

Required Report: Required - Public Distribution

Date: September 06, 2024

Report Number: AO2024-0005

Report Name: Poultry and Products Annual

Country: Angola

Post: Luanda

Report Category: Poultry and Products

Prepared By: Ricardo Dias

Approved By: Oliver Flake

Report Highlights:

Post forecasts 2025 chicken meat imports will be maintained at 190,000 metric tons (MT). Although chicken meat imports have been declining for years due to devaluation of the Angolan currency (kwanza), growing food price inflation, significant limitations on foreign exchange are expected to continue to repress imports, resulting in 2024 and 2025 reflecting the lowest level of consumption since 2016. Post forecasts Angolan poultry production will increase by 4 percent in 2025.

EXECUTIVE SUMMARY

- **Production:** Post forecasts 2025 production to increase to 52,000 metric tons (MT), up 4 percent. Despite Angola’s interest in rapidly expanding production, significant challenges to expansion persist including limited feed and veterinary support.
- **Consumption:** Post forecasts chicken meat consumption will increase 1 percent in 2025 due to the increase of local production yet remain below prior levels. The devaluation of the Angolan kwanza has resulted in less purchasing power for consumers whose salaries have not kept up with price inflation. The exchange rate has remained above 800 kwanzas/dollar since the middle of 2023.
- **Imports:** Post forecasts 2025 imports will be maintained at 190,000 metric tons (MT). Angola’s limited foreign exchange will prevent import growth to meet market demand, yet slowing inflation will prevent further decline.

Chicken Meat Production, Supply, and Distribution

| Meat, Chicken Market Begin Year Angola | 2023 | | 2024 | | 2025 | |
|--|------------------|-------------|------------------|-------------|------------------|-------------|
| | January 2023 | | January 2024 | | January 2025 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Beginning Stocks | 0 | 0 | 0 | 0 | | 0 |
| Production | 48 | 48 | 52 | 50 | | 52 |
| Total Imports | 209 | 209 | 185 | 190 | | 190 |
| Total Supply | 257 | 257 | 237 | 240 | | 242 |
| Total Exports | 0 | 0 | 0 | 0 | | 0 |
| Human Consumption | 257 | 257 | 237 | 240 | | 242 |
| Other Use, Losses | 0 | 0 | 0 | 0 | | 0 |
| Total Domestic Consumption | 257 | 257 | 237 | 240 | | 242 |
| Total Use | 257 | 257 | 237 | 240 | | 242 |
| Ending Stocks | 0 | 0 | 0 | 0 | | 0 |
| Total Distribution | 257 | 257 | 237 | 240 | | 240 |

(1000 MT)

Note: All data in 1,000 MT

PRODUCTION

Post forecasts 2025 production to increase to 52,000 metric tons (MT), up 4 percent. Currently, Angola has very limited production of broilers. The vast majority of chicken meat produced locally is from smallholder or backyard farms in rural areas or spent hens from the layer sector. There are several hurdles to expansion of Angola's poultry sector including a lack of domestic animal feed production, insufficient availability of veterinary medicine, poor infrastructure, and the prohibition on imports of GE feed products. Despite these constraints, the Angolan government is prioritizing investment in national production as it seeks to diversify the economy. For example, in July 2018, the government launched the Production Support, Export Diversification, and Import Substitution (PRODESI) program, the main objective of which is to reduce the country's high economic dependence on the oil sector.

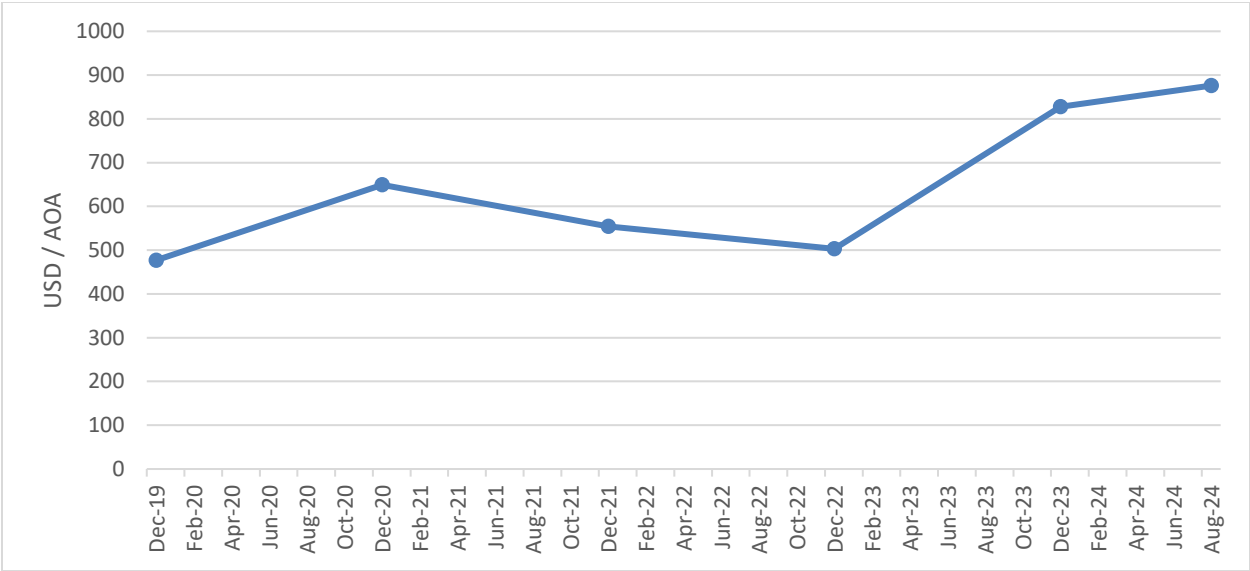
Nevertheless, poultry production has not aggressively expanded due to the lack of access to affordable animal feed. Angola does not produce sufficient volumes of grain and oilseeds to support the poultry sector, so feed must be imported. According to the Ministry of Agriculture and Forestry, Angola's cereal production was estimated to be around 3.2 million MT in 2023. Thus, feed and feed ingredients must be imported and transported significant distances due to limited domestic supply. As Angola forbids the entry of GE products due to the lack of a national biosafety law, imports of non GE feeds are expensive, limiting the viability of large-scale poultry production.

There are several slaughterhouses across the country. Egg companies Sociedade Avícola da Munenga and Aldeia Nova have in-house abattoirs located in the Cuanza Sul Province for processing spent hens. Nationally, there is an insufficient number of operational sanitary slaughterhouses, though previous projects have developed a few facilities that remain poorly utilized.

CONSUMPTION

The devaluation of the Angolan kwanza has resulted in less purchasing power for consumers whose salaries have not kept up with the high levels of inflation. The exchange rate climbed significantly in 2023.

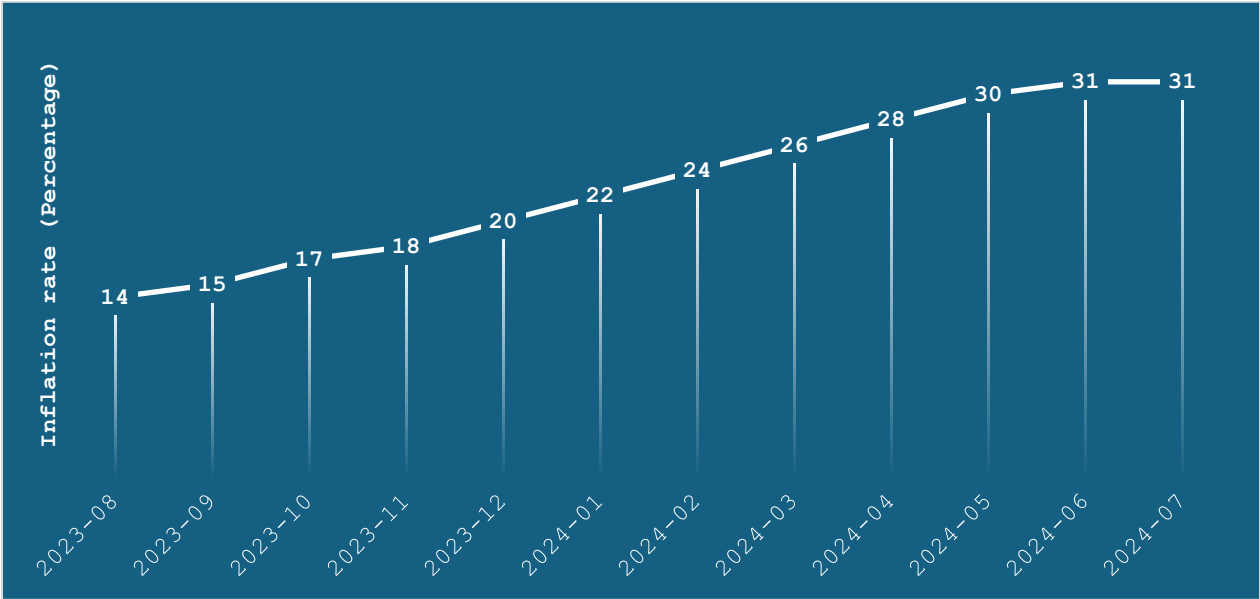
Graph 1: Exchange Rate Evolution Over the last Five Years



Source: National Bank of Angola

In July 2024, the inflation rate was 31 percent, more than double the inflation rate a year ago. The heightened inflation is due to the devaluation of the kwanza, decreased oil production (the Angolan economy is heavily reliant on oil exports, 95 percent of country revenues are coming from oil), and the removal of fuel subsidies for Angolan consumers.

Graph 2: Evolution of Inflation in Angola



Source: National Bank of Angola

Food prices, especially protein prices, appear especially elevated. Although the Government of Angola does not officially track prices, Post’s contacts have noted rapidly rising prices for proteins. The cost of importing products is rising due to challenges in accessing foreign exchange and importers are passing along increased prices to consumers.

On April 1, 2024, Angola issued Presidential Legislative Decree No. 1/24 – a new Schedule for Customs Tariffs of Import and Export Duties (PDF link - [download in Portuguese here](#)), which bans the importation of products in Table 1 of the tariff book annex (page 51 of the tariff schedule PDF linked above). This includes a list of prohibited imports based on “environmental, moral, safety, protection of health and human life, animal and plant health, industrial, commercial, artistic, or historical and archaeological heritage” reasons. The list of forbidden items includes numerous lower cost offal products of poultry, pork, cattle, and other animals.

Despite a growing population, Post estimates that 2024 consumption will reduce by 7 percent from 2023. The World Food Program estimates that more than half of Angola’s rural population lives on less than US\$2.15 per day. While some consumers who have the means may purchase more poultry as a slightly more expensive substitute protein for the offal products that are no longer available in the market, decreasing purchasing power combined with heightened inflation may limit the ability of most Angolan consumers to maintain desired protein consumption levels.

The description of the Angola chicken meat market can be found in the [2023 Poultry and Products Annual report](#). Angolan consumers have a preference for American chicken leg quarters and the vast majority of U.S. imports are chicken leg quarters.

TRADE

Imports

Post forecasts 2025 imports will be maintained at 190,000 metric tons (MT). Limited foreign exchange makes accessing capital, necessary for importing, much more difficult and places downward pressure on Angola’s poultry imports.



Photo: Cold Storage in Angola

Source: FAS/Angola

Angola is forecast to import 190,000 MT of poultry meat in 2024, which is a 9 percent decrease from 2023. Total Angolan poultry meat imports are down 8 percent for the January through July period compared to the same period last year. For the first seven months of 2024, exports from

all major suppliers are down except for Brazil, which is up by 12 percent. Brazilian exports are up primarily due to a 41 percent increase in whole bird shipments, which makes up a little less than one-third of Brazilian poultry exports to Angola. Despite challenges that limited imports in the second quarter of 2024 in favor of whole birds that are primarily from Brazil, chicken leg quarters were widely imported as of August 2024, with cold stores rebuilding stocks of this product.

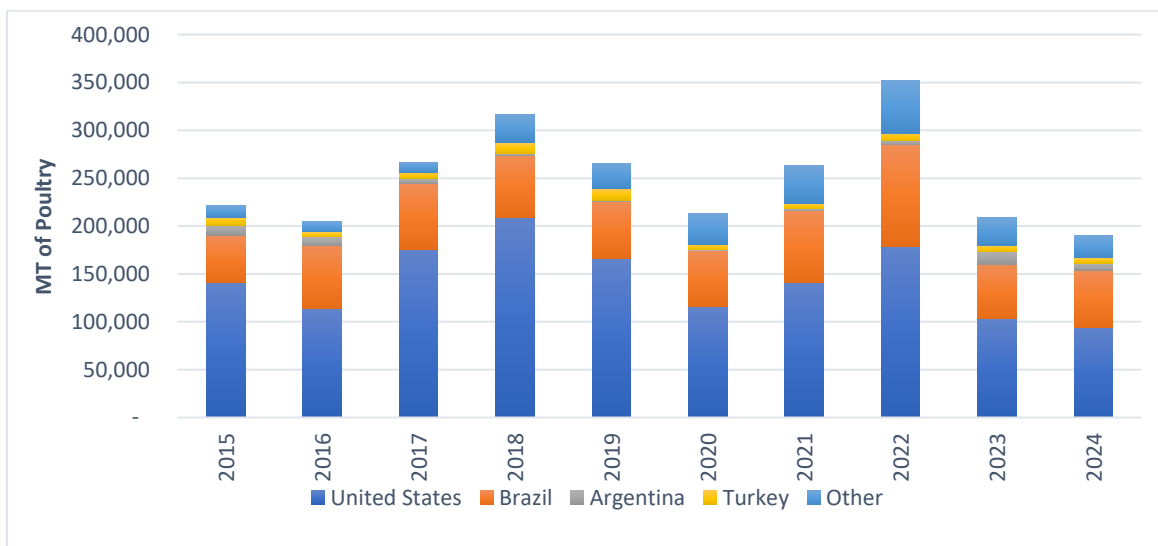
Although importers are interested in expending funds in a high inflation environment, Post contacts advised that many importers are limited by constraints in receiving foreign exchange from Angolan banks. While demand will keep imports flowing into the country, trade financing challenges will likely prevent a significant surge in fourth quarter volumes as has been seen in prior years, especially 2022.



Photo: Chicken leg quarters from the United States and Brazil

Source: FAS/Angola

Graph 2: Poultry Meat Imports into Angola



**2024 Forecast based on Jan.-July Export Pace by Country*

Source: Trade Data Monitor

Exports

Angola does not export poultry or poultry products, as the country does not have sufficient production to meet domestic demand. While poultry production will remain low for the foreseeable future, the Angolan government would like to increase production and eventually export.

Related Reports:

[2023 FAIRS Annual Country Report Annual](#)

[2023 Poultry and Products Annual](#)

Attachments:

No Attachments