Project *brief*

Thünen Institute of Market Analysis

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Consumers' preferences and demand for poultry meat in Ghana

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- **Consumers in Ghana prefer domestic to imported chicken and are willing to pay a premium for domestic chicken.**
- **Imported chicken can be regarded as a (weak) substitute rather than a complement for domestic chicken.**
- **Income is a significant driver of domestic chicken consumption in Ghana.**
- **Consumers in Ghana prefer antibiotic-free, highly convenient (chicken cuts), and fresh (chilled) chicken.**
- **Policymakers need to invest in food safety standards to address consumers' safety concerns.**

Background and aims

Demand for food in sub-Saharan Africa (SSA) is rapidly transforming toward high-value products such as meat. Among the meat products, poultry accounts for the bulk of consumption in the region because it is widely available and relatively cheap. The current nutrition transition has led to increasing imports of poultry products because domestic production has been inadequate to match the growth in demand. This development has put additional pressure on domestic producers leading to criticisms of imports and a call for action to salvage the poultry industry. This dilemma has been particularly evident in Ghana.

The survival of the domestic poultry industry could be ensured in at least two ways. One way is using protectionist and restrictive measures such as the imposition of higher import tariffs. Another option is to address existing gaps in the demand profiles of consumers by identifying important product attributes and related factors that drive their choices and consumption decisions.

Therefore, the project "Preferences for poultry meat in Africa: Analyzing consumer demand for Ghana" focuses on the latter and identifies factors that influence consumers' demand for chicken meat and estimate the willingness to pay for important chicken meat attributes.

Methods and data

The project uses a mixed methods design involving the combination of qualitative (focus groups) and quantitative research (face-to-face interviews) methods.

The focus group discussions involved 44 participants drawn from Accra. Transcripts from the focus groups were analyzed using content analysis. The quantitative survey included a discrete choice experiment (DCE) and involved 500 respondents selected from Accra and Kumasi. The survey data were analyzed using statistical techniques such as exploratory factor analysis, ordered probit, random parameter logit, and latent class logit models.

Imported chicken meat on a local market in Accra.

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Key findings

Focus group discussions revealed that origin, price, taste, freshness, ease of preparation (convenience), safety and health, availability, tenderness, and meat color are the main factors consumers consider when selecting chicken meat.

Regarding imported and domestic chicken, consumers hold positive perceptions about the quality of domestic chicken on aspects such as freshness, taste, and healthiness compared to imported chicken. In contrast, the focus group participants evaluated the price, convenience, and availability of domestic chicken less favorably than imported chicken.

According to the results of the quantitative survey (face-to-face interviews), approx. 45% of respondents claim to consume chicken meat at least weekly or more. However, domestic chicken meat is consumed less frequently compared to imported chicken. A regression analysis shows that these two products are more often consumed exclusively than in conjunction, and can be regarded as (weak) substitutes.

Domestic chicken meat on a local market in Accra.

The findings further reveal that consumer attitudes and perceptions about food safety, price, and convenience reduce regular consumption of domestic chicken, while perceived quality and ethnocentrism as well as higher income increase regular consumption. On the other hand, frequent consumption of imported chicken is driven by attitudes toward price, availability and convenience.

Finally, results indicate that consumers prefer domestic to imported chicken and are willing to pay a premium for domestic chicken. In addition, they prefer and are willing to pay for antibiotic-free, fresh, and chicken cuts, with antibiotic-free claim having the highest impact on choices.

However, since preferences are heterogeneous among consumers, we identified four main consumer segments based on the preferences for these attributes, namely *domestic chicken advocates*, *foreign chicken lovers*, *claim (safety) conscious*, and *random choosers*. The *domestic chicken advocates* are willing to pay premiums more than twice the average that the entire sample of consumers is willing to pay, suggesting a potential and hope for domestic chicken.

Advice for policymakers

In order to improve the competiveness of the domestic poultry industry and ensure its survival, policymakers in Ghana could address several aspects.

- Policies should aim at creating an enabling environment to attract private sector investments in infrastructure for processing (slaughtering and cutting), storage (cold chains), and marketing.
- There is a need for prudent investment to boost production output that will match the capacity of the processing industry.
- Consumer concerns about food safety require government intervention. Investment is needed in food safety standards (voluntary or mandatory) to manage safety issues in the supply chain (e.g., antibiotic-free or hormone-free claim).
- Finally, effective enforcement of existing quality control systems and a successful communication strategy that increases consumer knowledge are needed to change their safety risk perceptions and to induce positive attitudes. This might then lead to better informed choices, and ultimately, generate effective market demand.

Further Information

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