



Strategic SWOT Analysis for Poultry Industry in Iraq

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Abstract

The broiler industry, is a vital part of animal production, it's became very important in Iraq to meet the needs of animal protein due to the growing numbers of population. Broiler meat is nutritious and, healthy compared to other meats. These characteristics, raised the demand for broiler meat significantly in recent decades . as well as the easy and fast broiler production, the low production cost has had an impact in the development of the industry.

The global broiler meat production amount increased by 2.88% in comparison to the past year, reaching more than 96 million tons. The united states of America is the 1st broiler meat manufacturer globally by eighteen percent of the world broiler production. The largest producers of broiler meat after the United States are China and Brazil in 2013. Iraq's production of poultry meat reached 156,549 tons in 2020, .up from 148,208 tons in the previous year, which represents a change of 5.63%.

The goal of this paper is to study the framework of the meat type chicken industry to assess its future growth in Iraq. For this purpose, using a SWOT analysis, the strengths and weaknesses of the industry will be identified. After that, the risks affecting the industry will be discussed . the opportunities in the growth of the industry will be discussed and identified.

Keywords : poultry industry, swot analysis, agricultural policy support

Introduction

broiler meat is one of the most important constituents to reduce animal protein insufficiency. The main Properties of meat are short production period, intense production, high rate of feed conversion and low labor compared to other farming sectors.

When comparing to red meat, broiler meat is most cheaper, lower in cholesterol and lipids, easy to digest and a

rich source of protein nutrition. For this reasons, broiler meat output is of particular significance in the poultry industry(1). As consumer attention of healthy and balanced diets increases, the demand for white meat, which is lesser in adipose tissue and cheaper in price, as a replacement for red meat, is accelerating. As in the world in recent eras, the production and consumption of poultry meat in Iraq is also expanding. The data from the Food and Agriculture Organization of the United

Nations(2)(FAO), directed that the total presence of poultry in the world was about 27 billion head in 2019. The most larg

The proportion of broiler chickens of this number is 93 percent.

The number of broilers has duplicated worldwide since 1990, corresponding to F A O. The number of broilers, which passed 14.38 billion in 2000, mounted 25.9 billion in 2019. The upmost share is due to Asian countries. at the same time, the number of broilers in Asia passed 15.8 billion. In North and South America, it passed 5.8 billion. The broiler population in Africa and Europe is about 2 billion cookers each. (3) In 2020 (4), the United States had the largest volume of broiler meat product among all countries in the world, producing about 20.5 million tons of toaster meat. In the same period, China came second with 15 million tons, while Brazil graded third with 13.7 million tons of product.

According to the report “ Global Poultry demand Analysis, Size, Trends & perceptivity ”(5), universal consumption in the poultry industry passed its peak in 2019 and will continue to grow and increase in the future. roughly, 500,000 people (including their families) give their livelihood from the poultry industry (containing farmers, industry bonded crafts, feed, pharmaceutical, transport and marketing) in Iraq.

SWOT analysis (6) is widely used in all countries of the world as one of the strategic planning methods with regard to the process of evaluating the internal factors of strength and weakness as well as the external factors of opportunities and threats for the purpose of benefiting from them in achieving business, services and personal goals and SWOT analysis refers to the analysis of strengths and weaknesses as well as opportunities and threats . It is one of the most popular analysis tools used in

strategic planning. It's called quadrant analysis. Which helps in evaluating the current status of the system and can be used by individuals and institutions.

SWOT analysis is a technique that can generate strategic alternatives through situation analysis. SWOT stands for Strengths, Weaknesses, Opportunities and Threats (7). The SWOT matrix helps analysts, managers or policy makers develop four types of strategies that provide a framework for defining, formulating and selecting strategies in order to achieve any specific corporate goals. This tool is highly effective and efficient and is able to monitor any upcoming changes through a systematic approach to the process of introspection (9,8). This is the first study that aims to highlight the SWOT analysis of broiler meat production to identify practical solutions that have been proposed for the development of broiler meat industry in Iraq.

SWOT analysis has had a long history as a method of strategic analysis and proponents of the idea say that it can be used to measure the appropriateness or suitability of an organization's strategies with its environment and to suggest ways in which an organization can take advantage of strengths and opportunities and protect itself from weaknesses and threats (10). (11) He pointed out the importance of SWOT analysis as a tool that spans decades and enjoys great popularity in the business community.

Considered one of the most popular strategy tools among managers and strategists, a number of studies have been included in SWOT analysis, including (12, 13, 14) that SWOT analysis "can be used more than other management techniques in the decision-making process", and in The

Oxford Handbook of Strategy, notes that “The best example of an organizational framework is a SWOT analysis.

is noted to be revealing and useful to help corporate and policy planners think strategically (15)

Furthermore, SWOT analysis is included in Economists' Handbook of Management Ideas, where SWOT

Figure (1) Components of a SWOT . Environmental Analysis.

	INTERNAL COMPONENTS	EXTERNAL COMPONENTS
POSITIVE	<p>STRENGTHS</p> <ul style="list-style-type: none"> • WHAT is the strength of the identified challenge? • WHY it is considered a strength? • HOW it could be used to overcome the problem? 	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • WHAT is the opportunity in the surrounded environment of the identified challenge? • WHY it is considered an opportunity? • HOW it could be used to overcome the problem?
NEGATIVE	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • WHAT is the weakness of the identified challenge? • WHY it is considered a weakness? • HOW it could be treated to overcome the problem? 	<p>THREATS</p> <ul style="list-style-type: none"> • WHAT is the threat to the identified challenge? • WHY it is considered a threat? • HOW it could be avoided to overcome the problem?

The parts of the environmental analysis are shown in the following sequence:

Strengths: - The institution's data that enables it to achieve a customer benefit or a competitive advantage.

Weaknesses: They indicate that institutional skills and preparations do not qualify the organization to choose and implement strategies that support the achievement of its mission.

Opportunities: are the events in the organization's environment that, if seized, will lead to outstanding economic performance.

Threats: are events or phenomena in the enterprise environment that make it difficult for the enterprise to achieve or at least maintain a level of good economic performance.

Organizations use SWOT analysis as a logical framework that leads to a systematic discussion of the organization's competitive position. The main pillar in this aspect is that this analysis includes all aspects related to the organization and provides a useful dynamic framework for the purpose of conducting strategic analysis by comparing internal strengths and weaknesses with external opportunities and threats to obtain a diagnosis of one of the four distinct types in the field of coordination between internal and external conditions of the institution (8) and Figure (1) Demonstrates a SWOT matrix.

This study aims to settle the overall picture in the broiler industry and estimate the elaboration of the industry for the approaching eras in Iraq. Similarly, the strengths and weaknesses of the industry will be argued, the opportunities in the expansion of the industry and the risks affecting the industry will be disclosed applying SWOT analysis. Factors affecting broiler meat fees, broiler industry competitiveness, broiler meat production and consumption and the state of the broiler industry in Iraq were examined.

Materials and working methods .The data on production, foreign trade, the number of companies and the number of animals used in the study were gained from the Iraqi Ministry of Planning- Central Agency for Statistics and Food and the United Nations(FAO). Research papers on the industry were similarly applied to analyze the prevalent scene of the broiler industry in Iraq. A SWOT analysis is a frame for generating

strategic choices from a situation analysis. SWOT is strengths, weaknesses, opportunities and threats. The SWOT framework was delineated in a late 1960s dossier by Kenneth Andrews where he stated that the SWOT Matrix provides a frame for tracing and formulating plans by means of inner keys and external factors.

The SWOT matrix assigns administrators or methodology makers and analysts to evolve four of the strategies, namely SO(Strengths Opportunities), WO(Weaknesses Opportunities), ST(Strengths), and WT(Weaknesses Threats) strategies. SO strategies use an association's internal strengths to take advantage of external opportunities. WO strategies ameliorate internal sins by taking advantage of external openings. ST strategies use the strengths of the association to avoid or reduce the impact of external threats. WT Protective Strategies are targeted tactics to bust internal defenselessness and dodge environmental threats.

Results

Broiler meat production tends to accelerate in the world and in Iraq over a period of (9) years, as shown in Table No.(1). The production of broiler meat passed 86.40 thousand tons in 2015 with an expansion of 23, it passed 87.0 thousand tons in 2016, it extended by 0.7 and 96.1 tons in 2017, with an increase of 10.5. By 2018, production was 109.4 thousand tons, an expansion of 13.8. In 2019, Iraq produced 148.2 thousand tons, with a huge increase of 35.5. By 2020, broiler meat production was 156.5 by 5.6. For globally producing countries, the United States ranked first with 17.40

million tons (18.10%) in the world. China and Brazil ranked second

and third with 13.37.

Quantity of live broiler chicken for (2015-2020) at the level of Iraq

Table (1)

Change Rate (%)	Quantity of live broiler chickens(000)Ton	Year
23.0	86.4	2015
0.7	87.0	2016
10.5	96.1	2017
13.8	109.4	2018
35.5	148.2	2019
5.6	156.5	2020

million tons (13.91%) and many years of experience have increased the possibility of creating experienced producers in this industry. There are many local companies active in this industry. The

most important pillars of strength that allow the development of industry for its adoption of widespread distribution methods throughout Iraq.

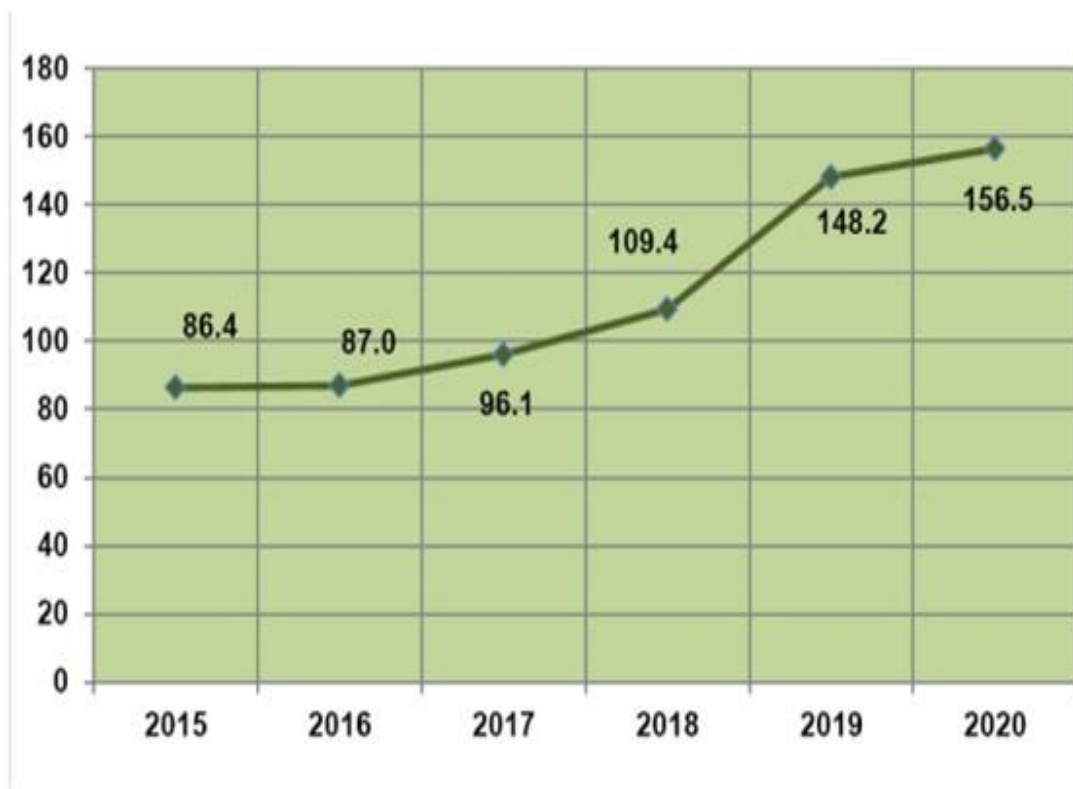


Figure (2) annual broiler meat production in Iraq from 2015- 2020

Production and distribution chains are guaranteed success by all companies. The life cycle of broilers is about 40 days. For this, the industry has a fast rate of return of capital. As a result of this strength, the broiler chicken industry is receiving great attention from the entrepreneurs and is showing steady growth as shown in figure (2).

As for the follow-up to the weaknesses of the industry, the dependence on imports for the herds of mothers, assets and fodder materials appears strongly.

Import problems are likely to cause a crisis in the supply chains of feed raw materials in the industry in a short time. Another weakness of this industry is the high costs of purchasing feed, as feed costs constitute 70% of production costs. Yellow maize constitutes 55% of feed production as it is an important feed material. Because of the lack of sufficient production of yellow maize in Iraq, more than 35% of the needs of yellow maize are imported. Feed wastage is another point that increases meat products costs. Genetic problems are also part of the weaknesses of poultry industry.

The increased costs of birds husbandry

for research and production, and the short of staff are among the main obstacles in the production of broiler meat in Iraq. It is important to know that the per capita consumption of broiler meat in Iraq is low compared to developed countries.

Exporting issues takes huge part in the weaknesses of the broiler industry as well. Iraq cannot fully exploit its potential for political reasons and for the existence of epidemics and various veterinary diseases, and it also faces difficulties in creating new markets.

When opportunities are tested in this industry, Iraq's geographic location near the Middle East market and the fact that the countries in this market are Muslim countries is another encouraging opportunity for the industry. Iraq can increase its contribution and share in the Middle East markets by evaluating these opportunities. The fact that an increase in the culture of healthy nutrition among consumers and a rapid increase in the population will lead to increased production, is one of the opportunities for the industry.

Table (2) SWOT Matrix for the broiler industry in Iraq

positive	negative
strength point	Weak points
<p>-The Iraqi broiler industry directly owns - most of the points of sale and supply chains.</p> <p>-Owning large tracts of land</p> <p>The broiler industry in Iraq is served by land routes linking Iraq to distribute its</p>	<p>-High storage costs due to the nature of supply and supply starting from the production of feed products with a short shelf life.</p> <p>-High advertising costs (requiring advertising, manufacturing, packaging</p>

<p>products and reach consumers.</p> <ul style="list-style-type: none"> -It offers its products to more than 40 million consumers. -Distinguished infrastructure that includes farms, production operations and distribution systems of a high standard. -Relying on up-to-date technology in products development. -Rely on hygienic production techniques for developed packaging materials . -The fame and historical reputation of the Broiler Industry Companies in Iraq. -Multiple sources of funding and availability of capital. -Follow the strategy of diversifying the products. -The company follows effective policies and procedures for quality control. 	<p>and distribution).</p> <ul style="list-style-type: none"> -The temperature rise in the Gulf region for the cow, which is double that of the European ones. It leads to rapid spoilage of products in the absence of proper preservation systems. -Following a pricing policy targeting a category in Iraq. -A complex organizational structure that is difficult to control the communication process between its components. -Financial and negative strategic decisions. -The high prices of feed, and the fact that most of it is imported. -The high prices of vaccines and medicines and the lack of local alternatives to them.
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There are also opportunities in this industry such as providing support for poultry meat production, providing discounted loan to breeding institutions, granting support for new investments, and integrating poultry into the scope of agricultural insurances. The most important threat in this industry is diseases affecting broilers such as bird flu and Newcastle disease. Iraq's competitiveness is lower than other exporting countries due to higher production costs. Another threats in this industry are high interest rates and fluctuations in the price of values and broiler meat.

Conclusion

The broiler industry, which started as a small family business in the seventies, built up provocation with the decade of breeding models after 1980. here and now, the broiler industry has grown a alcove able of professional production, catching the demands of the country and exporting its products(9). Although Iraq

has modern complexes And international standards in production and

the altitudinous charges of inputs and dependence on the outside on input demands. Feed accounts for the bulk of production charges. Local feed production should be amplified and support programs should be elaborated or changed, particularly in corn and soybean production, to degrade feed expenditures.

Public and private industry establishments should be supported to exclude dependen cy on foreign breeders with policies such as low-interest loans, allocations,

and tax breaks.

To accelerate domestic consumption, products must be diversified and consumer awareness accelerated with campaigns and adverts. New markets have to be discovered or some markets have to be evolved to pass import targets. The European Union is Iraq's main target market but legal allowances for exports haven't yet been finalized. The trade of unpackaged poultry is banned in Iraq. For this reason, investments were made in production parcels in the industry.

Not just do prepackaged products reduce health risks, but traceability products also help. Poultry manure is an excellent fertilizer for the organic requirements of farms. Unfortunately, there's no applications elaborated for fertilizers in Iraq. After the poultry industry is elaborated, there will be substitute investments on the agenda and employment opportunities will accelerate. Developments in

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the poultry industry can assist with substitute investment opportunities and degrade the unemployment rate. Similarly, other industries bonded to this industry can promote. Boosted poultry production helps to defeat the dearth of animal protein, consumption and export quantity will enlarge.

There are alike great opportunities for this industry, like as providing support for broiler meat production, supplying low-interest loans to poultry businesses, opening support borderlines for substitutive investments, and presenting poultry within the range of agrarian insurance. Among the most important threats to this industry are diseases that overrun broiler chickens such as avian influenza, parasites and Newcastle disease. The capacity of Iraq to contend is lower than other exporting countries for broiler meat, due to the high production costs. Other threats to the industry are high interest rates and changes in feed and meat costs.

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