990s, the industry experienced the effects of the Structural Adjustment Programmes, whose policies encompassed the withdrawal of government support for drug costs, the discontinuation of government importation and support for feed-mill ingredients and the reduction of preference in credit rates for agriculture lowering of the preferential credit rates for agriculture. These raised production costs dramatically, resulting in the closure of many operations (Khor, 2006; Raza et al. 2012).
Ghana Annual Poultry Report, (2013) reported that post forecasts poultry imports for Ghana to increase by 5 percent to stand at 165,000 Metric Tons in May, 2013, up from 157,000 Metric Tons in May 2012. According to the report, Ghana continues to be a destination for U.S. poultry due to this price advantage, strong relationships between importers, and exporters, and loyalty to U.S. poultry products Ghana poultry imports have more than quadrupled since 2002. For example the current cost of U.S. poultry per 10kg box is $22, while the same sized box of Brazilian and EU is $34 and $32 respectively. Ghana’s domestic poultry sector has been on the decline, supplying only about 10 percent of total poultry demand in the country. As a known fact, in the last five years US poultry exports to Ghana have increased to reach between 24-31 percent of the market demand. Competition from Brazil and European Union (EU) origins has also been increasing as well.

One key element causing the deterioration of the local poultry industry is the competition faced from cheap imports from the EU (Khor, 2006). Other reported constraints include the high energy prices which continue to increase production costs by over 60 percent. Oppong-Anane, (2005) asserted that poultry feed cost in Ghana, is even higher compared to other countries and takes 70 - 80% of the production cost and Quaye (2008) reported that the feed manufacturing industry in Ghana is saddled with the unstable prices of feed ingredients. Banks' lending rates have remained stubbornly high in Ghana, even as the benchmark PR has been recently reduced (Kwakyewo, 2010) and Oppong-Anane (2005) concluded that high interest rates on loans with unachievably repayment schedules make it economically unfriendly for commercial poultry farmers to subscribe for banking product. Okantah, Aboe, Boa-Ampsonsem, Dorward and Bryant (2003) concluded that, constraints associated with inputs such as feed cost, quality and availability, as well as marketing of produce, among others, poses a gloomy and uncertain future for the industry.

Low technical know-how was cited by MoFA (2002) as affecting the efficiency and the effectiveness of local poultry production in Ghana. Day-old chicks produced locally are of poor quality and is also linked to the poor development of commercial poultry in Ghana. One of the reasons for low production is the absence of any legislative framework or policy to regulate the operations of local hatcheries. As a result poor day-old chicks are produced. The number of hatcheries decreased from 28 in the 1980s to 10 in the 2000s (VSD, 2013). Additionally, most of the poultry hatcheries are only producing at about 60 percent of capacity due to low demand (GRAIN Report, 2013). Low demand for locally produced DOC is due to high mortalities recorded during brooding and poor laying capacity of pullets. There is insufficient youth participation in the agricultural sector to which the poultry is a sub sector (Mangal, 2009) even though this class of people is the most productive of any society as it contains people in the prime of their lives physically and mentally.

The hub of the majority of world economies is based on the reliance on SMEs, which accounts for some 90% of a country’s GDP and 80% of employment in some of them (Fredrick, 2005). According to Ghana Annual Poultry Report, (2013) agriculture continues to be the highest contributor to Ghana’s Gross Domestic Product (GDP) in the area of corporate taxes, export duties, and import taxes flowing from their activities and Kurokawa, Tombo, and Willem te Velde, (2008) had it that private sector is critical for employment creation, growth and development of Africa. Chicken is one of the major sources of animal protein all over the world (Barbut, 2002) and Ramatu, Larvoe, and Adaku, (2014) confirmed this by asserting that currently, chicken consumption in Ghana is between 75,000- 90,000 metric tons every year. Commercial poultry offers opportunity for farmers to generate income to sustain their livelihood as well as serve a source of inputs for the production of other products. Levy and Powell (2005) noted that, SME’s are thought to be flexible and innovative organisations that are able to respond quickly to customer and market demands (flexibility).

Demand for poultry inputs especially feed, drugs and vaccines is inelastic and farmers are left at the mercy of private suppliers who take advantage to charge exorbitant prices resulting to lower profits. Other challenges have included limited access to capital and credit, unavailability of grains and protein supplements, high costs of inputs, death losses, limited market for produce, unfavourable competition, especially from foreign businesses with their excessive influx of poultry products, regulatory constraints, limited access to supporting services, lack of proper
training, mismanagement in terms of farm practices, unfavourable exchange systems and rates, erratic power supply with its attendant costs, bad climatic conditions, obsolete technology etc. These problems vary in nature (type), on time dimensions, location and in degree of severity and if not checked would subsequently kill the interest of investors in the industry since producers face high risk of loss of capital and unrewarded efforts.

The Effort-Reward Imbalance (ERI) Model (Siegrist, 1996; 1998) puts its emphasis on the reward rather than the control structure of work as well as emphasizing personal characteristics. Rewards are distributed to employees/employers by three transmitter systems: money (i.e. adequate salary), esteem (e.g. respect and support) and security/career opportunities (e.g. promotion prospects, job security and status consistency). The ERI Model claims that lack of reciprocity between ‘costs’ and ‘gains’ (i.e. high effort/low reward conditions) may cause a state of emotional distress which can lead to cardiovascular risks and other strain reactions like poor subjective health and sickness absence. Having a demanding and capital intensive businesses with stressful events like possibility of death losses, strong competitive pressures from foreign firms, disease outbreak and so forth may demotivate investors in the commercial poultry if their costs are not compensated for in terms of gains (profits). Application of this model to the study predicts the likely events that may occur if the challenges of the commercial poultry farmers are not timely and adequately solved.

3. Research Methodology

In this study, both quantitative and qualitative approaches were adopted with descriptive survey as the main research design. Survey was adopted because survey captures fleeting moment in time, much as a camera takes a single-frame of an ongoing activity, draws conclusions from one transitory collection of data and further extrapolates over state of affairs over a longer period of time (Leedy and Ormrod, 2010). Additionally people’s knowledge, beliefs, preferences and satisfaction are better assessed through survey and this (survey) helps to measure these magnitudes in the general population (Kotler and Keller, 2013) and are conducted to determine the answers to who, what, when, where and how questions (Zikmund, 2000). Simple random sampling design was used to sample 87 respondents who were either owners or managers of the identified commercial farms. The choice of the sample size was based on the Population-Sample Matrix designed by Kirk (1995). Dormaa Ahenkor was purposively selected as field of study because the Metropolis is mostly dominated by poultry farmers. Commercial poultry operations in Ghana are found mostly in the Greater Accra, Ashanti and Brong Ahafo regions (Ghana Annual Poultry Report, 2013) and Dormaa Ahenkor is the main centre for commercial poultry. For instance, Gyening, (2006) had it that several layer farms have expanded their operations to stock 50,000 birds or more and currently the Dormaa-Ahenkor district in Brong-Ahafo which is sharing a border with Côte d’Ivoire is believed to be holding some 1.8 million layer birds (VSD Dormaa Ahenkor 2011).

Questionnaire was the main data collection instruments used and Zikmund (2000) contended that surveys using questionnaires are perhaps the most widely-used data-gathering technique in research and can be used to measure issues that are crucial to the management and development of businesses. The questionnaire was both close-ended and open-ended. The close-ended items employed checklist – a list of behaviour, characteristics or other entities that the researchers are investigating – and Likert Scale – which is more useful when behaviour, attitude or other phenomenon of interest needs to be evaluated in a continuum (Leedy and Ormrod, 2010). It took a month (15th December, 2014 – 14th January, 2015) for all the self-administered questionnaires to be collected for analysis. The timing for the data collection was very crucial as it was the peak season for poultry produce marketing owing to the festive events of Christmas and the New Year celebrations. Data obtained in response to the questionnaire on all the research questions were analysed using SPSS Version 17.0. A response rate of 100% was recorded.

4. Results and Discussion
Questionnaire was self-administered to 87 respondents, comprising of 47 (54.02%) commercial poultry owners and 40 (45.98%) farm managers all located at Dormaa Municipality in the Brong Ahafo region of Ghana. The study revealed that most of the respondents (87.36%) are educated formally with SSS/SHS/Certificate as the minimum current academic qualification. The educational level and position of the respondents are cross-tabulated in Table 1. The study revealed that only 11.49% of the respondents organise formal training programmes for their workers annually as most workers are hired on casual basis. They iterated that they mostly rely on on-the-job training methods to provide employees with the relevant knowledge and skills required.

Table 1: Cross Tabulation of Level of Education and Position of Respondents

<table>
<thead>
<tr>
<th>Position of respondents</th>
<th>Owner</th>
<th>Manager</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Degree</td>
<td>0</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Professional Certificate</td>
<td>21</td>
<td>4</td>
<td>25</td>
</tr>
<tr>
<td>HND/Equivalent</td>
<td>2</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Technical/Vocational Certificate</td>
<td>7</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>SSS/SHS/Equivalent</td>
<td>17</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>Middle School/JSS</td>
<td>0</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>47</td>
<td>40</td>
<td>87</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2015

Most of the respondents (64.37%) are into the production of layers; the production of broilers (11.49%); and mixture breed of birds (24.14%). The reason for the massive production of layers in the poultry sector is that, the farmers are able to generate sufficient income through the sale of the eggs, thus providing opportunities for additional income and investment. Majority of the respondents (72.41%) employ workforce between 29 and 50. This findings support Ghana Annual Poultry Report (2013) conclusion that the poultry industry serves as hub for creating employment. Per industrial categorisation in terms of scale of production, most of the respondents (52.87%) were classified as medium scale enterprises (5,000-10,000 birds), followed by large scale enterprises (over 10,000 birds) represented by 41.38% whilst the remaining 5.75% were small scale enterprises (50-5,000 birds). It was also discovered that most of the respondents (56.32%) invested GHS80,000.00 to GHS120,000.00 into their businesses. Sources of finance were made up of self financing (48.28%), bank loans (36.78%), friends and relatives (13.79%), and central government (1%).

Only 8.05% of the respondents stated that they process poultry feeds at their own feed mill processing factories. Costs and delays in delivery of feed from private mill operators to respective farm sites pose a challenge. This high cost of production, highly reflect the views held by Oppong-Anane, (2005) that poultry feed cost in Ghana, is even higher compared to other countries and takes 70 - 80% of the production cost and that of Quaye (2008) that the feed manufacturing industry in Ghana is saddled with the unstable prices of feed ingredients. Regarding the sources of chicks, 71 respondents (81.61%) import from Ivory Coast; 16 respondents (18.39%) buy their chicks locally; and none of the respondents produces their own chicks. This means that the region cannot boast of a single hatchery. Currently, there are seven hatcheries in Ghana, four in Ashanti, two in Greater Accra, and one in the Eastern region, that produce day-old chicks and Guinea fowl keets for commercial production. All but three of the facilities rely on imported fertile eggs (http://www.avianaafrica.com/ghana2013.html). This supports the conclusion drawn by GRAIN Report, (2013) that most of the poultry hatcheries are only producing at about 60 percent of capacity due to low demand for DOC due to high mortalities recorded during brooding and poor laying capacity of pullets.
Marketing of poultry products in Ghana has been cited as a big challenge by many researchers, so a question was posed to find out where commercial poultry farmers sell their final products. The findings indicated domestic Ghanaian markets (49.43%); foreign markets (26.44%) and both domestic and foreign markets (24.13%). Lower prices and quality of the birds were perceived as the key variables that mostly determine patronage of poultry products by the respondents as shown in Figure 1.

![Figure 1: Key Determinants of Demand for Poultry Products](Image)

**Source:** Field Survey, 2015

In their bid to fulfill their investment dreams, respondents were asked to list and rate the extent of severity of the challenges confronting them on a four point Likert scale interpreted as: 0-1=Indifferent, 1.1-2=Less severe, 2.1-3=Severe and 3.1-4=Very Severe

The findings from the 87 respondents are presented in Table 2 with their descriptive data, regarding, frequency, mean and standard deviation.

**Table 2: The Challenges and the Extent of Severity on the Performance of Commercial Poultry Production**

<table>
<thead>
<tr>
<th>Challenges in Commercial Poultry Farming</th>
<th>Frequency</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited supporting industries</td>
<td>87</td>
<td>3.7356</td>
<td>0.61870</td>
</tr>
<tr>
<td>High cost of materials</td>
<td>87</td>
<td>3.9770</td>
<td>0.21442</td>
</tr>
<tr>
<td>High labour cost and unavailability of skilled labour</td>
<td>18</td>
<td>1.7778</td>
<td>0.42779</td>
</tr>
<tr>
<td>Unfavourable tax regime and high taxes</td>
<td>87</td>
<td>3.1149</td>
<td>1.00493</td>
</tr>
<tr>
<td>Shortage of materials (feeds, drugs, tools, supplies etc)</td>
<td>87</td>
<td>3.1379</td>
<td>0.83767</td>
</tr>
<tr>
<td>Low domestic demand (markets) for local products (birds)</td>
<td>87</td>
<td>3.6897</td>
<td>0.59670</td>
</tr>
<tr>
<td>High cost of energy and erratic power supply</td>
<td>87</td>
<td>3.9655</td>
<td>0.32163</td>
</tr>
<tr>
<td>Poor/high costs/unavailability of veterinary services</td>
<td>87</td>
<td>3.6667</td>
<td>0.62257</td>
</tr>
<tr>
<td>Unfavourable climatic conditions</td>
<td>0</td>
<td>3.2874</td>
<td>0.84782</td>
</tr>
<tr>
<td>Disease outbreaks and high costs of disease control</td>
<td>87</td>
<td>3.6782</td>
<td>0.49402</td>
</tr>
<tr>
<td>Unavailability and high costs of borrowing</td>
<td>87</td>
<td>3.9770</td>
<td>0.21442</td>
</tr>
<tr>
<td>High transportation costs</td>
<td>87</td>
<td>2.9195</td>
<td>0.78085</td>
</tr>
<tr>
<td>Obsolete technology</td>
<td>87</td>
<td>2.9195</td>
<td>0.78085</td>
</tr>
<tr>
<td>Unfavourable exchange rate</td>
<td>87</td>
<td>3.9310</td>
<td>0.25486</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2015

The poultry industry in Dormaa Ahenkro is not as vibrant as it used to be between 2000 and 2005, and there cannot be smoke without fire, so we critically assess the main causes of the mess in the commercial poultry production in the Municipality. Topmost challenges cited by the respondents as having “Very Severe” impact on production capabilities with their respective mean scores include high cost of materials (3.9770), high transportation costs (3.9770), high cost of energy and erratic power supply (3.9655), and
unfavourable exchange rate (3.9310). It was revealed that the cost of most poultry feed materials such as soya beans meal, cotton meals, maize, oyster shells, wheat brand meal, dacalcium, fish meal and most drugs more than doubled between 2013 and 2014, including ready-made feeds like concentrates. The hikes in prices, due to the inelastic demand nature and private suppliers’ tactics to outwit farmers have overall impact on the industry’s value chain. Also, unavailability and recurring shortages of some of the feed ingredients, frequently increases in petroleum products prices and poor clear-cut regulation and control measures are partly ascribed as being major contributors to the galloping inflation.

High transportation costs have contributed to high cost of production as farmers have to travel long distances to destinations such as Accra, Kumasi, Sekondi-Takoradi, and Cape Coast to source for materials and also sell their high demand products. For the past three years, the energy sector has experienced serious downturns that have affected the manufacturing sector badly resulting to erratic power supply; high electricity tariffs, with no subsidy from the central government; costly utility charges; poor capacity planning; and high cost of generator plants installation. Other challenges that were rated “Very Severe” include limited supporting industries; low domestic demand (markets) for local products (birds); poor/high costs/unavailability of veterinary services; and unavailability and high costs of borrowing.

There has not been any deliberate and concerted efforts by successive governments/local governments to initiate actions to bring on board supporting firms such as hatcheries, abattoirs, veterinary services, feed mills, drugs distribution outlets, etc to sustain and invigorate the poultry industry to provide massive economic benefits such as employment, income, revenue to government, raw materials for industries and domestic food nutrients for the nation. Financial constraint continues to limit the capability of the respondents to expand production scope and even integrate along the industry value chain. Commercial banks in Ghana offer loans to farmers at an average interest rate of about 30%. This incident really deter farmers to seek such products because it is too much for them to repay and fully confirms the views held by Kwakye, (2010) that banks' lending rates have remained stubbornly high in Ghana, even as the benchmark PR has been recently reduced and that of Oppong-Anane (2005) that high interest rates on loans with unachievable repayment schedules make it economically unfriendly to commercial poultry farmers to subscribe for banking product. The strategies most respondents use include borrowing from friends, taking advances from egg sellers through hedging agreements, and plough back profit into the businesses. Sadly, these strategies do not put them in favourable and sustainable grounds for successful business operations.

According to the respondents, there is no special fund for the promotion of commercial poultry production within the municipality. Regulatory constraints continue to militate against the development of the industry as farmers in Dormaa Ahenkro are made to pay huge income taxes, VAT, Import Duties and local government taxes. Even though most of their workers work on casual basis, they are forced to pay their income tax and social security and national insurance trust (SSNIT) contributions despite working below seven months, annually. An interview with one of the managers and owners of the poultry farms revealed that, there is the likelihood for some farmers to cease production because of the huge corporate taxes paid on monthly basis (GH₵5000.00), with no incentives or capacity building programmes from the government. Excessive importation of lower priced frozen chicken from other countries into markets has also placed Ghanaian farmers at a competitive disadvantage, thus supporting the assertion held by Ghana Poultry Report Annual, (2013) and Khor (2006) that excessive reliance on imported frozen chicken into Ghana threatens the survival of the local domestic poultry industry.

The findings also revealed high labour cost and unavailability of skilled labour (1.7778) and obsolete technology (2.9195) as relatively low. It was discovered that, on the average, the respondents pay their casual workers GH₵350.00 (i.e. $90) per month, thus making labour relatively cheaper in the municipality. Besides, the massive youth unemployment in Ghana makes it economically wise to make this decision because the poultry business by nature is highly labour- intensive; therefore the collective strength on labour cost is substantial. There is in addition, massive improvement in technology for commercial poultry farming in the Municipality as respondents indicated that they consistently seek improved methods, techniques and equipment to foster efficiency in operations especially in the areas of cost minimisation, shorten period of birds production and quality. Most information and knowledge, according to the respondents are gained
through the Dormaa Poultry Farmers Association, which in conjunction with other corporate bodies organizes training programmes for its members. More so, the climatic conditions pose no problems.

The consequences of the challenges on the farmers’ business performance are illustrated in Figure 2. The topmost likely consequences of these business challenges, include cessation or otherwise stoppage of business operations (17.79%); retrenchment of workforce (17.79%); and abysmal financial performance (losses) (17.79%). Other highly ranked consequences included lower employee remuneration, waste of investment capital and limited expansion capability. This clearly support the conclusion by Siegrist, (1996; 1998) in the Reward Imbalance (ERI) Model that people become demotivated when their efforts are not equally rewarded and subsequently stop investing in the poultry industry.

Figure 2: Consequences of the Challenges on the Business Performance of the Respondents
Source: Field Survey, 2015

The findings as illustrated in Table 3 about the perception of respondents on the likely future prospect of the poultry industry signal a great caution to all stakeholders in the poultry industry, especially investors, local/central government agencies, policy makers, related and supporting industry players and the general public as 79.31% of the respondents foresee the future prospects of the poultry industry in the Municipality as “Not Promising” owing to the current state of affairs in the commercial poultry industry. Mean score of 2.1264 and Standard Deviation 0.75951 was recorded when the perceptions were rated on a Five Point Likert Scale of 0-1=Indifferent, 1.1-2=Not Promising, 2.1-3 Less Promising, 3.1-4=Promising and 4.1-5=Very Promising. This provides general overview of affairs rather than looking at the highest frequency and even this score is interpreted as “Less Promising”.

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indifferent</td>
<td>8</td>
<td>9.20%</td>
</tr>
<tr>
<td>Not Promising</td>
<td>69</td>
<td>79.31%</td>
</tr>
<tr>
<td>Less Promising</td>
<td>4</td>
<td>4.60%</td>
</tr>
<tr>
<td>Promising</td>
<td>3</td>
<td>3.45%</td>
</tr>
<tr>
<td>Very Promising</td>
<td>3</td>
<td>3.45%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>87</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2015

5. Conclusion
The poultry industry in Dormaa Ahenkro is saddled with many challenges notably, high cost of energy and erratic power supply, high transportation costs, high cost of materials, financial constraints, limited support from central government, fierce competition from well advanced foreign firms and limited supporting industry in the value chain. Owing to the current state of the commercial poultry industry, future prospects of the industry was rated “less promising. This calls for the need for urgent proactive measures to be put in place to salvage the situation in the Municipality and Ghana at large.

Implications

The influx of imported substandard poultry products into Ghana places the local producers at a competitive disadvantage due to the relatively lower price tags on them. There must be a well structured policy framework aimed at protecting and sustaining domestic commercial poultry production in Ghana. This framework must place outright ban on the importation of frozen poultry products from other countries into Ghana so as to create market and expansion of production capacity for domestic producers, to sustain the poultry industry in Ghana.

Commercial poultry farmers must be assisted in areas of special services such as veterinary services, capacity building through training and development programmes, special government subsidy on key inputs and drugs, to foster efficient production and marketability of their produce.

Workable plans must be formulated with all stakeholders to create a sustainable poultry industry with all needed supporting institutions including hatcheries, feed processing companies, veterinary services, canary companies, crate manufacturing firms and well networked transportation system to aid in promoting efficiency and sustainability of the poultry industry. Government must incentivise the private sector operators to have the favourable investment climate for successful operation and a vibrant poultry industry.

Central government of Ghana must as a matter of urgency, work hand-in-hand with all stakeholders in the energy sector of Ghana, to solve the current power crises situation in the country because it is causing massive danger to economic development of the country. Regular supply of energy at reasonable prices is what would fuel the engine for economic growth (private sector). Government must create investment friendly environment to attract the right investment into the area to promote the continuity of the commercial poultry production and marketing in Ghana.

Government must collaborate with private development partners and create special funding scheme to support the commercial poultry businesses with flexible terms of repayment at attractive interest rates. The commercial banks charge as twice as the prime rates and this makes securing loans from them unattractive for equal gains in profitability.

Commercial poultry farmers who are not registered with the Poultry Farmers Association are hereby encouraged doing so. They will tend to benefit from training seminars organised for its members; win-win negotiation agreements; collective bargaining power; and on issues affecting them in regulatory terrains. There is the need for the farmers to come together and integrate backwards into materials of perennial shortage such as maize, wheat brand etc. The Poultry Farmers Association must serve as the direct managing tool of such projects to ensure their sustainability and viability. This is another opportunity for investors to exploit.

References


VSD Amas Feedmill and Kosher Mill Feed 2011.
