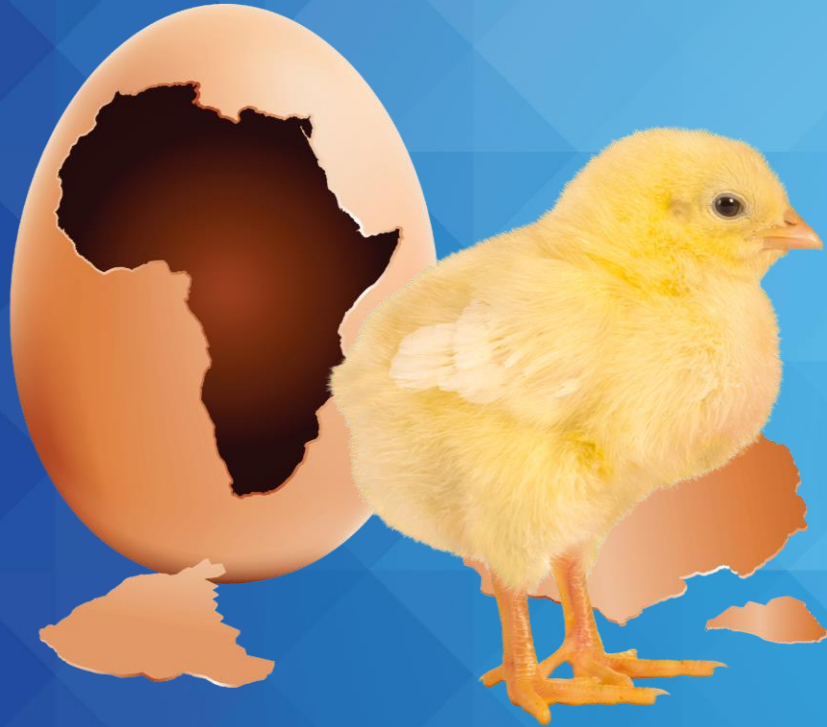


Prevent event



Sub Saharan African poultry market overview

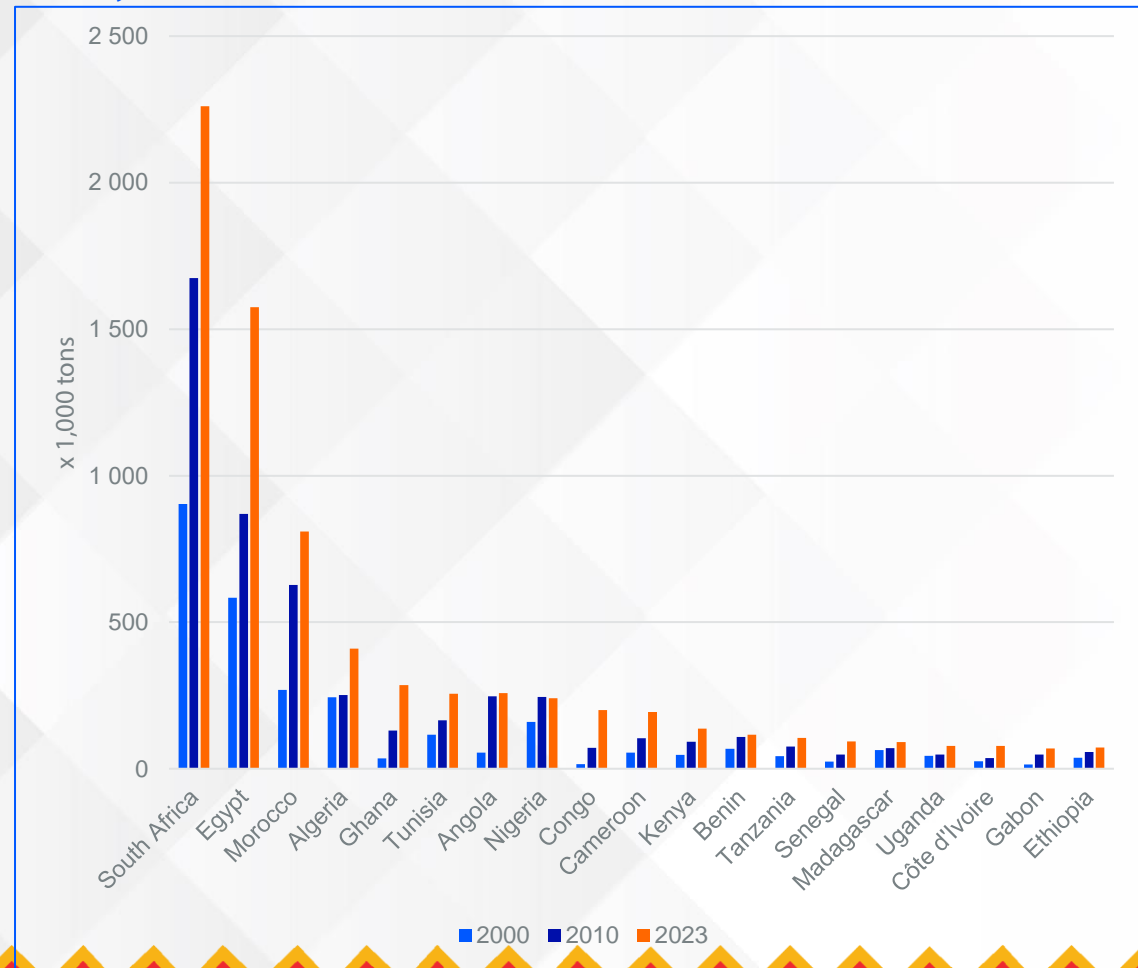
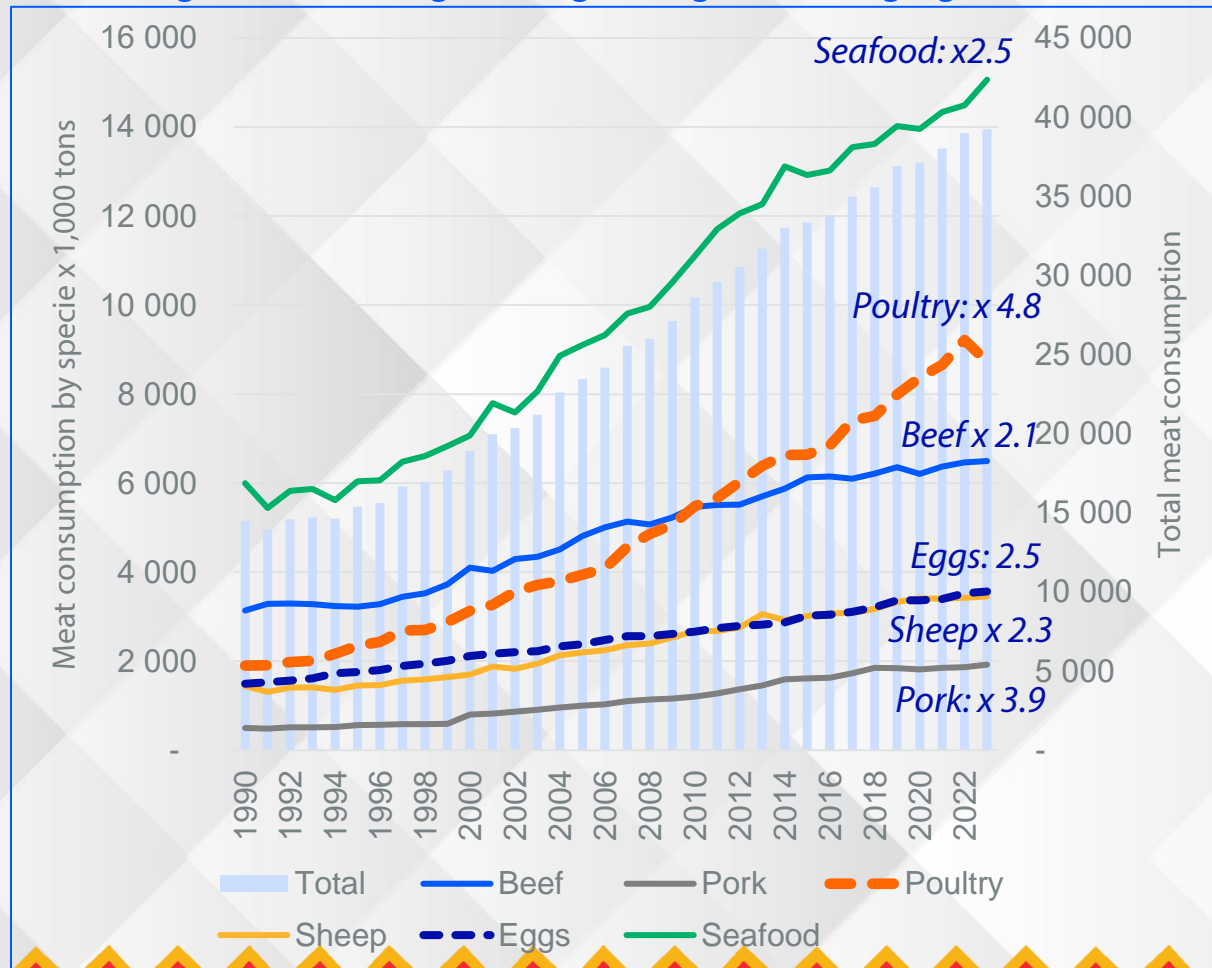
Nan-Dirk Mulder, *Rabobank*

The African animal protein industry is changing fast

African-wide growth in the poultry industry is leading to more sizeable and more modern poultry industries

Africa long-term market growth: growing and changing markets

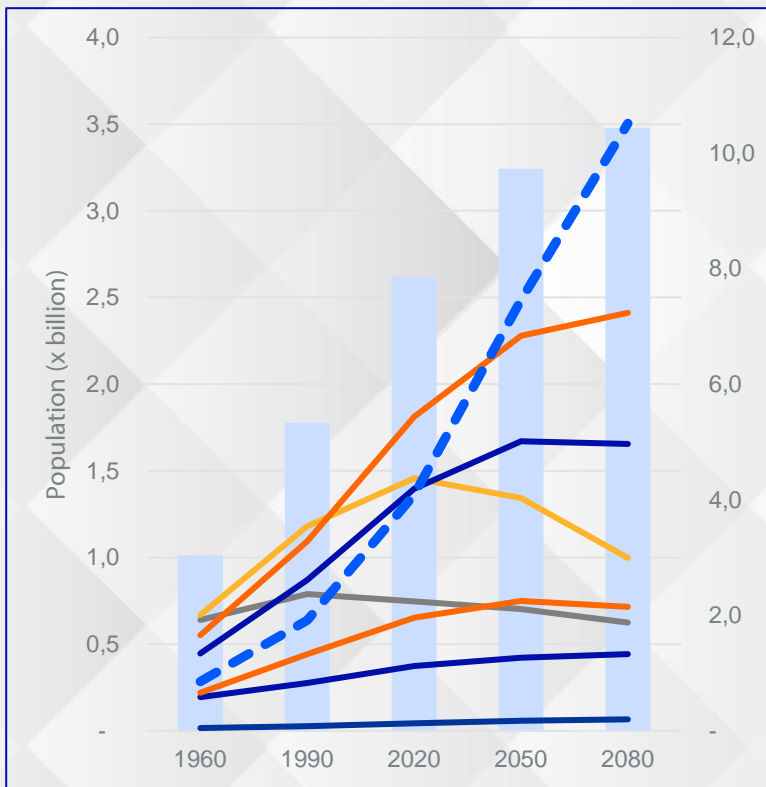
Poultry markets 2010-2023: Growth leads to more sizeable markets



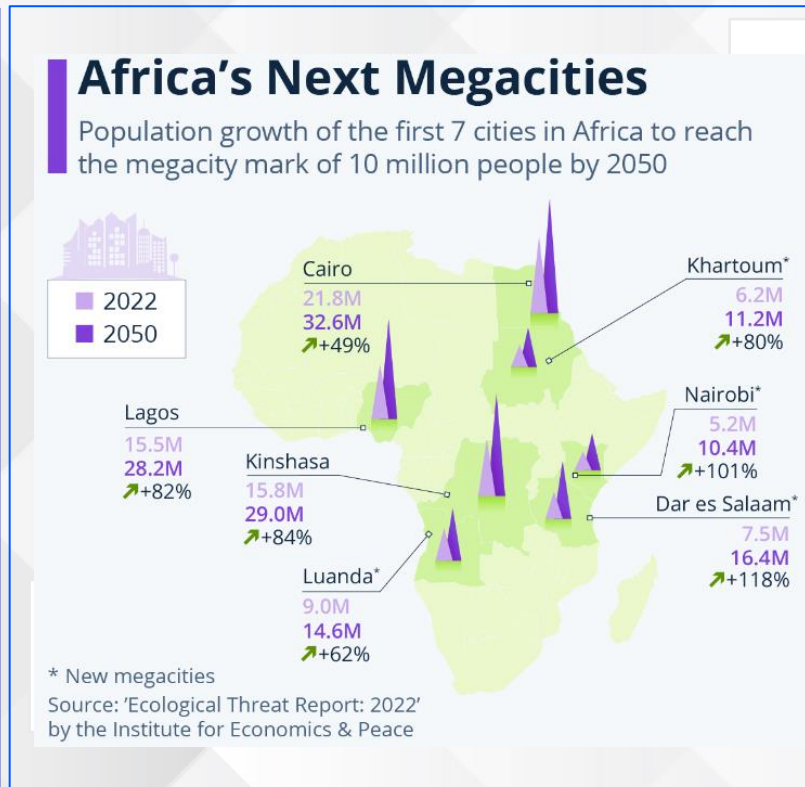
The key fundamentals for Sub-Saharan Africa are strong

Poultry industry development to be driven by population growth, urbanization, and rising middle class

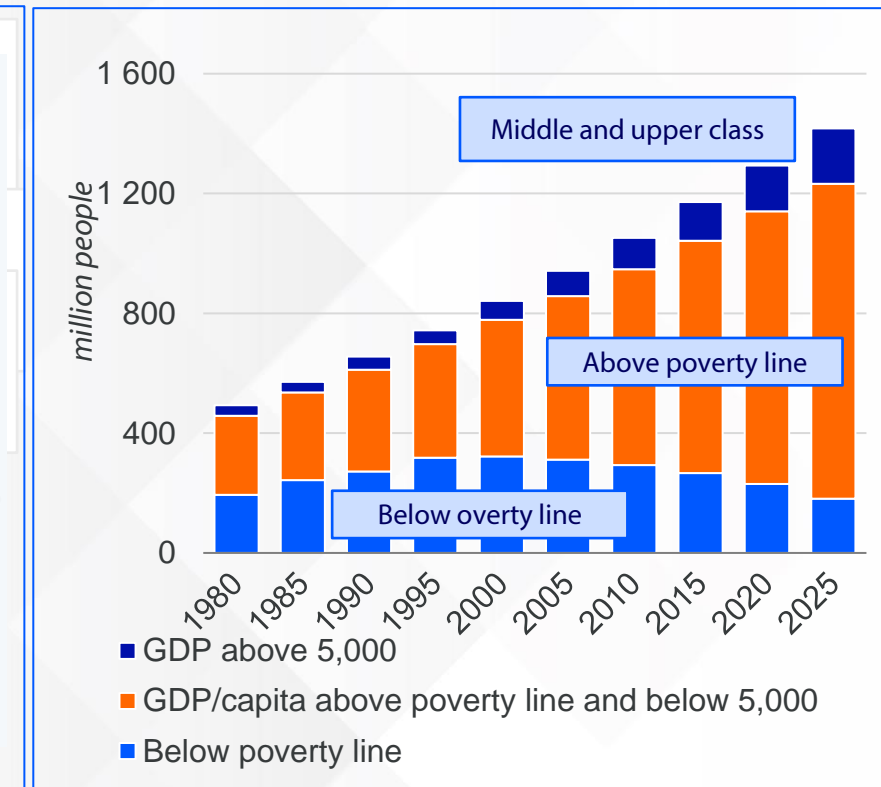
1 Population growth 2020-2050f: +20-25%



2 Urbanisation: the rise of big cities



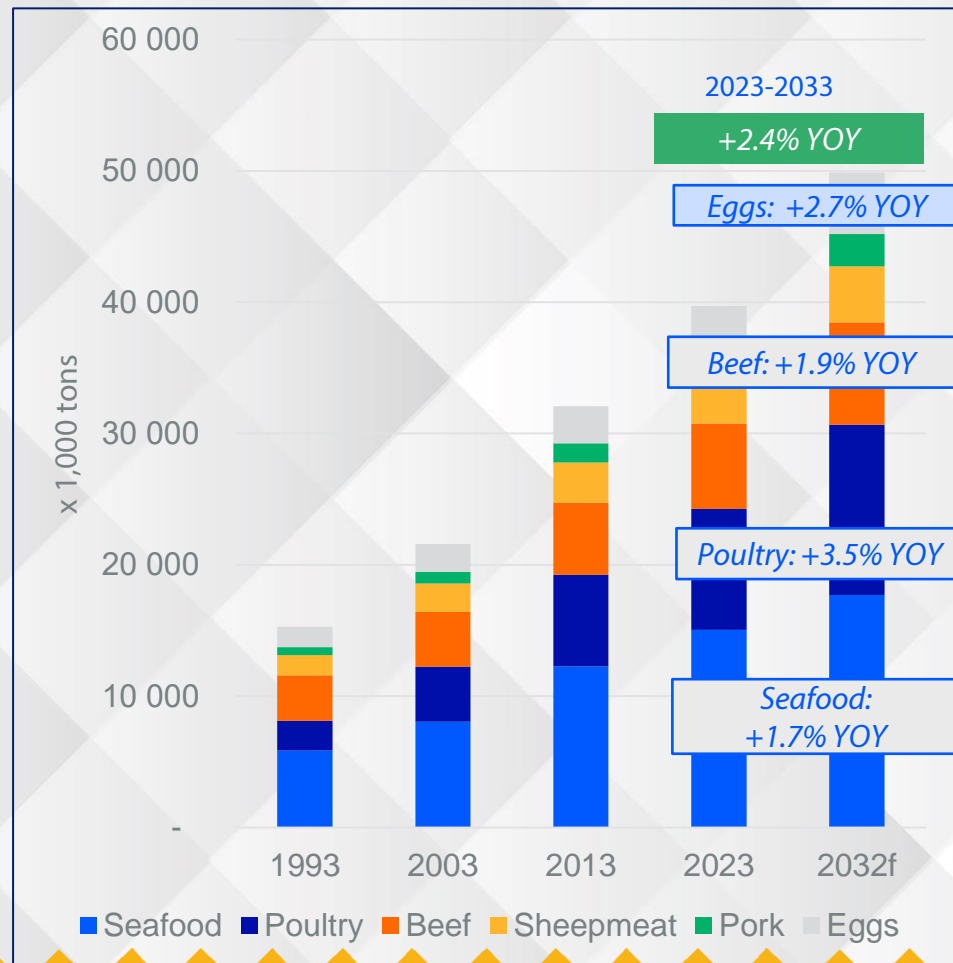
3 Higher incomes: the rise of Africa middle class



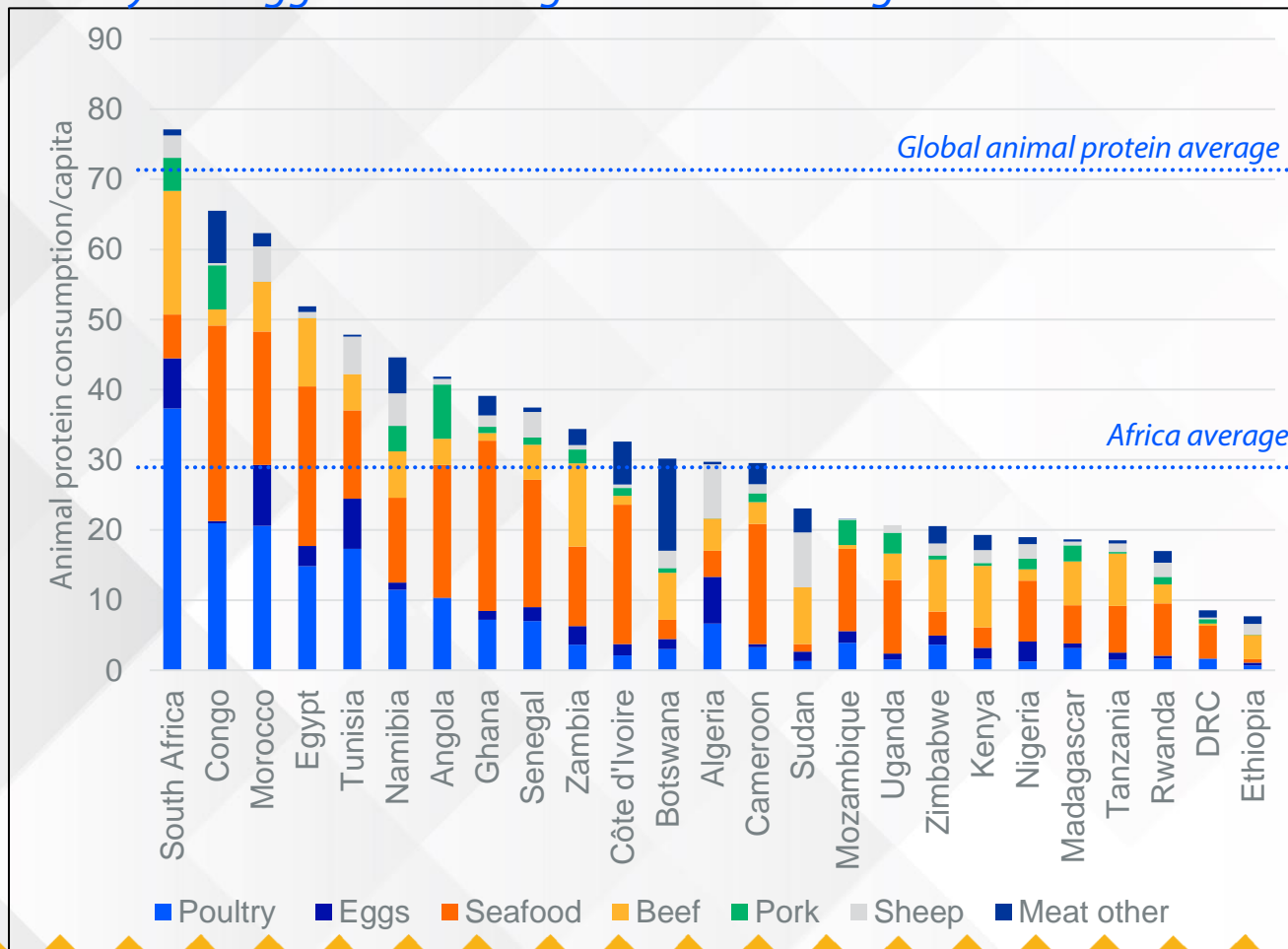
Ongoing bullish conditions for poultry and eggs

Poultry and eggs still winning protein, but investment conditions will be in a different context





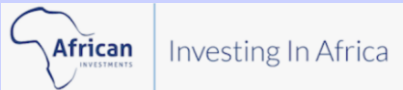
Africa Animal Protein Market Outlook



Poultry and eggs are winning but with slower growth



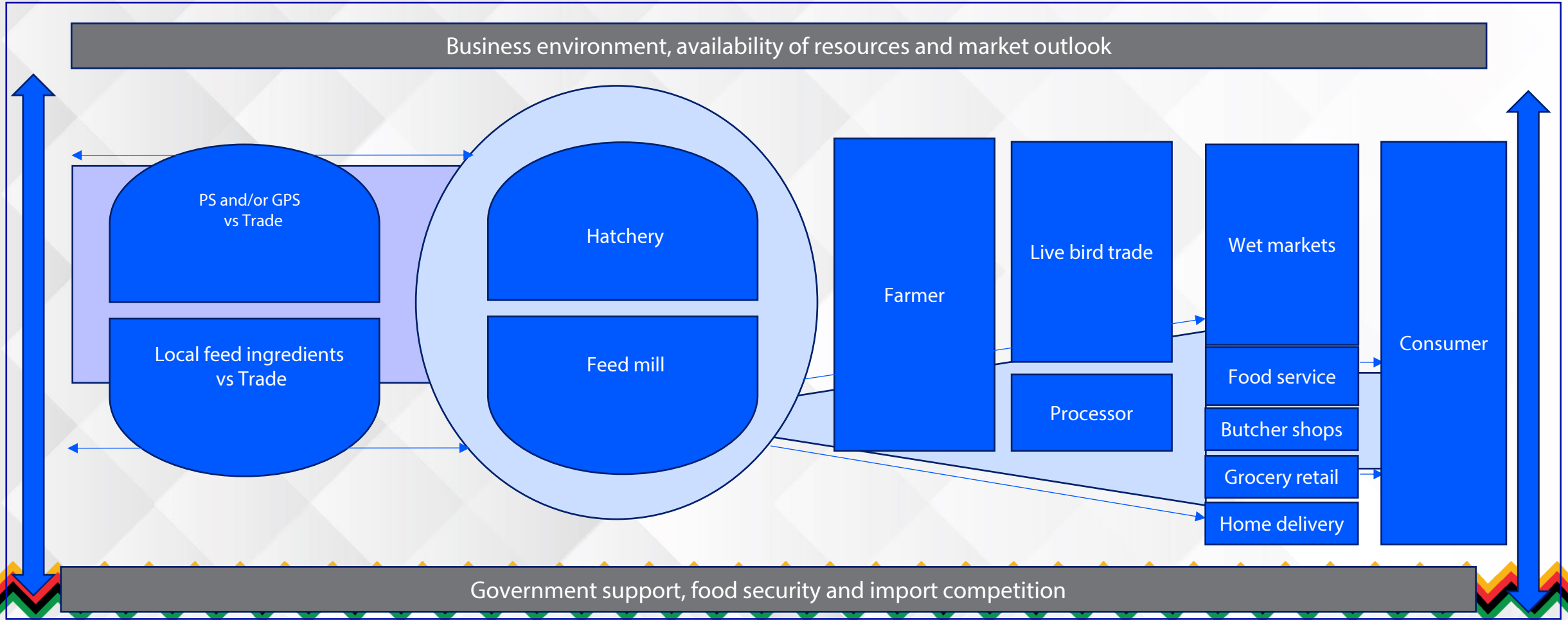
A growing industry but what is changing?

Key change factor	Impact of the change
Geopolitical tensions 	<ul style="list-style-type: none"> • More focus on food security • Geopolitical food & agri value chains • Bipolar world and its impact on Africa investments • Higher input costs and more volatility
Volatile economic growth with rising middle 	<ul style="list-style-type: none"> • Growth of modern distribution, especially quick-service restaurants • Bumpy expansion of modern retail • More focus on food safety and health • Volatile economic and market conditions
Online & digitalizations 	<ul style="list-style-type: none"> • Home delivery is growing fast • Social media impact • Initial moves into digital value chains
Bigger and more modern production 	<ul style="list-style-type: none"> • Ongoing growth in poultry and egg markets allows bigger scale • Share of modern-genetics and dual purpose is rising
More pan-African investors 	<ul style="list-style-type: none"> • Industry has been moving from small scale regional to more pan-African • Interest from non-African investors is rising

Building up a winning supply chain strategy in Africa

Government support, business and market conditions and outlook, and availability of resources are key investment drivers

Building up a winning poultry operation in Africa: fine-tuning a business model to the local market and investment conditions



Source: Rabobank 2024

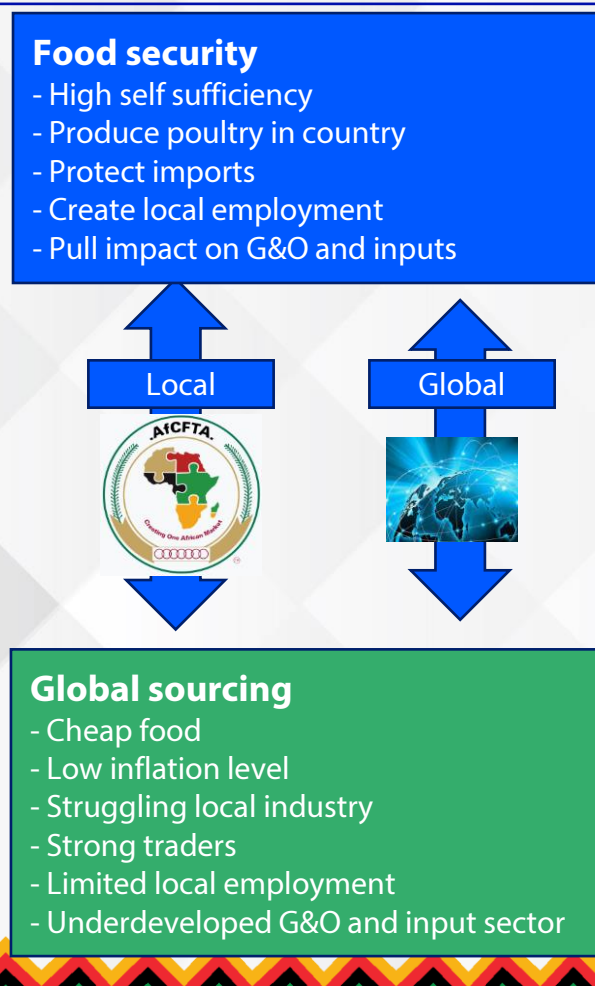
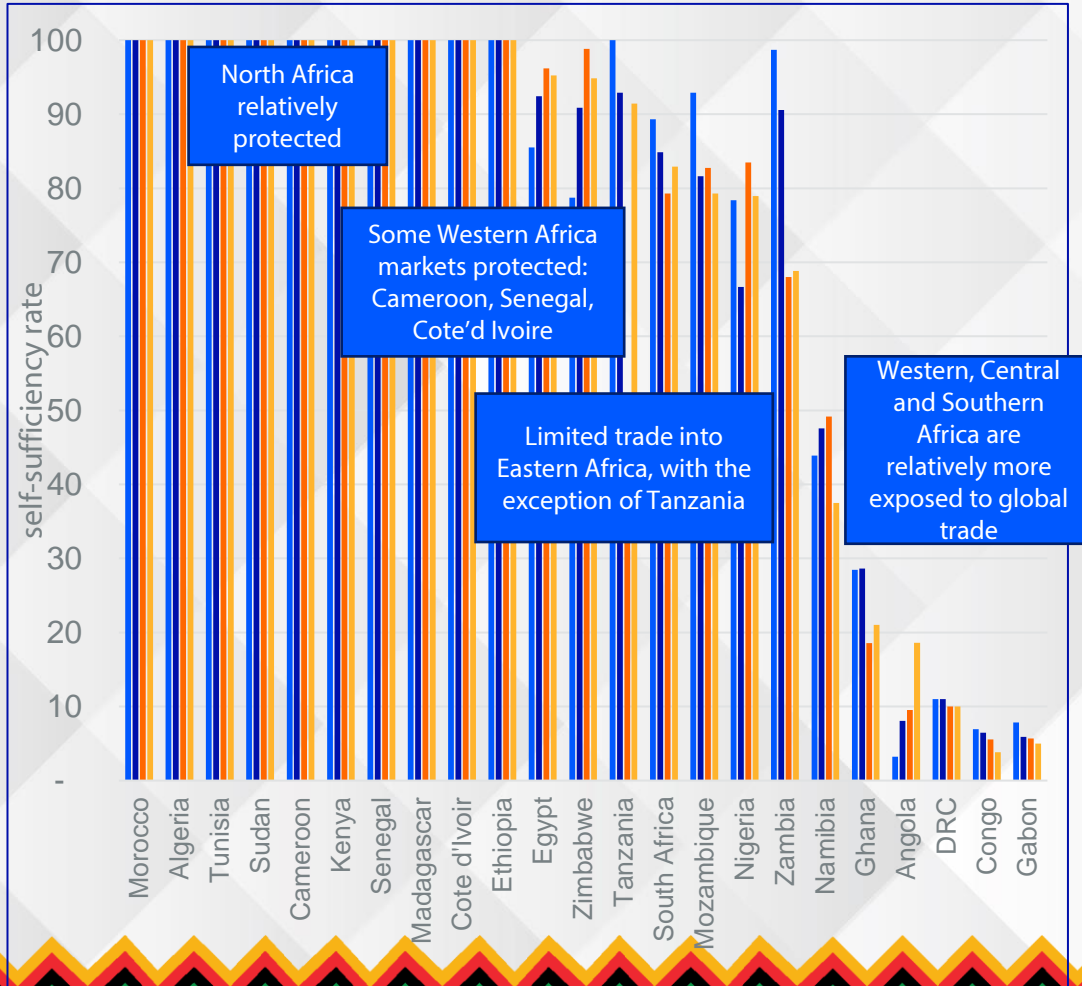
Governmental role: food security versus global trade and low prices

Supply chain strategies are highly dependent on governments' strategies about local food supply

Self-sufficiency rate by country in Africa 2010-2023

Governmental supply strategies

A changing geopolitical context



Source: Food and Agriculture Organization of the United Nations, USDA, OECD, Local Statistics, Rabobank 2024

Investments in Africa via a bumpy road

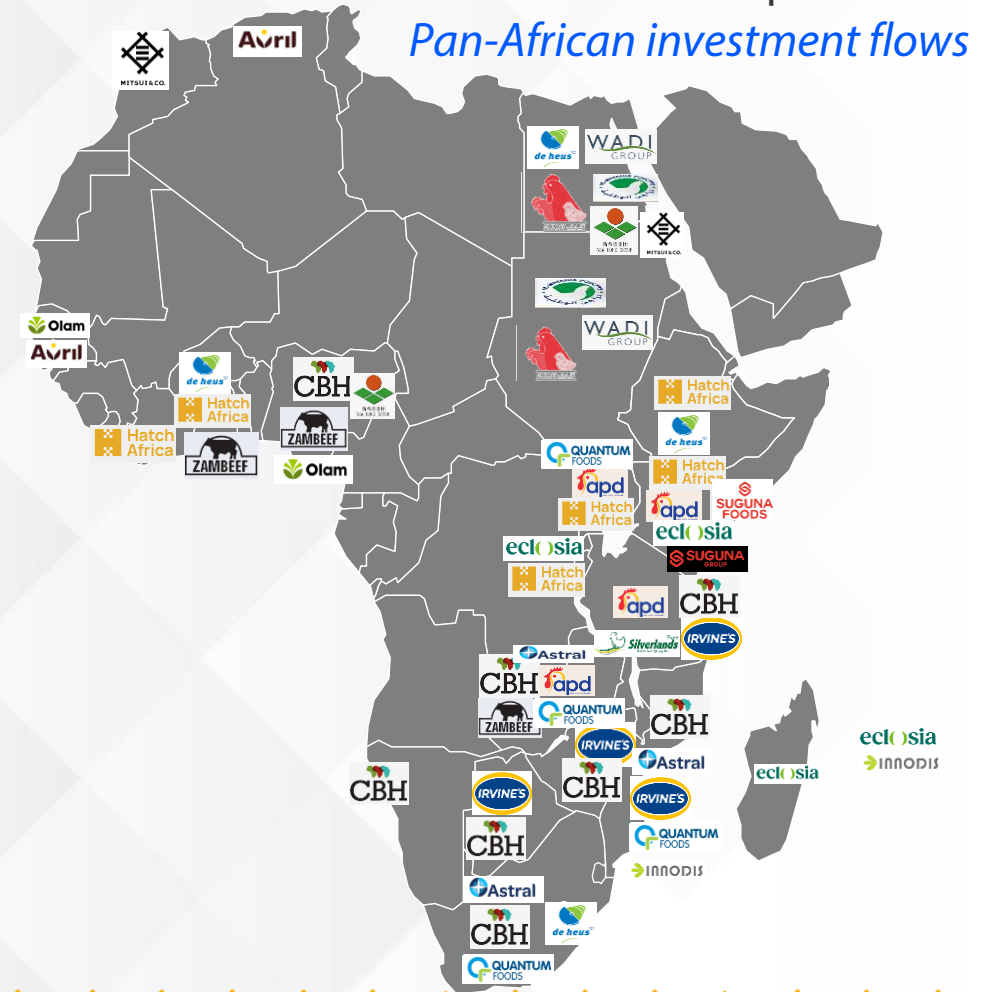
Accelerated investments towards more pan-African market business models- several investors take leadership

Five core strategies to develop pan-African poultry strategy

Key strategies by poultry investors in Africa

1. Focus on leadership in **live bird market** segment by product development, distribution and training
2. Multi-channel focus with **strong accent at expanding food service (and grocery retail)**
3. Multi-channel focus but with strong accent on **export business**
4. Focus on **single input categories**
5. **Multi-country focus** to reduce risk of volatility
6. Pull strategies via **upstream investments in food service and retail**

African poultry industry still predominantly national



Investments in African poultry and eggs

Attractive opportunities, but care needed with strategy and execution

Strong long-term fundamentals

population and income growth, changing preferences

- Population growth is expected to be 2-3% per year
- Rising spending power and a bigger middle-class
- Urbanisation with big city expansion
- Ongoing growth will create more sizeable markets (>150,000 tons).
- Untapped local feed ingredient
- More opportunities to invest in **bigger projects** with more economy-of-scale benefits
- **production potential,**

Investment perspective:

Greenfields and modernization, but traditional channel remains important

- **Breeding and feed as base** for investment in the value chain
- **From native to dual purpose breeds** for smallholders
- **Rising share of modern breeds** to supply modern distribution
- **Downstream investments in processing and cold chain**
- **Upstream investments** to improve feed efficiency
- **Increase knowhow and skill development**
- **Rising international investments,** shift to more pan-African industry focus
- **Expect the unexpected,** investments should be long term focussed

Long term market outlook

Recovering growth, shift to more modern distribution and value chains

- **Poultry is the preferred protein** (CAGR +3-4%), eggs to follow (CAGR +2.5-3%)
- Fastest growth expected in **Eastern Africa and some Western African countries**
- **Modern distribution to grow fast,** especially food service
- Markets for **value-added products will gradually take off**
- **Most markets to stay essentially price-driven** due to relatively low spending power, but rising middle-class will offer more opportunities in value-added markets
- **Expect ongoing volatility** driven by economic developments, exchange rates, disease impact and import dependence for feed ingredients

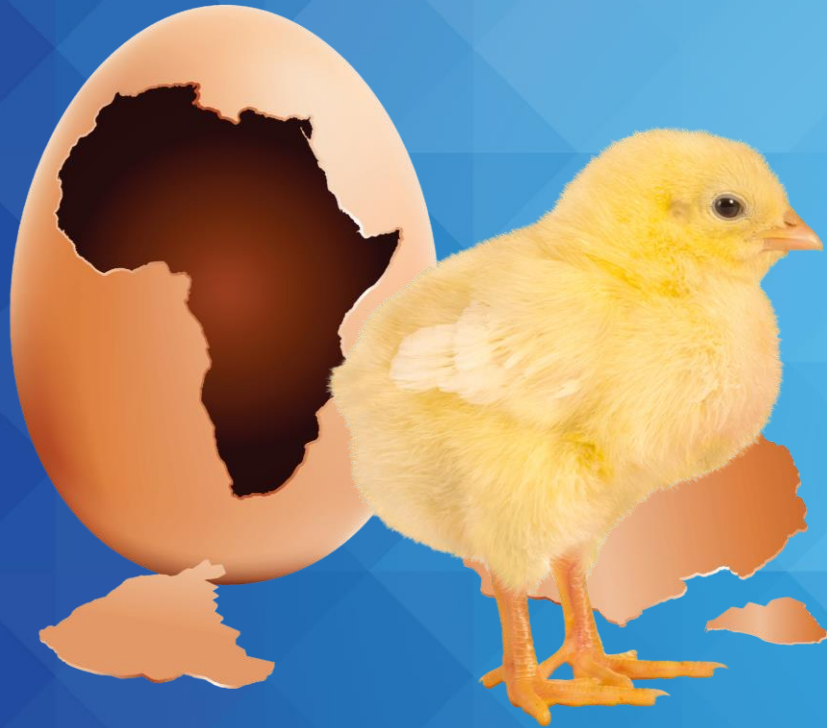
What to improve?

- **Food & Agri focus** on strategic governmental levels
- Industry organization via **sector organizations**
- **Education and knowledge sharing**
- **Data collection and sharing**
- **Input sectors:** feed ingredients, genetics, cold storage, fertilizers, equipment
- **Access to finance**

Source: Rabobank 2024

Prevent event

*Thank you for your
attention*



Nan-Dirk Mulder

Senior Global Specialist Animal Protein

Rabobank

Nan-dirk.mulder@rabobank.com