THE CHALLENGES AND PROSPECTS OF MARKETING POULTRY AND POULTRY PRODUCTS IN KUMASI. A CASE STUDY OF AKATE FARMS TRADING AND COMPANY LIMITED.

BY

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DECLARATION

I hereby declare that this submission is my own work towards the award of Commonwealth Executive Masters in Business Administration (CEMBA) and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgment has been made in the text.

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ABSTRACT

The poultry industry serves as employment and a source of income to many people but for a long time, marketing has not been critically considered by most industry players as important aspect of the poultry business. All attention is focused on the production aspect whilst marketing is relegated to the background. The main objective of the study was to find the challenges and prospects of marketing poultry and poultry products in Kumasi by using Akate Farms Trading and Company Limited as a case study. The study sought to find answers to issues like the major constrains of poultry production and marketing in the Kumasi metropolis, the causes of the constraints, how it can be alleviated and the prospects of the poultry market. The data for the study were collected through sets of questionnaires administered to respondents, as well as interviews, personal observations, focus group discussion with key stakeholders and telephone conversation with actors in the industry. For this study, judgmental sampling technique was used to select respondents and data collected was analysed by the use of Microsoft Excel. The study revealed that the growth of Akate Farms Trading and Company Limited is likely to decline if the challenges such as fluctuating price of maize, high interest rate on loans, government’s failure to protect the local industry by enacting laws to check the importation of cheap foreign poultry products and lack of subsidies on agric inputs like feed, drugs, equipment and several others are not addressed by the company and other stake holders. From the study, it was revealed that Akate Farms Trading and Company Limited does a lot of marketing but it has no defined marketing plans to address challenges in the industry. It also does not conduct marketing research. It was concluded that if Akate Farms fails to draw marketing plans and conduct marketing research, it will be overtaken by the marketing challenges in the industry especially in the Kumasi metropolis. Among the several recommendations made were that the company should not be afraid of competitions from local and foreign producers. Rather it should adopt marketing plans which will help maintain and expand its market share.
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To my dear pastor, Rev. Ampea Badu of church of Pentecost, Tema, I say thanks a lot for your prayer support and special words of motivation.

Finally, I am exceedingly grateful to God, I mean the great” I am” who makes impossibilities possible.
DEDICATION

This work is dedicated to my one and only son Kenneth Oppong Gyau.
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CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

The poultry industry serves as a source of employment and a source of income to many people. It provides quick turn over on capital to investors. This has led to the setting up of commercial and many backyard poultry farms in Kumasi metropolis to contribute to the total amount of meat and egg production in the country.

Brannius (1997), however, reports that the interest of people in the industry and the effort of the government are gradually being killed, due to prevalence of diseases and poor marketing strategies which are regarded major constraints in the industry.

World wide consumption of poultry produced over the years could increase if there were effective marketing strategies in place with respect to production and sales, the industry could continue to attract a lot more investments. The benefits which the nation derives from the poultry industry cannot be overemphasised. It provides employment, source of income and foreign exchange, which in turn contributes to the country’s Gross Domestic Product (GDP). It provides food security and protein sufficiency for poor countries (Lathan, 1997). Unfortunately, the industry in the Kumasi metropolis faces a lot of challenges and its prospects are dwindling.

Despite the challenges confronting the poultry business and for that matter its marketing, there is still light at the end of the tunnel if the players in the industry like Akate Farms will be focused, work hard and develop better production and marketing strategies.
1.2 Statement of the Problem

In every business enterprise, it is always said that the production is not ended until the goods have reached the final consumer. This clearly underscores the fact that merely producing poultry birds and the other products is simply not enough because marketing is needed to make the cycle complete. Marketing here simply means finding out what customers want and supplying it effectively at a profit.

For a long time, marketing has not been critically considered by most industry players as important aspect of the poultry business. All attention is focused on the production aspect whilst marketing is relegated to the background. Customers and consumers however expect poultry to be a constant product, not changing with season, time of day or severity of rains.

Marketing of poultry and poultry products is subject to the laws of demand and supply. An over supply will lead to a fall in price and profitability whereas an undersupply will lead to a high price and high profit to the disadvantage of valued customers. However, in a situation of competition the customer may purchase other products rather than the traditional product. This means consumers can not be loyal forever. There is a standard of quality which the poultry market demands. Customers and consumers will not return to buy more if the product is unwholesome. At the point of purchase, quality relates to presentation much more than anything else. An assessment of product quality by customers and consumers may be fairly subjective if not almost unreasonable. In the poultry marketing practice, customers and consumers may be attracted by the colour of the meat. They may even look at the colour of the wrapper before they buy the product.
Marketing of eggs for example becomes a problem when transporting them from one town to another in vehicles. Breakages as well as cracks appear on the eggs as a result of driving errors on rough roads. If this happens consumers and customers will refuse to buy the product. This is a marketing problem which Akate Farms should address. Akate Farms has taken consumers and marketing of poultry products for granted simply because it is one of the market leaders in the Kumasi metropolis. The problem is, without taking marketing and marketing research seriously, it is doubtful if Akate Farms can continue to maintain its market share and be a market leader in the Kumasi metropolis.

1.3 Research Objectives

To be able to critically examine the challenges and prospects of marketing poultry and poultry products in Kumasi, this study seeks to achieve the following specific objectives;
1. to identify the main marketing challenges that Akate Farms faces in its attempt to maintain its market share in the metropolis.

2. to find out how Akate Farms can address the marketing challenges it faces.

3. to determine the marketing prospects of Akate farms

1.4 Research Questions

The following are the questions the study seeks to answer in order to achieve the research objectives;

1. what is the market share of Akate Farms in the Kumasi metropolis?
2. What are the major marketing constraints and challenges that face Akate Farms in its effort to be a market leader in the Kumasi metropolis?

3. Can Akate farms continue to maintain its market share in the Kumasi metropolis?

4. How can Akate Farms overcome its marketing constraints and challenges to maintain or even build upon its market share and become a market leader in the metropolis?

5. What will be the future prospects of Akate Farms if its able to address its marketing challenges and problems?

### 1.5 Purpose of the Study

The poultry industry is plagued with several challenges which should be seriously looked at.

This study has tried to look at the challenges and prospects of marketing poultry and poultry products so as to provide some ways of overcoming them.

The Study is intended secondary, to add to existing knowledge on the poultry industry and to serve as a secondary source of data for further studies.

Indeed, Akate Farms stands to benefit immensely from this study since it is bringing out the numerous challenges that confront it as an industrial player, and also suggest ways of overcoming these identified challenges.

Up and coming poultry farmers can also use the results of the study as a guide to avoid likely pitfalls in the poultry business.

To the country as a whole, as the challenges are overcome and poultry production and marketing are enhanced, the industry has the potential of employing more people and thereby helping to reduce the problem of unemployment in the country. It will reduce the cost of marketing poultry and poultry products in Ghana and customers and consumers
will benefit from it. This will also improve the balance of payment position of the country through export.

1.6 Scope of the Research

The research does not cover everything about the poultry industry. It focuses mainly on marketing of poultry and poultry products especially the challenges associated with marketing of the products to customers and consumers.

Since the emphasis is on the marketing of the products, the study will examine the relevance of marketing in the poultry industry and in particular it will identify what goes into product quality as well as how to meet consumer and customer needs and wants in the product. It will identify the marketing challenges and constraints, how to make the industry profitable and how to ensure that it contributes its fair share to the country’s GDP and the economy as a whole.

1.7 Research Methodology

The research is a field study and it is designed to collect data from primary and secondary sources. In respect of the primary sources, questionnaires and interviews will be conducted among sampled respondents selected from relevant research population to provide responses.

Observations, face-to-face discussions and telephone conversations with focused groups and key stakeholders will also be used as research instruments to provide data. Secondary sources of data will also come from books, journals, magazines, newspapers etc.
The data collected will be analysed using tables, figures and graphs which will require the use of Microsoft Excel.

1.8 **Organisation of the Study**

The study is organised into five chapters. Chapter one is the introduction with sub-topics such as Background of the study, problem statement, the research objectives and questions, purpose, scope, research methodology, organisation of the study and limitations of the study.

Chapter two provides pertinent literature on poultry production and marketing. Chapter three deals with the methodology of the study. Chapter four focuses on data presentation and analysis whiles chapter five ends the study with findings, conclusion and recommendations.

1.9 **Limitations of the Study**

As in any academic study, the researcher encountered some financial and logistic problems. Transportation cost, cost of research materials, cost of engagement of two research assistants as well as cost of printing were quite high.

Time constraint was another problem encountered by the researcher due to other academic assignments as well as the fact that the researcher is a full-time worker pursuing academic laurels. Other constraints were the difficulties associated with data collection since some respondents were not prepared to give out some vital information due to reasons best known to them.

The study was limited to poultry marketing because industry players think that marketing relates to only buying and selling. They do not concern themselves about how
to improve quality of products, how to use consumer satisfaction and care packages to attract, recruit and retain consumers.

The study was limited to Akate Farms because the company has relied heavily on investment capital rather than using marketing research and practices to maintain and even build on its market share in the Kumasi metropolis.

The fear is that without emphasis on marketing research, a time will come when the company will decline rather than grow and expand in the Kumasi metropolis.
2.0 Introduction

The history of poultry species has intrigued scholars for years. They have been interested in identifying the wild ancestor of the domestic fowl in the diffusion of a species from one civilization to another and from one territory to another as well as the evolution of poultry species under domestication. Crawford (1990), reports that earliest evidence of domestication relied on interpretation of archaeological discoveries of the bones and artifacts. Literary records became available with advanced civilization, but these too require interpretation to modern poultry biology.

According to Parkhurst and Mountney (1988) the term poultry is used collectively to designate those species of birds that have been domesticated to reproduce and grow in captivity so as to render the products of economic value. Chickens, turkeys, ducks, geese, some quail and pheasants, guineas and pigeons generally meet the above criteria. They provide meat, eggs, feathers, fertilizer, animal food and other by-products such as pharmaceuticals. They also serve as laboratory animals for scientific research. Birds kept only for companionship or beauty, are not considered poultry.

2.1 Poultry Marketing

Put simply, marketing is finding out what customers and consumers want and supplying it at a profit.
The process is customer oriented. The customer will not buy an unwanted product. The product must be provided at a profit. Profit provides the incentive to continue with the business. The potential for increased profits offers the main incentive to develop and supply a variety of products to tempt the customer.

Activities involve in marketing include the collection, evaluation and dissemination of marketing information; planning and scheduling of production; establishing contracts between buyers and sellers; constant improvement of all post-harvest activities; and co-ordinating inputs, including transport, processing, storage, credit, health care etc.

Gaedeke and Tootelian (1983), state that marketing in the poultry industry is important because of changing demographic patterns. Populations generally move from the villages into the towns, perhaps leaving fewer people in the main agricultural production regions. Combined with the general growth in population, this situation provides improved opportunities for rural communities to grow and sell more of their products, particularly in the towns, earning more money and being able to raise standards of living. The urban folks are able to make their contribution to society without the need to consider constant agricultural activity. Growing more food may be easier for those with land, facilities and cash but the farmer with a smallholding may find it difficult to take advantage of a larger market, particularly where there is competition from a larger producer. An improved marketing strategy, however, may enable him to reduce certain costs, perhaps by joining with others, leaving him with better profits.
2.1.2 Poultry as a marketable Product

According to Lawless (1991), before a poultry marketing strategy can be developed, it is well to understand and list the characteristics of the product.

Poultry consumption offends no religious sentiment. Its production is dependant on a wide variety of inputs such as chick hatcheries, feed producers, Veterinary services, processing facilities, transport and efficient cold chain. It must also be underscored that:

1. its production and consumption is generally non-seasonal,
2. it is a perishable product which most usually needs refrigeration and considerable post-harvest care,
3. it may be sold whole or in a wide variety of different parts and that different value can be placed on each part,
4. it is eaten as a central part of the meal,
5. each part may be prepared for consumption in different ways according to a different recipe, it is invariably cooked and eaten with other food products and additives such as vegetables, spices, etc.
6. it is a basic food commodity inasmuch that it is a supplier of proteins and essential food nutrients to the human diet.
7. it is not the only supplier of proteins and essential food nutrients to the human diet but in competition with other meats and protein sources including fish and dairy products.
2.2 Demand and Supply of Poultry Products

The official document of MOFA (2002) estimates the annual poultry production to be 14,000mt of meat and 200 million eggs, respectively. The table below gives figures of poultry meat and egg production, import and demand as compiled by the Food and Agriculture Organisation.

*Table 2.1: Poultry Meat, Egg Demand and Supply in Ghana (x 1000 tones)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Meat (chicken, turkey, guinea fowl, etc)</th>
<th>Eggs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Production</td>
<td>Export</td>
</tr>
<tr>
<td>2001</td>
<td>20.96</td>
<td>0</td>
</tr>
<tr>
<td>2002</td>
<td>23.40</td>
<td>0.79</td>
</tr>
<tr>
<td>2003</td>
<td>25.55</td>
<td>0.79</td>
</tr>
<tr>
<td>2004</td>
<td>28.27</td>
<td>0.39</td>
</tr>
</tbody>
</table>

*Source: Lathan(1997)*
The demand for local and imported poultry meat between 2001 and 2004 are also shown in the table 2.1 above. According to LPIU, MOFA data, these represent between 18% and 24% only of the total meat demands of Ghanaians. The difference in demand was obtained from livestock products. It is important to note, however that meat, both livestock and poultry contributes only 40% of the national animal protein supply, the rest coming from fish (MOFA, 2002).

Commercial egg production is next in importance to village chicken keeping in the Ghanaian poultry industry (Okantah, et al, 2003). Egg sales face relatively minor competition on the market compared to poultry meat. The national egg production for 2005 is estimated conservatively, to be 1570 million as shown in the table below.

Table 2.2: Egg Production (2005)

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Farms</th>
<th>Estimated Number of Eggs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Accra</td>
<td>487</td>
<td>323.2</td>
</tr>
<tr>
<td>Ashanti</td>
<td>498</td>
<td>1032.1</td>
</tr>
<tr>
<td>Brong Ahafo</td>
<td>218</td>
<td>150.0</td>
</tr>
<tr>
<td>Central</td>
<td>32</td>
<td>28.5</td>
</tr>
<tr>
<td>Western</td>
<td>58</td>
<td>36.2</td>
</tr>
<tr>
<td>Total</td>
<td>1075</td>
<td>1570.0</td>
</tr>
</tbody>
</table>

Source: MOFA (2002)

*Estimates were based on stockholdings per farm and 66% egg production*

One of the many goals of a marketing system is to mitigate price risk. Price risk accumulates from changes in production, supply and demand as well as consumer
preferences over time. The demand for poultry products is ever changing as beef and pork are constantly competing for market share.

The poultry industry has attempted to mitigate production risk, which is mainly supply-side risk, through vertical coordination so that changes in production quantity and quality can effectively occur in response to changes in consumer demand. Through vertical coordination the poultry industry has attempted to “lock-in” one side of the farm-retail margin. Wholesale price is one aspect of poultry demand that can be analysed to help mitigate price risk (Lathan, 2007).

2.3 Processing of Poultry

Chickens and turkeys are transported in removable plastic crates, palletized cages, or metal cages that are a part of trailer truck. At the plant, birds are removed from the crates and hung on shackles attached to a conveyor. The line moves to a bleeding tunnel in which the birds are electrically stunned and their throats are cut by hand or with a circular knife for dispatching and bleeding. The carcasses, while still shackled on the conveyor line, are carried and immersed in water of 50.6\(^\circ\)-58.9\(^{\circ}\)C for 30-120 seconds to facilitate feather release (Coutts, et al., 2007).

For defeathering, a series of two to four rubber-fingered pickers are used. Each picker is designed to remove feathers from a specific part of the carcass. Any feathers remaining must be removed by hand or singed with a flame to remove hairs. Finally, before transfer to the evisceration line, which is in a separate room, the carcasses are washed and the head and feet are removed.
Blood, feathers, heads and feet are moved to a recovery station for use as a by-product, generally to be used as animal feed protein supplement.

The carcasses are then transferred to an eviscerating line. The carcasses are cut open at the vent, and a machine automatically removes the viscera, which is left hanging outside the carcass so that both the carcass and viscera can be inspected for wholesomeness by veterinary inspector. Next, the edible viscera or giblets which are the liver and gizzard are removed, cleaned, chilled and wrapped after separation from the carcass. The inedible viscera drop down into a trough or gutter, from which they are moved to the recovery area. Next, the carcass, while still on the evisceration line, has the crop, lungs, and other extraneous material removed by vacuum. Finally, the neck is removed and the carcass is washed, inspected and automatically released from the shackles into a chiller (Duff, 2001).

Based on consumer preferences and the trend of poultry business, most consumers in Ghana prefer meat and egg to other products. In recent years, the trend has been toward further processing of poultry carcasses and eggs. Further processing started by simply cutting up broilers and packing them individually in trace. Further processing is a marketing technique that provides an additional service. As processors become successful in providing more services to the consumer, the products mix was expanded to include parts and eventually deboned products. Consumers recognise the quality of these products and are willing to pay more for brand name products in spite of the generic connotation of chicken (Akoto, 1995).
2.4 Inspection and Grading

According to Darko (1995), poultry meat is graded based on overall shape of the carcass, fleshing or the amount of meat on the bones, fat covering under the skin and the presence of specific defects. Some of the defects include; presence of pinfeathers, cuts, tears, broken bones, skin discolouration and flesh blemishes and bruises all affect the grade assigned to a carcass.

2.5 Marketing and Distribution channels of Poultry Products in Ghana

The Agricultural Development Bank (2003), reports that poultry products marketing in Ghana include live broilers, spent layers, dressed birds, eggs and sometimes litter. The live broilers and spent layers are sold by direct sales method at the gate of poultry farms or are displayed in cages at market places, road side or lorry stations. In the Northern sector of Ghana guinea fowl is most consumed as compared to Ashanti as chicken is consumed. Day old chicks are packaged in perforated boxes upon purchase at the farm gate. Dressed birds are sold in kilos by retailers and in big cartons with respect to bulk purchases by retailers. In Ghana dressed birds are purchased on daily basis as compared to live ones. The major distribution points of these dressed birds are hotels, restaurants and chop bars with few going to the fast food sellers and individuals.

The cut portion of these dressed birds are categorised into thigh, breast, drumstick, and the wings. Marketing of poultry meat and eggs reaches its peak in Ghana during festive seasons such as Christmas, Easter and Moslem festivals. Eggs are mostly sold in creates or boxes lined with sawdust. Eggs are marketed base on size and colour, the sizes are large, medium, and small and the colours are white and brown eggs.
Most Ghanaians attach superstition to white eggs and thus purchases of the browns are higher than white shell eggs. In spite of these, eggs are produced all year round. Droppings from farms are sold to farmers or given out for free. Major buyers of these droppings are onion and shallot farmers in the Northern and Volta Regions of Ghana respectively. However, there are other commercial and backyard crop farmers as well as fish pond farmers who also patronize this product (Osei, 2003).

2.6 Packaging

Boone and Kurtz (1986), report that packaging is a very important marketing strategy to glamourise one’s product in order to attract the consumer’s attention. Sometimes packaging is so important that it cost more than the product itself in order to lure the consumers to buy it. Packaging therefore should definitely be included in the 4 major P’s of marketing which are product, place, promotion and price.

Most consumers judge a product by its packaging before buying it. So it is logical to say attractive packaging is crucial in order to get the first time buyers to buy your products. Without attractive packaging, who would buy it in order to try it? One’s first step to enter the market is crushed if the packaging is ugly.

Having attractive packaging doesn’t mean you should neglect quality either. In fact, you need to make high quality products in order to have repeated sales. Converting first time buyers into loyal customers should be the main goal of your business and packaging is the door to it.

Packaging is one of those crucial steps that are often neglected in poultry business.
2.6.1 Types of Packaging

As far as marketing of poultry products is concerned, Boone and Kurtz (2007) identify three types. These are primary, secondary and tertiary packaging. Primary packaging is the first material that envelops the product and holds it. Secondary packaging is outside the primary packaging, perhaps used to hold primary packages together while tertiary packaging is used for bulk shipping.

2.6.2 Role of Packaging

The role of packaging is containment, protection, safety, and display. If one is selling one’s product through retail stores, one is trying to use packaging to catch the attention of people, create desire, inspire confidence, inform and educate the consumer.

2.6.3 Packaging of Poultry Products in Ghana

Packaging of poultry products in Ghana is very abysmal if compared to packaging of imported poultry products. Poultry and poultry products are packaged according to the way they are graded, that is small, medium and large. In Ghana, eggs are generally kept in trays, as broilers are either packaged in full or in parts and are kept in transparent plastic film.

The imported ones are more attractive and can be stored for a longer period of time. Also in terms of dressing of bird imported products are well bled and the feathers are well plucked before packaging. This difference comes a result of technological advancement or progress that has been made in the countries where those products are imported from. Poor packaging reduces meat quality and sometimes one can smell
unpleasant odour in the products. This particularly leaves consumers with no objection than to fall on the imported poultry products (Alhassan, 1994).

2.7 Storage of Poultry Products

Fletcher (1997), recommends that from the farm to the store, meat and poultry products must be chilled and kept chilled, packaged and handled properly so that it will be safe for consumers to buy. Several government agencies have the responsibility to ensure the food’s safety. In the home, food caretakers must do their part to store, handle and cook meat and poultry right so it's safe to eat.

Fletcher maintains that raw meat and poultry products should be maintained at 2°C or below to greatly reduce the growth rate of any pathogenic bacteria that may be present on their surfaces. Chilling is required of all raw products unless they move directly from the slaughter line to heat processing or cooking which destroys pathogens. A lot of poultry farmers in Ghana have cold rooms for storage of both poultry meat and eggs. But unexpected frequent power interruption is a major threat and cold store operators are advised to have a stand by generator if they want to stay in business.

2.8 Marketing Agents and Distributors

Marketing agents, wholesalers and other kinds of sales distributors can be very effective and useful channels for selling to one’s ultimate customers and consumers. Lawless (1991), states that an established sales agent or distributor can give an immediate access to one’s target market without the need to build your own sales presence.
A sales agent or wholesaler can also be particularly useful if a production firm is trying to break into a new market, for example overseas where firms do not have experience and expertise. Such activities of marketing agents reduce advertising cost of poultry producers.

2.9 Customer

A customer also known as a client, buyer, or purchaser according to Churchill (1983), is usually used to refer to a current or potential buyer or user of the products of an individual or, called the supplier, seller, or vendor. This is typically through purchasing or rendering goods or services. However, in certain contexts, the term customer also includes by extension any entity that uses or experiences the services of another. A customer may also be a viewer of the product or service that is being sold despite deciding not to buy them. The general distinction between a customer and a client is that a customer purchases products, whereas a client purchases services. The slogans "the customer is king" or "the customer is god" or "the customer is always right" indicate the importance of customers to businesses, although these expressions are sometimes used ironically (Chartered Institute of Marketing, 2008).

However, "customer" also has a more generalized meaning as used in customer service and a less commercialized not-for-profit areas. To avoid unwanted implications in some areas such as government services, community services, and education service, the term "customer" is sometimes substituted by words such as "constituent" or "stakeholder". This is done to address concerns that the word "customer" implies a narrowly commercial relationship involving the purchase of products and services. In this
study customer and consumer are used to mean the same thing even though the customer buys for sale while the consumer buys for consumption.

2.10 Quality of Poultry Products

Before poultry meat quality is addressed, the term quality should be clearly defined as it relates to poultry. This is a difficult task, because quality is "in the eye of the beholder." For example, someone trying to sell a product might view its quality in terms of how well it is designed, packaged, sells and how much people are willing to pay for it. However, this definition is incomplete, because it does not consider the product's character.

Since customers and consumers only buy what they like, their perspective of quality is more appropriate. When consumers buy a poultry product, cook and serve it to their families, they expect it to look, taste, and feel good in their mouths. If these characteristics do not meet the consumer's expectation, the product is considered to be of lower quality (Duff, 2001).

North (1984) reports that whether or not a poultry product meets the consumer's expectations depends upon the conditions surrounding various stages in the bird's development from the fertilized egg through production and processing to consumption.

Erdtsieck (1989) discusses quality in terms of appearance, texture and flavour. Colour of cooked or raw poultry meat is important because consumers associate it with the product's freshness, and they decide whether or not to buy the product based on their opinion of its attractiveness. Poultry is unique because it is sold with and without its skin.
In addition, it is the only species known to have muscles that are dramatic extremes in colour (white and dark meat).

Breast meat is expected to have a pale pink colour when it is raw, while thigh and leg meat are expected to be dark red when raw. There are times when poultry meat does not have the expected colour, and this has created some special problems for the poultry industry.

2.10.1 Appearance (Colour)

Erdtsieck (1989) mentions that poultry meat colour is affected by factors such as bird age, sex, strain, diet, intramuscular fat, meat moisture content, preslaughter conditions and processing variables. Colour of meat depends upon the presence of the muscle pigments myoglobin and hemoglobin. Discolouration of poultry can be related to the amount of these pigments that are present in the meat, the chemical state of the pigments, or the way in which light is reflected off of the meat.

The discolouration can occur in an entire muscle, or it can be limited to a specific area, such as a bruise or a broken blood vessel. When an entire muscle is discolored, it is frequently the breast muscle. According to Coutts et al (2007) this occurs because breast muscle accounts for a large portion (5%) of the live weight. It is more sensitive to factors that contribute to discolouration, and the already light appearance makes small changes in colour more noticeable.

Extreme environmental temperatures or stress due to live handling before processing can cause broiler and turkey breast meat to be discolored. The extent of the discoloration is related to each bird's individual response to the conditions. Another major
cause of poultry meat discoloration is bruising. Agric Marketing Service (1995), reports that approximately 29 percent of all carcasses processed in the United States are downgraded (reduced quality), and the majority of these defects (28 percent) are from bruises.

The poultry industry generally tries to identify where (field or plant), how, and when the injuries occur, but this is often difficult to determine. The colour of the bruise, the amount of "blood" present, and the extent of the "blood clot" formation in the affected area are good indicators of the age of the injury and may give some clues as to its origin. The amount of "blood" present and the extent of clot formation are useful in distinguishing if the injury occurred during catching/transportation or during processing. Injuries that occur in the field are usually magnified by processing plant equipment or handling conditions in the plant.

2.10.2 Texture

Erdtsieck maintains that after consumers buy a poultry product, they relate the quality of that product to its texture and flavor when they are eating it. Whether or not poultry meat is tender depends upon the rate and extent of the chemical and physical changes occurring in the muscle as it becomes meat. When an animal dies, blood stops circulating, and there is no new supply of oxygen or nutrients to the muscles.

Without oxygen and nutrients, muscles run out of energy, and they contract and become stiff. This stiffening is called rigor mortis. Eventually, muscles become soft again, which means that they are tender when cooked.
Tenderness of portioned or boneless cuts of poultry is influenced by the time postmortem of the deboning. Muscles that are deboned during early postmortem still have energy available for contraction. When these muscles are removed from the carcass, they contract and become tough. To avoid this toughening, meat is usually "aged" for 6 to 24 hours before deboning; however, this is costly for the processor. When poultry is deboned early (0 to 2 hours post-mortem), 50 to 80 percent of the meat will be tough. On the other hand, if the processor waits 6 hours before deboning, 70 to 80 percent of the poultry meat will be tender.

Fletcher (1997), reports that the poultry industry has recently started using post-slaughter electrical stimulation immediately after death to hasten rigour development of carcasses and reduce "aging" time before deboning. According to Fletcher this is different from energy depletion in the live bird which causes meat to be tough. When electricity is applied to the dead bird, the treatment acts like a nerve impulse, and causes the muscle to contract, use up energy and enter rigour mortis at a faster rate. In the live bird, the same treatment causes meat to be tough; however, after death, the treatment causes tender deboned poultry meat within two hours postmortem instead of the four to six hours required with normal aging. Fletcher mentions that although electric stimulation is still in the developmental stages, it seems that processors using it can debone carcasses right out of the chiller and save on their equipment costs, time, space and energy requirements.

2.10.3 Flavour

Flavour is another quality attributes which according to North (1984) consumers use to determine the acceptability of poultry meat. Both taste and odour contribute to the flavour
of poultry, and it is generally difficult to distinguish between the two during consumption. He mentions that when poultry is cooked, flavour develops from sugar and amino acid interactions, lipid and thermal oxidation and thiamin degradation. These chemical changes are not unique to poultry, but the lipids and fats in poultry are unique and combine with odour to account for the characteristic "poultry" flavour.

Few factors during production and processing affect poultry meat flavour. This means that it is not only difficult to produce a flavour defect, but it is difficult to enhance flavour during production and processing. Age of the bird at slaughter (young or mature birds) affect the flavour of the meat. Minor effects on meat flavour are related to bird strain, diet, environmental conditions (litter, ventilation, etc.), scalding temperatures, chilling, product packaging, and storage; however, these effects are too small for consumers to notice (Fletcher, 2005).

2.11 Value Addition of Poultry Products

According to Gregory (1992), ultimately, the goal of value addition of poultry product is higher sales. Like many other areas of supermarket merchandising, it is achieved by appealing directly to the buyer. To do that, poultry companies often turn to diversification. Indeed, whole birds for roasting may have their traditional place and portioned tray packs, but many retailers are discovering that value-added products, from pre-marinated grilling strips to precooked barbecue buckets to heat-and-eat breasts, are drawing attention and driving sales. Even if consumers don't buy convenience-oriented products on an everyday basis, industry organizations and processors are making sure
that they can prepare basic cuts quickly and easily, thanks to consumer-friendly packaging and on-package recipes.

With such levels of consolidation, competition, and change impacting the poultry and supermarket industries, many efforts are going to continue to entice consumers with value addition. One basic way to lure both new and repeat consumers is to start with the dynamics of the products.

2.12 Sanitation Challenges that affect Poultry Product Quality

Birds are living beings, which are not only aware of their surroundings, but also react to them. Monith (1983) states that if the surroundings are upsetting the reactions may be negative, if the surroundings are favourable, the reactions will generally be positive. The surroundings of the bird comprise all factors of the space, which the bird occupies, and have a great influence on the health and performance of the bird.

Oluyemi and Roberts (1979) suggest that equipment should be cleaned and disinfected, cobwebs and dust on farms should be cleaned since it serves as a medium for pathogens, the litter should be raked daily or at least three times a week. Parkhurst and Mountney (1988) say almost hundred different materials have been used for litter with varying degree of success. To be unstable, litter must be inexpensive and readily available, free of dust, dry and free of moulds. It should also be small enough and heavy enough so that litter material containing the dried droppings can be reconditioned to a satisfactory litter for several successive broods. Before a new flock is started, the litter can be aerated when necessary. Wet and matted litter is removed and replaced with fresh material. They emphasized that with proper management, litter can be used to help keep
environment conditions in the house in balance, by keeping to prevent extremes of humidity and temperature.

2.12.1 Diseases Affecting Poultry Product Quality

Diseases are major constraint to animal production in the tropics and can ruin animal industry when outbreaks are severe or dramatic. Acker and Cuninngham (1991) estimate that, losses caused by animal disease in the U.S. annually amount to as much as 15% of the potential gross income from animals and animal products. Of these, 2% to 4% of the broilers and turkeys die before they reach market weight and laying hens typically have a mortality rate of about 1% per month.

2.12.2 Feed as a factor Affecting poultry product Quality

Afful, (1971) reports that feed accounts for about 70 percent of the cost of production in poultry, but that this cost a little higher in Ghana than that what it is in many countries and this is because of the high cost of maize which forms the largest proportion – about 75 percent of the mixed feed. He added that, with this high cost of feed, the margin of profit remains low, and this continues to be a big disincentive to poultry farmers in Ghana.

It was reported by Osei (1990) that the reason for high feed cost is quite obvious – primarily an inadequate production of the main fed ingredients, maize and fishmeal, to meet human demand, much less the demand of the poultry industry.
2.13 Other Challenges of Marketing Poultry Products

Iddrisu (1994) reports that to a large extent, government policies have had both positive and negative effect on the industry and compounding the problem are the side effects of the government’s economic policy of Trade Liberalization, by bringing in imported poultry and livestock products to compete against the local products.

According to Alhassan (1994), agricultural research by investigating and providing solutions to the nation’s agricultural problems is the driving force of increased production, but it is a major problem in Ghana. The report pointed the lack of coordination and cooperation among researchers in the same institutions, different organizations and between researchers, extensionists and farmers. Oddoye (2002), citing a report by Aboe (1998) stated that extension technology/information transfer to the farmers was biased towards crops as compared to livestock.

2.13.1 Poultry Products Imports

According to Do (1976), Ghana depends mainly on imported feeds (concentrates, mash, and some premixes) for feeding her poultry. The report further indicated the serious disadvantages involved which the report claimed have been ably discussed by E. W. Agudu in his articles “Comparison of Imported and Locally Compounded poultry diets for chicks” and “Some Problems of Poultry Feeding in Ghana”. These disadvantages, among others are irregular supplies, deterioration and all imports involving foreign exchange which constitute a serious drain on Ghana’s resources.

According to LPIU (1992), only 23% of the estimated total meat demand of about 195,000 metric tones comes from domestic sources.
Alhassan (1992) reports that substantial quantities of cheap European Economic Community (EEC) subsidized beef and poultry (not directly EEC subsidized) continue to be imported to the detriment of local production. Citing a report by MOFA, Alhassan (1992), indicates that poultry meat imports amounted to 6,757,035 MT (26.90% total imports).

Akyeampong (1994) also quoted Ghana’s import figures for frozen chicken from 1991 to 1994 as follows (metric tones):

Table 2.3: Imported Figures for Frozen Chicken from 1991 to 1994

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity imported (GHC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>6,757.305</td>
</tr>
<tr>
<td>1992</td>
<td>2,505.104</td>
</tr>
<tr>
<td>1993</td>
<td>4,907.59</td>
</tr>
<tr>
<td>1994 (Jan – May)</td>
<td>510.62</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,680.612</strong></td>
</tr>
</tbody>
</table>

Source: Acheampong, 1994

Atarah (2005) reports that in 2002 alone, more than 26,000 tones (one tone is roughly the same measurement as a US ton) of chicken was imported into the country, mostly from the European Union where farmers receive generous subsidies for their products. In 2004, however, that figure was estimated to be as high as 40,000 tones.
2.13.2 Climate

According to Williamson and Payne (1978), the zone of thermoneutrality for adult egg-laying birds appear to be within the range $5^\circ$ to $25^\circ$ C. They report that with increasing environmental temperatures, there appears to be a decrease in feed intake and alteration in behaviour, reflected by a continuous decrease in feed intake.

According to Osei (1990), high temperatures calling into effect the thermoregulatory mechanisms of chickens depress productivity by depressing feed intake by some estimates.

Daghir (1995), citing a report by McNaughton and Reece (1984), said that, a diet energy response in warm weather is seen only when adequate amino acid levels are provided. They claimed this approach may increase performance, but it would also increase the heat load on the bird and its ability to survive.

2.13.3 Availability of Capital

Afful (1971) argues that poultry production is an expensive business and for any programme of large scale development to succeed, a large amount of capital is necessary. Funds are required to provide the basic stock and to house them; the funds are required to provide medication and to maintain essential sanitary services for the animal; and most important of all, funds are needed to provide feed and efficient management.

Osei (1990), states that because of the greater farmer risk involved, one will recommend a low interest rate of 10% to attract farmers. It said further that this would also make the produce affordable to average Ghanaian.
According to Quartey (2005), on a paper read on his behalf by Mr. William Awuku Ahiadormey said the high interest rates charged by the banks are putting farmers off their profession. He quoted 28% interest rate for the poultry farmer in Ghana, as compared to 15% for Cote D’Ivoire.

Osei (1995), moreover argues that the question of collateral is a vexed issue among technically trained youths who aspire to take up career farming. This, he said barred the youth from practicing their vocation by the stringent collateral requirements of the financial institutions.

### 2.13.4 Poor Management

According to Gillespie (1992) there is the need for a high level of management ability, especially for large commercial flocks. Williamson and Payne (1978) reported that few poultry farmers breed their own replacements, and that, most farmers do not keep adequate records. They said lack of technical know-how leads to selection of birds of poor performers and poor health. According to them, major traits to be considered during selection are not adequately known due to poor records.

Gillespie (1992) reports again that, knowledge of brooder temperatures, the best housing systems for chicks, best litter material to use either for chicks or adults required spacing for each chick, ventilation requirements, etc. go a long way to determine good management practices. For example, more spacing is required per chick for electric brooders than with other types, the temperature under the hover must be $32^\circ - 35^\circ$C for
day-old chicks and that, day-old chicks in battery brooders require 10 square inches 
(64cm²) of space per chick.

High-moisture litter due to improper operation of drinkers or to poor ventilation 
will lead to accumulation of ammonia, which increases incidence of respiratory problems 
and ocular lesions, as well as intestinal infection.

2.14 Poultry Marketing Problems

According to Winter and Funk (1994), problems in marketing poultry products 
arise from the location of these products with respect to consumption centres, their 
seasonal distribution relative to the time of consumption, and the maintenance of quality 
through the marketing channels while they are held or transported. These authorities 
claim that maintenance quality of eggs and poultry is a major problem in the industry. 
Since the production and consumption centers are widely separated, considerable time is 
required to transport these products to the retail market.

Ahima (2005), reports that marketing poultry products is a problem in Ghana due 
to foreign competition. He said the price of imported subsidized poultry poses a risk to
local poultry, not forgetting the bird flu scare and that of the competition the local trade 
policy is being driven into.

Dodoo (1996) defines marketing information as the total array of data needed by
the market functionary to facilitate his or her decision making process within the market 
environment.
He lists the marketing information inputs and mentions price, transportation and storage as important marketing information inputs which poultry producers use in their investment decisions.

Other factors Dodoo (ibid) consider to be important as marketing information input are the type of available storage facility, storage charges, length of storage period allowed. As it is with transportation, storage also increases cost of production. Johnson (1990) reported that storage is another charge that widens the gap between farm price and the market price of produce. He further stated that consumer demands for farm produce, vary little but most farm production is seasonal so storage becomes necessary either by the farmer or by the marketing body.

Credit and Finance

Possible source of credit terms and interest rates are important factors to consider. Dodoo (1996) stresses on the importance of the public sector to provide credit facility to individuals, association and corporate bodies to acquire storage facilities, marketing and transportation facilities in major producing areas of poultry meat in the country. Nubuor-Tei (1989), states that poultry farmers with holdings of over 5,000 birds are those who benefit from banks credits, and these are not even sufficient for their operation. Acquisition of credits therefore allows the farmer to invest in schemes that generate enough money to cover the loans they have obtained. Acquisition of credit facility can be from individuals or financial institutions. Amedo (1989) makes a claim that most lenders have the notion that since most poultry meat producers are not operating on a large scale, they would not be credit worthy.
2.14.1 Product Standardization and Grading

Johnson (1990) states that grading is needed to maintain high quality to achieve good pricing policies and to promote export. Johnson (1990) concluded that proper grading, processing and packaging allow for product to attract better prices. Amedo (1989) states that the “frafra” middlemen by visual inspection and feeling the live weight, by raising the birds, normally fix prices on them.

2.15 Cost of Production

Atuahene et. al. (1989) defines cost as the charge that is made for an item used in the production of goods or services. This implies that for every item used in the production there is a corresponding charge level. Therefore the overall cost of production of poultry goes a long way to affect the marketing of a commodity. It is therefore necessary to know, how to control the cost of production in order to properly market a product for profit. Quartey (2005) hints that the cost of producing poultry was high citing high electricity and water tariffs as well as the price of petrol and diesel as being major contributing factors.

2.15.1 Pricing Mechanism

Osei (1995) states that the poultry industry in Ghana does not have a specific pricing system for the pricing of its produce and most farmers allow middlemen to place a price tag on their produce. They make a rough evaluation of their unit cost and adding profit margins of their choice. He further states that, it will not be difficult to imagine
united farmers fixing prices of their produce instead of allowing middlemen to do so for them and of course, a united association could arrange to procure input at lower cost to members.

The poultry industry needs a standard pricing mechanism in order to effect proper pricing of produce. Osei (1995) indicates that farm prices fixed by farmers, would go a long way to help farmers offset their cost of production. Proper grading of eggs and setting of prices according to grades would be very necessary. The prices of poultry meat and egg must keep pace with cost of ingredients used to feed birds.

Oddoye (1995) states that broiler producers must aim at making the most weight gain within the shortest possible time and egg producers must also aim at the highest possible rate of lay and its sustenance once achieved, as long as possible.

The ingredients used in the production of feed, affect feed availability and cost of production. Atuahene et al., (1989) state that maize is a major source of energy supply in most diet formulations, this cereal ingredient constitutes up to about 60 – 65%. Okantah (1995) states that feed cost constitutes 70% of production cost. He cites lack of strong grain production base and competition from humans for maize as possible cause of high cost of maize. Karbo and Osei-Frimpong (1992) reports that, price of maize on the open market is not stable and is always on the increase, maize is therefore the most costly component of the formulation of broiler finisher diets. In order to reduce feed cost, there is the need to look for a relatively cheaper alternative source of energy. They therefore recommend the use of 15% inclusions level of bread flour in a given formulation for broiler finishers.
Inputs for poultry production range from building materials to the feed for birds and drugs for vaccination. Okantah (1995) indicates that feed constitutes 70% of total cost of production. This shows that the final pricing of poultry produce largely depends on the cost of feed. Should relatively cheaper feed ingredients be used in the production of birds, the final price of poultry produce would be quite low. Odoye (1995) states that, farms should begin to look critically at feed intake in relation to the nutrient content of the feed as a way of reducing cost. He cites an example, supposing feeding a layer with a feed containing 18% crude protein and birds were consuming 105g/bird/day, this will work to a protein intake of 19g/bird/day which is adequate for a layer, in phase one of lay. That is from 20 to about 35 weeks, if intake were to rise to 115g, on the same feed, protein intake per bird per day would increase to 20.7g, which means birds are fed on extra 1.7g protein per day, which is a waste but adds to the cost of production.

Agbesi (1981) suggests that feed millers and farmers should produce a percentage of their maize requirement to reduce their cost of production. It adds to the cost of production of poultry and as such feed importation cannot support the poultry industry.

He concludes that the production of fishmeal by local companies in the country like Tema Feed Complex Corporation, State Fishing Corporation, etc. would help very much to reduce the cost of production because the price of feed of these two state organisations is reasonable. This means that if farmers use local materials in their production, there is a chance of making greater profit than using imported materials or ingredients.
2.15.2 Transportation to Market Areas

Johnson (1990), states that all produce need some transport, provided by either the farmer or the middlemen, to the market place. The location of the farms and their proximity to the customer is very necessary if proper marketing is to be achieved. The cost of production turns to increase with an increase in the distance of the site of production to the delivery centre and as such transportation forms an integral part of the entire cost of marketing. Most farm holdings do not have transportation facilities to support their production.

Dadoo (1996) reports that inadequate transportation facilities lead to inefficient allocation of resources at the farm gate and low farm income. He additionally reported that, appropriate facilities for transporting and distributing live birds are not available in most farms.

2.16 Poultry Economic Policies

The activities of the poultry industry are highly dependent on government agricultural policy of the country. According to Atarah (2005), the main policies of the government that affect poultry production and marketing are tariffs on imported goods and subsidies to support poultry production. Foreign producers currently pay a 20% tariff on imported poultry. The World Trade Organization (WTO) agreement on agriculture states that tariffs charged on agricultural products imported into the country can be as high as 90%. This when put in effect by government would boost local poultry production as the quantity of foreign poultry imported into the country would be reduced.
Government subsidy is another important factor that affects poultry production. The removal of subsidies on inputs like feed and premixes used in production is another governmental policy that is detrimental to the poultry sector. Atarah (2006) states that farmers are no longer able to farm because of high prices of agricultural inputs which need to be subsidized by the government to enable poultry farmers produce. He observed that American and European Union farmers are able to produce large quantities of chicken because they receive generous subsidies on their inputs.

2.17 Prospects of the Market

According to Sarpong (2011), the local poultry farms in the country face imminent collapse due to high cost of production and lack of credit facilities. The firms with hundreds of staff include Rockford, Kuranchi, Anointing, Prudential, Los Angeles and Chris farms have collapsed. Unfavourable domestic policies have also contributed to the firms’ downturn in operations due to the continuous dumping of subsidized poultry products from the European Union. Ghana imports almost one-third of the EU frozen chicken that comes to Africa. Cameroon, Togo, Senegal and South Africa are among the other nations receiving imported frozen chickens and chicken parts. By 2010, domestic poultry was only able to meet 4 percent of demand, as most poultry producers stopped producing broilers for meat altogether and started concentrating solely on the production of eggs.

Quartey (2008), attributes the demise of the broiler sector to the poor policy environment over the past 15-20 years. He pointed out that it has so eroded the capital base of the local producer that most operations carry heavy debts to survive. He further
stated that, the absence of synergies and economies of scale that a vibrant broiler sector provides has serious implications for the layer sector, the agro-processing industry and indeed to agriculture as a whole.

There are two poultry enterprises that have the facility for processing poultry into dressed whole birds, but this has not been sustained. Imported poultry products tend to be cheaper by 30-40 percent than the locally produced chicken. Egg sales, however, face relatively minor competition on the market compared to poultry meat.

The active commercial poultry production sector 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 birds) enterprises (Akoto, 1995).
CHAPTER THREE

METHODOLOGY

3.0 Introduction

This study adopted a case study design and various authors have different definitions for case study. Miles (2001) defines it as a study utilizing qualitative data.

According to Yin (1981), a case study as a research strategy, attempts to examine a contemporary phenomenon in its real-life context, especially when the boundaries between the phenomenon and the context are not clearly evident. Robson (2002) also supports this stance by indicating that a case study allows an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence. Case studies can involve various types of evidence: qualitative, quantitative or both. This study utilised various data collection methods. These include interviews, archives, questionnaires, and observations but these methods are often combined. The design for this study was selected because of the qualitative nature of the investigation. It should however be noted that this study is not a laboratory work but rather a field study using qualitative procedure to examine the challenges and prospects of marketing poultry and poultry products in Kumasi, using Akate Farms Trading and Company Limited as a case study. The use of case study method is appropriate because it helped the researcher to seek a richer understanding of the key issues and dynamics involved in marketing poultry and poultry products.
3.1 Research Population

The population for this study comprises of all those who are involved in the poultry business within the Kumasi metropolis including the management and staff of Akate farm trading and company limited. Others are veterinary officers, poultry feed sellers, egg sellers, live birds sellers, khebab sellers, officers of the Ministry of Food and Agriculture (MOFA) and the people of the community within which the farm is located. The main reason for using this category of people is that their activities directly or indirectly have some bearing on poultry production and marketing within Kumasi Metropolis. The exact total number of this population however, could not be established by the researcher because it was large and scattered.

3.2 Sampling Frame

A sampling frame is the description of units of the population from which the sample could be drawn. Since the population was too large and not all the members of the population directly do business with the Akate farms, the researcher decided to come up with a sampling frame which involves people whose activities affect Akate Farms in one way or the other. Out of this sample frame, the sample size was drawn.

3.3 Sampling and Sampling Techniques

According to Kothari (1996) sampling indicates the selection of a group or an aggregate with the view to obtaining information about the whole.

Some of the advantages of sampling over census are greater accuracy, less time consuming and less expensive. There are two main types of sampling open to this study.
These are random probability sampling in which case each member of the population has an equal chance of being selected. The other one is the non-probability sampling which in this situation no randomisation is required and members do not stand equal chance of being selected. For this study, judgmental sampling technique, also called purposive sampling was used to select respondents. The judgmental sampling allowed the researcher select units to be sampled based on his knowledge, professional judgment and skills.

Some of the advantages of the use of judgmental sampling are lower cost of sampling, lesser time involved in the process, a select number of people who are known to be related to the topic are part of the study. The major weakness, however is that it can be subject to the researcher’s biases and stereotypes that may distort the results since respondents were not scientifically selected.

**Classification of Respondents and Sample Size**

Based on the use of non-probability or judgmental sampling techniques respondents were classified as shown in table 3.1 below.

**Table 3.1: Classification of Respondents and Sample Size**

<table>
<thead>
<tr>
<th>Respondents Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akate Management and Staff</td>
<td>40</td>
</tr>
<tr>
<td>Feed Sellers, Live bird Sellers, Egg Sellers and other Sellers</td>
<td>12</td>
</tr>
<tr>
<td>MOFA and Vet officers</td>
<td>4</td>
</tr>
<tr>
<td>Cold Store Operators</td>
<td>3</td>
</tr>
<tr>
<td>People of the farm community and Consumers</td>
<td>21</td>
</tr>
<tr>
<td>Other Stakeholders</td>
<td>20</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Researcher’s Field work, May, 2011
The classification and sampling method gave a sample size of 100 which is considered quite representative of the research population.

3.4 Sources of Data

Two main sources of data were used. These were primary and secondary source. Primary source of data were obtained mainly from interviews and focus discussion, administration of questionnaire, personal observations, and telephone conversion with key stakeholders.

Secondly source of data gathered included both published and unpublished literature on poultry production, poultry marketing and other related materials from books, journals, newspapers, magazines and the internet. Others were records, documents and statistics of the company.

3.5 Data Collection Instruments

The data for the study were collected through sets of questionnaires administered to respondents, as well as interviews, personal observations, focus discussion with key stakeholders and telephone conversation with actors in the industry.

In designing the questionnaire, both open and closed ended questions were used depending on the situation. This was to ensure that information obtained was accurate and could be relied upon. Unstructured interviews and focus discussion were used to solicit information relevant to the study from some respondents.
After preparing the questionnaires, they were edited by carefully going through them to detect possible inconsistencies. Errors that were detected were corrected accordingly.

In all, 100 questionnaires were prepared and all of them were distributed to the respondents for two weeks. Ninety (90) questionnaires were returned to the researcher for editing. After editing, 10 were rejected by the researcher because they were full of errors and inconsistencies.

### 3.6 Pre-test/Pilot Survey

With the help of two Research Assistants whose services were engaged by the researcher, a pilot survey was conducted by administering 10 questionnaires to respondents. The results were examined to determine their suitability as well as problems and difficulties to be encountered in the actual research work. The result of the pre-test was that the questionnaires were relevant, valid, good and useful for administration.

### 3.7 Data Analysis

In this study, the researcher relied on Microsoft Excel in analysing the data. Frequency distribution, percentages, Bar charts and descriptive analysis evaluating the challenges and prospects of poultry marketing in Kumasi were used to examine the research questions.
3.8 Profile of Akate Farms Trading and Company Limited

The Akate Farm Trading and Company Limited was established in December, 1985 by Alhaji Abdul Salam Akate with the aim of producing and supplying quality poultry and poultry products to the people of Ashanti Region and beyond. With just 1500 layers and 800 broilers during the period of commencement on a 10 acre land located at Sepe Dote, a suburb of Kumasi, which now serves as an administrative premise and feed storage facility. The company has grown and expanded over the years by dint of hard work, commitment and dedication to duty.

3.8.1 Management Philosophy

Management believes that hard work should be rewarded while poor work should be punished. The company therefore exists to service customers and they must be made to believe that they are getting their money worth.

It views its employees as its most important assets because without employees the company can not keep customers happy so as to retain them for a higher market share and increased profitability.

3.8.2 Mission

The mission of the enterprise are the following:

1. to achieve profitable and responsible commercial success by producing and marketing quality and affordable poultry and poultry products.
2. to balance goals of superior profitability and return on investment, leadership, market position and superior product and service quality.

3. to conduct business ethically and demonstrate leadership in satisfying its responsibilities to the communities and to society.

4. to demonstrate its commitment to safe and productive work environment characterised by fair treatment, teamwork and open communication.

5. to ensure proper consumer care and satisfaction for a higher market share.

3.8.3 Human Resource Management

Currently the company has 400 permanent staff on its payroll and 70 casual labourers. It has also provided indirect employment to 100 maize farmers who supply the farm with maize and make a living through that. The company sources funding from the banks and its own internal generations to run its operations. Its investment capital as at now stands close to GH¢25,000,000. It has commercial farm covering a 40 acre land on the Antoa road with an animal population of 500,000 birds. In addition to the commercial farm, it has a breeding farm with animal population of 50,000 birds, a hatchery with 96,000 chicks per hatch and a feed mill capable of producing 50 tonnes of feed a day, and all are situated on another 30 acre land on the same Antoa road.

Employees are the most important assets of the company. Therefore, to the company, hiring and training employees is essential in providing the company’s required high level of product quality, service and reliability. In order to hire and retain high
caliber staff, it pays attractive salaries, there are other packages available for staff such as payment of special yearly bonuses, soft loans, provision of accommodation, free meals every day and health care.

Figure 3.1: The existing Organisational Structure of Akate Farms Trading and Company Limited

Source: Akate farms, 2011
3.8.4 Challenges

The challenges confronting the farm are numerous. They are the following:

1. high interest rate on loans
2. withdrawal of government subsidies on agricultural inputs
3. fluctuating price of maize which forms over 50% of the ration formulated for birds
4. influx of cheap foreign poultry products
5. difficulty associated with acquisition of land for farming
6. frequent power fluctuations which impact negatively on quality of chicks hatched and storage of dressed birds.

3.8.5 Future Plans and Prospects

The company has acquired a 50 acre land at Ejura to cultivate its own maize and maize forms close to 60% of the feed given its birds. This will enable the company to reduce its production cost by about 60% and make better returns on its investments. The company has advanced plans to establish subsidiaries in all other regional capitals to help boost sales and marketing. It has acquired land for fish farming, cattle and sheep production. At the moment it has 300 cattle, 100 sheep and also harvests 10,000 cat fish in every 5 months. Plantain, mango and pineapple cultivation is also in the pipeline. The intention of the company is to be a market leader in all agricultural productions and product sales.

“Akate Farms a sure bet for quality”!
CHAPTER FOUR
DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter presents the data collected from the field and analyses them in order to answer the research questions and achieve the objectives set. The study considers demographic characteristics such as gender, age, educational level and religion very relevant and important to the study. This is so because these characteristics show the various classes of respondents and how the classes influence the perceptual views, choices, preferences, etc associated with the topic.

4.1 Demographic Characteristics of Respondents

4.1.2 Gender of Respondents

From figure 4.1 below majority (50) out of the 80 respondents, representing 62.5% were males whereas 30 also representing 37.5% were females. According to respondents, the poultry business is considered to be laborious and quite a risky venture, a lot of boldness and courage is therefore required before one can venture into it, and this explains why the industry attracts more males than females.

*Figure 4.1: Gender of Respondents*

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>62.50%</td>
</tr>
<tr>
<td>Female</td>
<td>37.50%</td>
</tr>
</tbody>
</table>

Source: Field work, May 2011
4.1.3 Age of Respondents

Table 4.1 below gives an indication of the age of the respondents. The group with the highest percentage is those who fall within the age bracket of 30 – 45 representing 62.5% of the total number of the respondents. They were followed by those in the age bracket of 46 - 60 representing 25% of the respondents while those between 18 and 29 years of age represent only 12.5% of the total number of the respondents. It is clearly evident from the table that there are younger and energetic people taking up the poultry business and this is a good sign for the future of the industry and its marketing potential. In another development only 12.5% of respondents were in the age bracket of 18 – 29 years of age. According to respondents, the reason for this trend is that at that age, most of them will still be in school, learning a trade or may not have the start up capital to go into the business.

Table 4.1: A Table showing Age of Respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>Number of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 – 29</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td>30 – 45</td>
<td>50</td>
<td>62.5</td>
</tr>
<tr>
<td>46 – 60</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Fieldwork, May, 2011
4.1.4 Educational Background of Respondents

Table 4.2 shows that 25 respondents representing 31.25% have acquired tertiary education and likely to consume poultry and poultry products, followed by 30 respondents constituting 37.5% have received secondary education while the remaining have acquired either primary education or were complete illiterates. The education here only means formal education and not training in the poultry business. If over 60% of the respondents can read and write, then, the future of the poultry business is bright since players can easily adopt new technologies or can understand current challenges in the business especially in the area of marketing of the products, consumer preferences and choices. This will help bring about the needed improvement that is so dearly desired.

Table 4.2: A Table Showing Educational Background of Respondents

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Number of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiterate</td>
<td>5</td>
<td>6.25</td>
</tr>
<tr>
<td>Primary</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>Secondary</td>
<td>30</td>
<td>37.5</td>
</tr>
<tr>
<td>Tertiary</td>
<td>25</td>
<td>31.25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Fieldwork, May 2011
4.1.5 Religious Background of Respondents

From figure 4.2 below, 30 respondents constituting 37.5% were Christians, 25 of the respondents also constituting 31.25% of the total number were in the Islamic religion whereas 15 respondents constituting 18.75% were traditionalist. The remaining 10 respondents constituting 12.5% were in the other smaller religious groups. According to respondents, this picture clearly indicates that unlike the swine industry, the poultry industry has no religious barriers or restrictions and therefore people from all religious background either consume the product or are involved in the poultry business in one way or the other. This also gives the poultry industry good marketing prospects since religion stimulates demand. Respondents explained that during Christmas, Easter and Muslim festivals for example demand for poultry products escalates to the extent that farmers have to look for additional resources to enable them meet this high market demand. However, is not easy at all to satisfy rising consumer demand due to unavailability of credit facilities.

Figure 4.2: A Bar Chart Showing Religious Background of Respondents

Source: Field work, May 2011
4.2 Respondents’ Knowledge about Relevance of Marketing Concepts in the Poultry Business

From the figure 4.3 below only 28 of respondents, representing 35% of the total number has in-depth knowledge about marketing concepts and relevance of marketing in the poultry industry. The remaining 52, representing 65% of the respondents simply understand marketing only to be buying and selling but do not know marketing as a discipline relevant in the poultry industry.

*Figure 4.3: A Pie Chart Showing Distribution of Respondents Knowledge about Relevance of Marketing Concepts in the Poultry Business*

Source: Field work, May 2011

4.3 Marketing Planning, Product Design and Packaging at Akate Farms

In response to a question as to whether the company has marketing plans, key respondents consisting of the Managing Director, Production Manager and the Marketing Manager said even though they produce and sell, these activities are not based on well-designed marketing plans. They added that they do not conduct marketing research to
actually identify their target consumers or the tastes and preferences of consumers or even supply and demand levels.

These respondents mentioned that the company however prepares production and sales budget taking into account seasonal nature of supply of inputs and demand for poultry and poultry products.

On the issue of product design and packaging 60% of respondents made up of management members, retailers, sales staff and consumers said the company has a special way of packaging eggs and dressed birds making them attractive to suit the tastes and preferences of consumers. 30% of respondents said however said what Akate farms does with respect to product packaging and design are not different from what competitors do. 10% said they were not aware of anything, concerning product packaging and design.

4.4 Sales Strategies

In response to a question as to whether or not Akate Farms sellers adopt marketing strategies in marketing their products 75% of respondents responded in the affirmative while 25% were not sure of any marketing strategies.

When asked to rank marking strategies in the company the 75% of respondents in management said Akate Farms use marketing strategies such as the following;

a) egg and meat packaging in polythene containers(10%)
b) Product design which is mainly in the form of adding value to poultry meat to attract consumers (15%)
c) Personal selling in vans to consumers in markets and other selling points (40%)
d) Selling of eggs and live birds at the farm gate (15%)
e) Selling through agents and retailers (20%)

Respondents said company sales staff play major roles in these selling strategies. They consider that these strategies give the company some marketing advantage over other competitors.

Figure 4.4: A Bar Chart Showing Sales Strategies Adopted by Akate Farms

Source: Fieldwork, May 2011

4.5 Respondents’ Opinion on the Growth or Decline of Poultry the Industry

Respondents were asked to give their opinion on the growth or decline of the industry. From figure 4.5 below, as many as 60 respondents representing 75% were of the view that the poultry business like Akate Farms could be declining at a faster rate even though demand for poultry products keep on rising. Twenty respondents representing 25% of the total number also said that the industry is actually growing in terms of number of farms and investment capital. Those who said the industry is declining even though
not noticed by industry players like Akate Farms gave the following reasons to buttress their claim;

1. lack of subsidies on poultry inputs like feed, drugs, machines and equipment which could stimulate industry players like Akate Farms to grow and have higher market share.

2. inadequate veterinary personnel to offer technical advice as well as provide extension services on poultry health and diseases do not augur well for Akate Farms. Respondents cited times when farmers get confused when there is outbreak of disease; consequently, Akate Farms for example lose a substantial number of birds and eggs which eventually also reduces product quality and its marketing potential.

3. lack of willingness on the part of successive governments to enact appropriate laws to check importation of subsidised poultry and poultry products that compete with the local products. This threaten Akate Farms and its large market share in the industry.

4. lack of storage facilities which lead to losses during the boom period; such losses hamper the overall growth of the poultry industry and its marketing potential of Akate Farms.

5. lack of credit facilities coupled with high interest rate on loans even where available has the tendency to derail the advantages of Akate Farms.

6. misconceptions about the consumption of eggs purportedly conceived to contain high level of cholesterol threaten the demand for Akate Farms eggs in the metropolis.
7. difficulty associated with land acquisition for farming hamper expansion programme of Akate Farms.

8. most research findings by universities and research institutions of Ghana are not communicated to poultry farmers and relevant stakeholders and therefore the expected growth in the industry is not realized by industry players such as Akate farms.

9. increases in price of maize as a result of competition from humans and pigs poses a major threat to the growth and expansion of poultry farms like Akate Farms.

   In another development, respondents who said the industry is growing and are convinced that the marketing prospects are quite high assigned the following reasons for their claim;

1. the number of poultry farms in the Kumasi metropolis has increased and this signifies growth and competition in the industry but this gives advantage to Akate Farms especially with the of increasing number of restaurants, hotels, khebab joints, cold store operators in the municipality, this will increase production, sales revenue and market share of Akate Farms.

2. there is a strong and vibrant poultry farmers and eggs sellers association in the metropolis that sees not only to the welfare of its members but also how to expand the business and its marketing potential ,and for this Akate Farms takes advantage.

3. the introduction of veterinary medicine programme by KNUST is likely to offer services and technical advice to poultry farmers and poultry marketers especially Akate Farms due to its proximity to KNUST campus.
4. as the population in the metropolis keep on growing, it will increase demand for poultry product, the market will also expand in the metropolis and Akate Farms, being one of the biggest Farms in the metropolis has a big advantage.

5. as the number of veterinary drugs and feed sellers has increased in the metropolis Akate Farms has production and marketing advantages. According to respondents in Akate Farms management and sellers of poultry products for Akate Farms, the prospects of poultry marketing within the metropolis for the company is encouraging.

Figure 4.5: A Pie Chart Showing Respondents’ Opinion on the Growth or Decline of the Poultry Industry

Source: Field Work, May 2011

4.6 Factors Which Dictate Respondents Preference of Eggs from Akate Farms

In response to a question as to what determines consumer preference for eggs of Akate Farms, 20% of respondents said consumers mostly prefer brown shelled eggs to white shelled eggs. They explained that consumers believe that white shelled eggs have
soft shells and easily break, it is from local breeds of chicken and it is only appropriate for rituals and occultic practices, and hence not for human consumption, whereas the 80% consider the size, price, appearance, whether the shells are dirty or not and have no special preference for any particular colour. According to these respondents, poultry farmers do not seem to know the exact taste and preferences of the consumers and are not able to tailor their products to suit their exact choices and preferences. In their view this is one of the major causes of the dwindling marketing fortunes.

**Figure 4.6: A Pie Chart Showing Factors Which Dictate Respondents Preference of Eggs from Akate Farms**

![Egg preference chart]

Source: Field work, May 2011

### 4.6.1 Factors Which Dictate Respondents Preference of Dressed Birds from Akate Farms

From the figure 4.7 below when respondents were asked to mention factors which attract them to Akate Farms dressed birds, 20 respondents, representing 25% of the total number said they look at the colour of the meat and that chicken with pale skin are
preferred because it is believed it contains less fat whiles yellow skin chicken contains too much fat. Also, 52 respondents, representing 65% said factors which determine their choices are price, size, and packaging whilst the remaining 8 respondents, representing 10% interestingly look at the appearance of the seller, presence or absence of tears, cuts and pin feathers on the product, before they make their purchase decisions. Their reason for considering the sellers appearance first is that, they believe once the seller is neat, the product too is neat and wholesome. According to a good majority of respondents, most poultry farmers and dealers needlessly run into marketing difficulties because they do not know exactly what majority of consumers consider as product quality as far as poultry products are concerned, and for that matter the farmers are unable to produce to suit their taste and preferences. To them, this is likely to hamper the growth and expansion of the poultry market.

\textbf{Figure 4.7: A Bar Chart Showing Factors Which Dictate Respondents’ Preference of Akate Farms Dressed Birds}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{bar_chart.png}
\caption{A Bar Chart Showing Factors Which Dictate Respondents’ Preference of Akate Farms Dressed Birds}
\end{figure}

\textbf{Source: Field work, May 2011}
4.6.2 Factors Which Dictate Respondents Preference of Live Birds from Akate Farms

In response to factors that determine consumers’ preferences for live birds at the company, 56 respondents, representing 70% of the total number as seen in figure 4.8 below consider price and weight when buying live bird from the company. They said they usually determine the weight by raising it up and feeling its heaviness. Sixteen (16) respondents, representing 20% said they consider the general appearance of the bird, whether dirty or not. They said if they realise the bird is dirty they would not make a purchase. The remaining 8 respondents, representing 10% consider the eye, wattle, comb and vent before making a choice decision. According to them bright eyes, brightly coloured reddish wattle, comb and dry vent signify a healthy bird.

Respondents who are farmers said that since majority of consumers and customers consider the weight of the products to be high and the price reasonable, most farmers do not cover their production cost because, higher weight goes with higher feed consumption and looking at the escalating prices of feed ingredients, especially maize, farmers are not able to sell below a certain price level. They mentioned that this is the reason why their products are not able to compete favourably with imported ones.
**Figure 4.8: A Bar Chart Showing Factors Which Dictate Respondents Preference of Akate Farms live Birds**

![Bar Chart](image)

**Source: Field work, May 2011**

### 4.2 Demands for Akate Farm Products

Interviews and focus group discussions were held for various stakeholders in the poultry business to find out issues on demand and supply and what goes into price determination. Responses received from the interviews and the discussions were factored in the data analysis.

In both interviews and discussions, respondents said that during festive occasions like Christmas, Easter and Muslim festivals, demand for Akate Farm poultry and poultry products far exceed supply. It came out that during such occasions, consumers develop special preference for local poultry and poultry products particularly live broilers, live spent layers and eggs. They however added that as soon as the festive periods were over, demand for the products slumps and as a result of that the farm mostly concentrate on egg
production than broiler production. Respondents who are producers mentioned that a lot of poultry farms are collapsing these days as a result of unfavourable market conditions such as competition from foreign producers and importers. According to focus group members as a result of stiff competition from cheaper imported products, local farmers are unable to raise prices to the level that will enable them break-even or make some profit to sustain their businesses.

Other demand determinants mentioned by respondents in management that determine demand of poultry poultry products are

i. size and colour of eggs
ii. product design and packaging;
iii. neat handling of the products;
iv. the company’s determination to reach out to consumers;
v. reasonableness of pricing poultry and poultry products ;
vi. friendliness and responsiveness of sales staff;

4.3 Price Challenges

Respondents who are key actors in production and sales at the company mentioned that the company has price challenges and these relate to;

i. high cost of production due to mainly high cost of inputs
ii. desire of competitors to offer inferior poultry and poultry products at cheaper prices
iii. low prices offered for imported foreign poultry and poultry products
iv. inflation which reduces the real income of consumers to the extent that low income earners who buy from Akate Farms want quality products but at lower prices

v. the tendency to sell at lower prices because consumers can not afford economic prices offered by the company, in which case sometimes the company can not cover cost and consequently incur losses.

About 80% of respondents mentioned that as consumers they prefer cheaply priced products because that can serve all the members of their families. They said consumers prefer to buy imported poultry and poultry products mainly due to price affordability reason. Respondents in management at Akate Farms said imported products really constitute a big price and sales challenge.

4.5 Sales Problems

Outlining marketing problems encountered in product sales, respondents who are in management of the company and sales staff mentioned the following;

i. harassment by KMA task force during sales on pavements and at lorry stations;

ii. poor nature of roads in the Kumasi metropolis which reduce product quality;

iii. credit sales which result in bad debt;

iv. competition from foreign products and other competitors in the metropolis;

v. dishonesty of some sale staff;
vi. inadequate storage facilities;

4.6 Other Challenges of Poultry Marketing Challenges Outlined by Respondents

From the interview, 60% of respondents mentioned the following marketing challenges to Akate Farms; (a) the absence of workshops and seminars for stockmen and sales staff to sharpen their production and marketing skills (b) high cost of land and difficulty associated with land acquisition for farming (c) difficulty in acquisition of poultry production and processing equipment.

The remaining 40% of the respondents on the other hand mentioned the following challenges;

i. inadequate processed poultry products;

ii. poor packaging and frequent power outages;

iii. reduced product quality due to the farms inability to procure good quality inputs;

iv. high input prices;

Table 4.3: A Table Showing Some Challenges Outlined by Respondents

<table>
<thead>
<tr>
<th>Percentage of Respondents</th>
<th>Major Concerns</th>
</tr>
</thead>
<tbody>
<tr>
<td>60%</td>
<td>Absence of workshop and seminars to sharpen production and marketing skills, high cost of land and difficulty associated with land acquisition, high tariffs on imported poultry equipments.</td>
</tr>
<tr>
<td>40%</td>
<td>Poor processing of poultry and poultry products, poor packaging of products, frequent unexpected power outages.</td>
</tr>
</tbody>
</table>

Source: Field work, 2011
4.7 Prospects of Poultry Production and Marketing

In relation to marketing prospects of the poultry market in the Kumasi metropolis, 20% of the respondents said that ‘short message service’ (SMS) programme aimed at offering poultry farmers and dealers a one-stop shop emergency information centre has been recently launched in Kumasi by Boris Ventures, a private company. They also mentioned the fact that the poultry farmers association is exploring other marketing avenue and means of sharing emergency information among them anytime there is outbreak of disease.

Another 10% of the respondents reiterated that, in the face of rapid depletion of fish stocks in Ghana’s territorial waters and an undeveloped aquaculture industry, Akate farms has great prospects to expand its market not only for animal protein security but also for job creation.

In another development, respondents in management mentioned that the future of Akate farms and other poultry farms is very bright. They support their claim with the following:

i. Global Solution Services, a private company, is constructing one of the largest modern state-of-the-art processing plant on the continent which will process 8000 broilers per cycle. According to them, the company intends to develop a fully integrated broiler business with the aim of helping the domestic and regional industry to grow. Additional installations include a brand new packaging unit, Quality Assurance Laboratory, cold storage centre and purchase of refrigerated vans for broiler carcass collection from various farms as well as distribution of processed meat to hotels, restaurants, cold stores and
local food vendors. They said the private company is encouraging all local farmers to produce enough to feed the plant and it is believed that farmers including Akate Farms will take advantage of this opportunity to increase production and hence expand its broiler market.

ii. In the face of severe frequent maize shortage in Ghana, Akate Farms wants to intervene by buying enough maize during the harvest period when it is very cheap and store it in silos throughout the country so that when the price increases the company and other farms can buy at a comparatively cheaper price in order to reduce their cost of production.

iii.  

Table 4.4:  Prospects of Poultry Production and Marketing

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Perceived Prospects</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>Hot line available for easy information flow</td>
</tr>
<tr>
<td>10%</td>
<td>With depletion of the country’s fish stock, attention of consumers would be focused on poultry products</td>
</tr>
<tr>
<td>10%</td>
<td>Availability of a large broiler processing plant for farmers like Akate Farms to take advantage of.</td>
</tr>
<tr>
<td>60%</td>
<td>Affordable maize will soon be available all year round</td>
</tr>
</tbody>
</table>

Source: Field work, May 2011
CHAPTER FIVE

FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The main objective of the study was to find the challenges and prospects of marketing poultry and poultry products in Kumasi. The study sought to find answers to issues like the major constrains of poultry production and marketing in the Kumasi metropolis, the causes of the constraints, how it can be alleviated and the prospects of the market.

5.1 Findings

The study revealed that stakeholders involved in the poultry business like Akate Farms believe the industry is actually declining and they assign causes such as increases in price of maize, high interest rate on loans, government’s failure to protect the local industry by enacting laws to check the importation of cheap foreign poultry products and lack of subsidies on agric inputs like feed, drugs, equipment and several other factors.

From the study, it was revealed that Akate Farms does a lot of marketing but it has no defined marketing plans to address challenges in the industry. It also does not conduct marketing research and consequently it’s not able to fashion out tried and tested marketing strategies that will enable them achieve competitive advantage. In reference to Akate Farms, consumers of poultry and poultry products most importantly consider price, size, appearance and packaging of the products before making purchasing decisions. The
company is not able to fully satisfy customers and consumers with respect to their particular taste and preferences impacting negatively on their marketing fortunes.

The researcher also found out that at Akate Farms, religion actually stimulates demand of poultry products that is especially during religious occasions like Christmas, Easter and Muslim festivals. Consequently, the Farm has to struggle to look for additional income and other logistics to enable it meet the demand of its customers during such occasions. Demand, however slums at the farm after the festive occasions and the farm actually struggles to sell its products.

One of the marketing challenges that face the company is the frequent harassment of its sales staff by KMA task force when the farm markets its products through personal sales and sales through agents. This results in losses of birds and sales revenue.

Inadequate veterinary personnel to offer technical advice as well as extension services on poultry health and diseases is also another challenge to the farm. Most of the time Akate Farms gets confused when there is outbreak of disease and consequently loses a substantial number of birds and eggs. The disease at the farm also reduces product quality and its marketing potential.

Akate Farms suffers a lot from inadequate storage facilities and this brings about loses during the boom period. Also lack of credit facilities and high interest rate on loans even where available, as well as misconceptions about the high cholesterol level of eggs have negative impact on production and subsequent marketing potential of the farm.

Frequent increases in the price of maize as a result of competition from humans and pigs also hamper the growth and expansion of Akate farms.
Akate Farms does not benefit from workshops and seminars to sharpen production and marketing skills of its workers, especially the stockmen and sales staff. High tariffs on imported poultry equipment eventually raises the cost of production.

Poor processing and poor packaging of poultry and poultry products, due to lack of technical—know how and financial difficulties face Akate Farms. The farm experiences frequent and unexpected power outages which create a lot of storage problems which consequently affects the product quality. The issue of dishonesty on the part of some sales staff also constitutes a major threat.

5.1.2 Prospects of Marketing Poultry and Poultry Products at Akate Farms

The problem of frequent increases in the price of maize will soon be a thing of the past since Akate Farms has advanced plans to produce its own maize and also build silos to buy and store maize during the harvest period when it’s comparatively cheaper.

Also With depletion of the country’s fish stock, attention of consumers would be focused on poultry products and demand is likely to be high. Akate Farms can take advantage of it to expand its market not only for animal protein security but also for job creation.

5.2 CONCLUSION

Based on its ability to overcome production and marketing constraints and challenges as well as the prospects in the industry, Akate Farms is better placed to increase production, expand its market base, be a market leader in the metropolis and maximize higher profits.
However, if Akate Farms fails to draw marketing plans, conduct marketing research, and upgrade the skills of its staff especially in the area of processing and packaging, it will soon be overtaken by the numerous marketing challenges in the industry, especially in the Kumasi metropolis. When this happens, the company will decline rather than expand and its future can not be predicted despite its current prospects. The issue of dishonesty on the part of some sales staff can foil the effort of Akate Farms in its quest to maintain its position, market share, profitability and even expand.

5.3 RECOMMENDATIONS

AKate farms should conduct periodic marketing research in order to determine the exact taste and preferences of consumers.

The company should not be afraid of competitions from local and foreign producers. Rather it should adopt marketing plans which will help maintain its market share.

AKate Farms should employ qualified veterinary personnel who would offer technical advice in the event of an outbreak or in terms of disease preventive measures.

Periodic seminars and workshops should be organised for stockmen and sales staff to upgrade their knowledge and skills in poultry production and marketing.

AKate Farms should expand its storage facilities in order to prevent losses during the boom period.

AKate farms should look for a means of reducing its cost of production in order to compete favourably with foreign competitors.
Loans with low interest rate should be sought by management of Akate Farms from financial institutions.

Akate Farms should embark on massive education to correct the misconception of high cholesterol content of egg and instead stress on the fact that egg contains protein which is essential for the human body.

The company should also ensure that its sales staff do not sell at unauthorised locations so that harassment by KMA staff could be prevented.

The company should also revise the way it goes about processing and packaging of its products in order to improve their marketing fortunes.

It should also develop a well defined marketing plan that will help address the various marketing challenges.

The company should acquire modern and reliable standby generators so that the problems of frequent power outages could be resolved.

A mechanism should be put in place to identify and dismiss dishonest sales staff.
REFERENCES


APPENDIX

Kwame Nkrumah University of Science and Technology, Kumasi

QUESTIONNAIRE

I am a graduate student pursuing Commonwealth Executive Master of Business Administration at the Institute for Distance Learning, University of Science and Technology, Kumasi. As part of my programme, I am conducting a research on the topic “The Challenges and Prospects of Marketing Poultry and Poultry Products in Kumasi. A Case Study of Akate Farms. I would be grateful if you could provide me with the following data. The intention is purely for academic purpose and does not in any way attempt to invade the privacy of individuals in order to assess them.

MANAGEMENT AND STAFF OF AKATE FARMS

1. Name and Rank

.........................................................................................................................

2. Sex: Male ( ) Female ( )

3. Age:

4. Religion

 (a) Christian ( )

 (b) Moslem ( )

 (c) ( )

(Specify)

.........................................................................................................................
5. Level of Education

(a) Primary ( )
(b) Middle/JHS ( )
(c) Secondary ( )
(d) Illiterate ( )
(e) Others
(Specify)........................................................................................................

6. What type of poultry and poultry products are you into?

(a) Broilers ( )
(b) Spent Layers ( )
(c) Day-old-Chicks ( )
(d) Eggs ( )
(e) Dressed birds ( )

7. If you were to buy various poultry and poultry products, what factors would you consider?

i. ...................................................................................................................

ii. ..................................................................................................................

iii. ..................................................................................................................

8. How do you see the performance of Akate Farms in terms of growth?

(a) Growing ( )
(b) Declining ( )
(c) Stagnant ( )

9. What reason(s) do you assign for your opinion?....................................................

10. Do you understand marketing? (a) Yes ( ) (b) No ( )
11. Do you think marketing is relevant in the poultry industry? (a) Yes (  )
    (b) No (  )

12. Do you adopt marketing strategies in marketing your products?  (a)Yes
    (b) No (  )

If yes, what specific strategies do you adopt?

(a) ........................................
(b) ........................................
(c) ........................................

13. How would you rank your strategies?

(a) ........................................
(b) ........................................
(c) ........................................

14. What level of knowledge do you have about marketing concepts in the poultry industry?

(a) Basic (  ) (b) In-depth (  )

15. Do you conduct marketing research? (a)Yes (  ) (b) No (  )

16. What are some of the challenges you encounter in your day-to-day business?

(i) ........................................
(ii) ........................................
(iii) ........................................
17. What in your opinion are the marketing prospects for the poultry business like Akate Farms within the Kumasi metropolis?

…………………………………………………………………………………………

18. Do you set targets for your production, supply and demand each season?
(a) Yes ( ) (b) No ( )

19. Which period(s) does demand exceed supply?
(a) Christmas ( )
(b) Easter ( )
(c) Muslim festivals ( )
(d) Traditional festivals ( )

20. In what way(s) do you market your products to customers and consumers?
(a) Personal selling ( )
(b) Sales staff ( )
(c) Purchase at farm gate ( )
(d) Others……………………………………

21. How do you transport the products?
(i) ………………………………
(ii) ………………………………
(iii) ………………………………

22. What problems do you encounter in the course of transporting your products?
(i) ………………………………
(ii) ………………………………
(iii) ………………………………

23. Do you encounter problems during storage of your products? (a) Yes (b) No

24. If yes, what problems do you encountered during storage of your products?
…………………………………………………………………………………………
25. Are there any efforts by management to offer solutions to your marketing challenges?
   (a) Yes (  )  (b) No (  )
   If yes, how?..............................................................................................................

26. Do you have ready market for your poultry products (e.g. eggs, live birds, etc.)
   (a) Yes (  )  (b) No (  )

27. Mention sales and pricing problems you face in marketing your products in the metropolis?
   (i) ..............................
   (ii) ..............................
   (iii) ..............................

28. Does the import of foreign poultry and its products have any negative impact on your marketing procedure?  (a) Yes (  )  (b) No
   If Yes, then state how?..............................................................................................................

29. Who are your major competitors on the market?
   (i) ..............................
   (ii) ..............................
   (iii) ..............................

30. Looking at the current market trend, what is the future of Akate farms in the production and marketing of poultry and poultry products within the Kumasi metropolis?

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Kwame Nkrumah University of Science and Technology, Kumasi

I am a graduate student pursuing Commonwealth Executive Master of Business Administration at the Institute for Distance Learning, University of Science and Technology, Kumasi. As part of my programme, I am conducting a research on the topic “The Challenges and Prospects of Marketing Poultry and Poultry Products in Kumasi. A Case Study of Akate Farms. I would be grateful if you could provide me with the following data. The intention is purely for academic purpose and does not in any way attempt to invade the privacy of individuals in order to assess them.

CUSTOMERS AND CONSUMERS

1. Name and profession

................................................................................................................................................................................

2. Sex: Male ( ) Female ( )

3. Age:

4. Religion

   (a) Christian ( )
   (b) Moslem ( )
   (c) ( )
   (Specify)

................................................................................................................................................................................
5. Level of Education
   (a) Primary (  )
   (b) Middle/JHS (  )
   (c) Secondary (  )
   (d) Illiterate (  )
   (e) Others
   (Specify)........................................................................................................

6. What type of poultry and poultry products do you buy from Akate Farms?
   (a) Broilers (  )
   (b) Spent Layers (  )
   (c) Day-old-Chicks (  )
   (d) Eggs (  )
   (e) Dressed birds (  )

7. What factors do you consider before you make a purchase from Akate Farms?
   ............................................................................................................................

8. How do you see Akate Farms in terms of growth and what reason(s) do you
   assign for your opinion?
   (a) Growing (  )
   (b) Declining (  )
   (c) Others
       (Specify)........................................................................................................

9. For how long have you been doing business with Akate Farms?
   (a) 1 Year (  ) (b) 2 Years (  )
   (c) 3 Years (  ) (d) 4 Years and over (  )

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10. Why do you buy from Akate Farms and not the other poultry Farms?
   (a) Good quality nature of products ( )
   (b) Reasonableness in pricing ( )
   (c) Friendliness of sales staff ( )
   (d) Proximity ( )
   (e) Other (specify) ......................

11. How did you hear about Akate Farms?
   (a) Through a friend
   (b) Akate sales staff
   (c) Advert
   (d) Other (specify) ........................

12. Do you buy for home consumption or retailing?
   (a) Home consumption ( )
   (b) Retailing ( )

13. What problems do you encounter as you do business with Akate Farms? ......................................................................................................................................................................................

14. What do you suggest can be done to solve the problems? .............................................

15. What is your overall impression about Akate Farms?