

Business Opportunity

Medicines, Vaccines, and Veterinary Services

2017-08

1 Objective

The objective of this document is to highlight the opportunity for businesses to incorporate veterinary services and the import and distribution of poultry medicines and vaccines into their businesses within the Sierra Leonean poultry sector, and to improve veterinary service delivery.

2 Background

2.1 SOBA¹

Market research and business case development is led by SOBA. SOBA's objective is to establish a sound basis and shared understanding of poultry sector investment opportunity in Sierra Leone. Ultimately, SOBA aims to improve the efficiency and effectiveness of poultry production and processing in Sierra Leone.

2.2 Poultry Context

The poultry sector in Sierra Leone is emergent. A survey last year by SOBA² revealed that the total capacity of poultry farms was 151,000 hens. A more recent estimate of the sector ascertains that the present capacity is closer to 200,000 hens³. The hens are kept on farms of varying sizes. There are 3-4 farms with a capacity of more than 20,000 hens, some farms have a capacity of 5,000 to 20,000 hens, but most farms have less than 5,000 hens. The total current estimated number of farmers is 100.

This capacity does not satisfy the country's demand for eggs. The market is dominated by imports from Europe, India, and other countries. Previous surveys⁴ have concluded that 14 million eggs are imported into Sierra Leone every month, which accounts for 2/3 of the total egg consumption. These imports represent a considerable foreign exchange expenditure; currently imported eggs are more expensive than locally-produced options.

Sierra Leone is potentially capable of meeting demand requirements with locally produced options. This is particularly the case if production inputs, including veterinary services and medicines, are readily available at a manageable cost.

2.3 Current situation: Veterinary Services, Medicines and Vaccines

There is a near complete lack of veterinary services in the market. Currently, only one qualified veterinarian and a handful of veterinary assistants are based in Sierra Leone and offering services. As such, the use of vaccines and medicines is generally based on the recommendations of veterinary assistants and the experience of the farmer.

As a result, farmers frequently over-administer medicines, and often administer as an after-the-fact treatment for symptoms. Additionally, medicines have a withdrawal period, in which eggs have medicinal residues and are not fit for human consumption; there are currently no enforced regulations controlling this issue.

¹ Sierra Leone Opportunities for Business Action (SOBA) is a private sector development programme that uses a market systems approach to facilitate pro-poor economic growth in Sierra Leone. The programme collaborates with private sector businesses in three primary areas: (1) sustainable energy, (2) agriculture, (3) professional services and entrepreneurship markets, to trial and to scale innovative and inclusive business practices that reduce poverty and improve economic opportunities for poor women and men.

² SOBA Poultry farmers baseline study report (internal document)

³ MDS Poultry – primary source communication with SOBA team

⁴ SOBA Poultry market overview and recommendation (Internal document)

2.4 Competition:

The majority of poultry medicines and vaccines are imported from France via Guinea. The main importer and distributor of these products in Sierra Leone is Vetman Store, a subsidiary of the Guinean company 'Officine Veterinaire.' They supply [Laprovvet](#) medicines and [Merial](#) medicines to approximately 50 farms.

Two minor distributors are Dr. Jalloh who imports [Kepro](#) medicines, and Big Things Ltd who imports [Interchemie](#). Both import from the Netherlands.

2.5 Problem:

A major constraint in the current poultry sector is the unavailability of any sort of consistent veterinary services. Farmers lack technical support and capacity building. As such, the administration of medicines and vaccines is predominantly done improperly. In some cases, this leads to overmedication – mostly preventative – that is costly for farms and unnecessary for birds.

An additional constraint is the lack of a facility for diagnostic testing in Sierra Leone. Clear benefits would be derived for both poultry farm production and public health if farmers could base their decisions on diagnostic tests performed prior to administering medicine, vaccination schedules, and on the advice of skilled technicians. At present, however, there is no poultry diagnostic laboratory in Sierra Leone, and diagnostics are completely lacking.

3 Opportunity

3.1 Opportunity Description

There is a complete market gap around the local provision of veterinary services. This opportunity can best be exploited by adopting training for veterinary services, and medicine and vaccine provision training. Services can then be provided to farmers for a fee – that is best bundled into the cost of treatment and/or testing products. Training farmers for the correct use of medicines and vaccines is mostly lacking and, when available, is inconsistent, which emphasizes the opportunity for the provision of such services.

Additionally, the poultry market is underserved by the present providers of medicines and vaccines. It is believed that a new entrant providing these products can obtain a large market share, as outlined in financial terms in section 3.2.

A striking opportunity lies in the provision of innovative diagnostic structures. Although the setup of a diagnostic lab in Sierra Leone is not financially viable, diagnostics can still be carried out. We propose that a company introduces a new technique of sending samples to foreign laboratories for diagnostic testing. This would require the purchase of FTA cards and introduction to foreign laboratories.

3.2 Revenue Model for Medicines and Vaccines

The current annual market for medicines and vaccines is currently estimated to be 1,182,000,000⁵ Leones, and much of this market is underserved. The gross profit margin for a distributor should not be less than 25%, so **a distributor of medicines and vaccines can earn 147,818,000 Leones per year at 50% market share, before operational expenses.** (See section 3.3 for market share sensitivity analysis). This does not take into effect the potential for underserved areas of the market and growth of the market, which is thought to be significant.

Costs for the import and distribution of medicines and vaccines include:

- Upfront cost of orders and freight
- Import costs
- Refrigerated storage for vaccines

⁵ SOBA Poultry Farmers Baseline Study Report (2016)

- Climate controlled room for medicines
- Sales representative salary and training
- Distribution costs

3.3 Sensitivity Analysis for Medicines and Vaccines

Table 1. Sensitivity analysis providing details of **annual gross profit** at various profit margins and expected market shares for the provision of veterinary medicines and vaccines

		Gross Profit Margin		
		15%	25%	35%
Market Share	10%	17,738,172	29,563,620	41,389,068
	20%	35,476,344	59,127,240	82,778,136
	30%	53,214,516	88,690,860	124,167,204
	40%	70,952,688	118,254,480	165,556,272
	50%	88,690,860	147,818,100	206,945,340
	60%	106,429,032	177,381,720	248,334,408
	70%	124,167,204	206,945,340	289,723,476

3.4 Required Investment

Medicines and Vaccines:

- Refrigerated storage
- Refrigerated distribution

Diagnostics:

- Connection with foreign laboratories
- Purchase and shipment of FTA cards

4 Next Steps

4.1 Traction and Validation Roadmap

- Reach out to medicine and vaccine suppliers (contacts in Appendix I)
- Negotiate payment and shipping terms
- Distribution planning
- Linkages with foreign laboratories
- Marketing to farmers⁶ (contacts in Appendix II)

5 Additional Opportunities

Additional income can be earned from the provision of veterinary services, medicines, vaccines, and diagnostics for the broiler industry, cattle, pigs, sheep, and goats.

⁶ Refer to SOBA's Business Basics Series – Branding and Marketing. www.sobasl.org

Medicine and vaccine distributors could also supply antibiotics and disinfectants, adding to their product base and potential profits.

Microscopic examination can be introduced for worms and coccidiosis from manure, and charged on a fee basis to farmers.

Appendix I – Medicine and Vaccine Providers

	Medicine and Vaccine Provider	Website/Email	Phone Number
1	Agrar Holland	www.agrar.nl	+31 35-6028894
2	Kepto	www.kepto.nl/ Mr. Marcel Cantor: m.cantor@kepto.nl	+31 6 24544668
3	Adelaar	www.interchemie.com	+31 88-5252250
4	Dr Abdel Gudush Jalloh	steriliseit@yahoo.com	+232 76601845

Appendix II – Database of Major Sierra Leone Poultry Farms

	Name of Poultry Company	Location	Phone Number
1	Pujeh Business Enterprise	Wilberforce, Sierra Leone	076665209
2	Affia Poultry	Kabal	076671207
3	Big Things Poultry	Makeni	078882777
4	Glorious Poultry	Mile 91	077826210
5	Jan & Sank	Mile 91	078404822
6	Memsors Pride	Mile 91	088858808
7	Maji's Poultry	Bo	076163790
8	Breat Construction Company	Ogoo Farm	079544565
9	Macho Poultry	Sumbuya	076673800
10	Dr Jalloh	Off Lumpa Road, Waterloo	076601845
11	Francis Poultry	Makeni	076268259
12	Pa Wurie	Masantigie	076610131
13	Anita Samson	Hastings	077797217
14	Janga Enterprises	Off Newton	076330610
15	Mr. Sesay	Waterloo	076542200
16	Mustapha PMB	Devil Hole	076675111
17	Johnie Elber	Newton Four Mile	088354658
18	Family Poultry	Bo	

19	Wanword Enterprise	Babardorie Lumley, Sierra Leone	076601244
20	Q and A Poultry	Regent Road Lumley, Sierra Leone	076603275
21	Rogers Right Poultry	Godrich, Sierra Leone	030657796
22	Noldred Enterprise	Godrich, Sierra Leone	078230130
23	Green Field	Adonkia, Sierra Leone	076602001
24	Sheku Enterprise	Hamilton, Sierra Leone	099992656
25	Glenis Enterprise	Hamilton, Sierra Leone	076512122
26	Lamrana Poultry	Hamilton, Sierra Leone	076149686
27	Momoh Enterprise	Hamilton, Sierra Leone	030160914
28	Eat Small Small Poultry Farm	Mambo, Sierra Leone	078344304
29	Dorays Poultry	Colegiate School Road, Sierra Leone	076622545
30	Suzlald Enterprise	Majay Town, Sierra Leone	076774171
31	Ayoub Enterprise	Murray Town, Sierra Leone	076661273
32	Wilmacs Poultry Farm	New England Ville, Sierra Leone	076627027
33	Shawee Enterprise	Kissy, Sierra Leone	077394555
34	Rely Force Enterprise	Wellington Old Road, Sierra Leone	076200576
35	Yele Poultry Farm	Allen Town, Sierra Leone	078287545
36	MDS Ascendant Farms	Rokel, Sierra Leone	076923650/076300299
37	Malcolm Enterprise	Pentagon Off Old Rd Rokel, Sierra Leone	077337786
38	Bokum Poultry Enterprise	Old Rail Way Line, Rokel, Sierra Leone	030579681
39	Ya Marie Agro Enterprise	Old Rail Way Line, Rokel, Sierra Leone	077613401
40	Sierra Leone Poultry	Yams Farm Wharf, Sierra Leone	078180170
41	Jamka Poultry Enterprise	Hastings Maston Street, Sierra Leone	077679703
42	Ace Home Farm	Upper Hastings, Sierra Leone	077797217
43	Thomas Poultry Farm	Maroon Town Hastings Quarry, Sierra Leone	079134877
44	Jojo Poultry Farm	Kosso Town, Sierra Leone	076619115
45	Salmaranth Poultry	Upper Kosso Town, Sierra Leone	077648388
46	Technical Poultry Enterprise	Mongegba Grafton, Sierra Leone	076768156
47	Sallie Business Enterprise	Regent Road, Sierra Leone	079751197
48	Sylrose Enterprise	Regent, Sierra Leone	076576113
49	Sugar Loaf Enterprise	Regent, Sierra Leone	076623304

50	Florict Agricultural and General Enterprise	Gloucester, Sierra Leone	076672673
51	Freddy Right Enterprise	Gloucester, Sierra Leone	078833995
52	Ledema Fofanah Enterprise	Gloucester, Sierra Leone	076391425
53	Dolish Poultry Farm	Gloucester, Sierra Leone	088610859
54	Sierra Akker	Sumbuya F/T Highway, Sierra Leone	076759882
55	Djanta poultry Enterprise	Sumbuya F/T Highway, Sierra Leone	088202598
56	Borah Poultry	Konta Line Makoloh, Sierra Leone	076673800
57	Brizza Poultry	Six Mile, Waterloo-Masiaka Hwy, Sierra Leone	078921422
58	Alrassin Poultry	Newton, Old Road, Sierra Leone	076792350
59	African Pride Poultry Farm	Kpoubu, Newton, Sierra Leone	076330610
60	United Poultry Farm	Newton, Sierra Leone	088354658
61	SABI	Newton, Kattu Town, Sierra Leone	076931610
62	Lemon Poultry Ent	Newton, Sierra Leone	077731629
63	Rogberay Farmers Development	Rogberay, Off Newton, Sierra Leone	077943736
64	Roseleneh Business Enterprise	Rogberay, Off Newton, Sierra Leone	078178644
65	Degania Poultry Farm	Modonkeh Rd, Coker Town, Off NewtonRogberay, Off Newton, Sierra Leone	088586689
66	Munu Poultry Enterprise	Modonkeh Rd, Coker Town, Off NewtonRogberay, Off Newton, Sierra Leone	
67	Farm for Business Ent	Mondonkeh, Sierra Leone	076706795
68	Bakmon Poultry Ent	Mabrun off Newton, Sierra Leone	077897511
69	Lanark Trading Company	Bah Drive, 4 Mile Newton Area, Waterloo	076535338
70	Abdul Kamara Ent	Three mile bah drive, Waterloo-Masiaka Highway, Sierra Leone	030327822
71	Nyandehun Poultry	Nyandehun Fofu, Sierra Leone	088945191
72	Saidu Poultry Ent	Masorie, Off Camp junction, Sierra Leone	077724694
73	A C Wurie Poultry Ent	Masantigie, Off Paloko, Sierra Leone	076610131
74	Mac's Poultry Farm	Joe town off Camp Junction, Sierra Leone	088622308

75	Pajah and I J SL Limited	Lumley/Joe Town Off Camp Junction	076585874
76	Salay Burn Ent.	Joe town off Camp Junction, Sierra Leone	077591272
77	Jabex Ent	Campbell Town, Sierra Leone	076603973
78	Free Town Store Ent	Cole town, Sierra Leone	077328355
79	Leecon Poultry Enterprises	Kamara Lane Benguema Road/Macdonald, Sierra Leone	076686526
80	We Yone Poultry	Off Samuel town, Benguema Rd, Sierra Leone	077257459
81	Kerry Town Poultry	Kerry Town, Sierra Leone	076360604
82	Dimol Poultry Farm	Kerry Town, Sierra Leone	076727738
83	Ayo Carney Poultry Farm	During Town, Sierra Leone	079466427
84	Aminata Poultry Ent	Fire Mambo, Old York Road, Waterloo, Sierra Leone	
85	Augusta Tucker Ent	36 Hartshorn Street, Waterloo, Sierra Leone	077639587
86	Yayah Jabbie Ent	24 Pike Street, Ibo Town, Waterloo, Sierra Leone	076542200
87	Abdul Kargbo poultry	White Stone, Waterloo Highway, Sierra Leone	077248426
88	Bayo Poultry Ent	Upper Deep Eye Water off Quarry, Sierra Leone	077456887
89	A and A Poultry	Lower Deep eye Water, Sierra Leone	076675111