

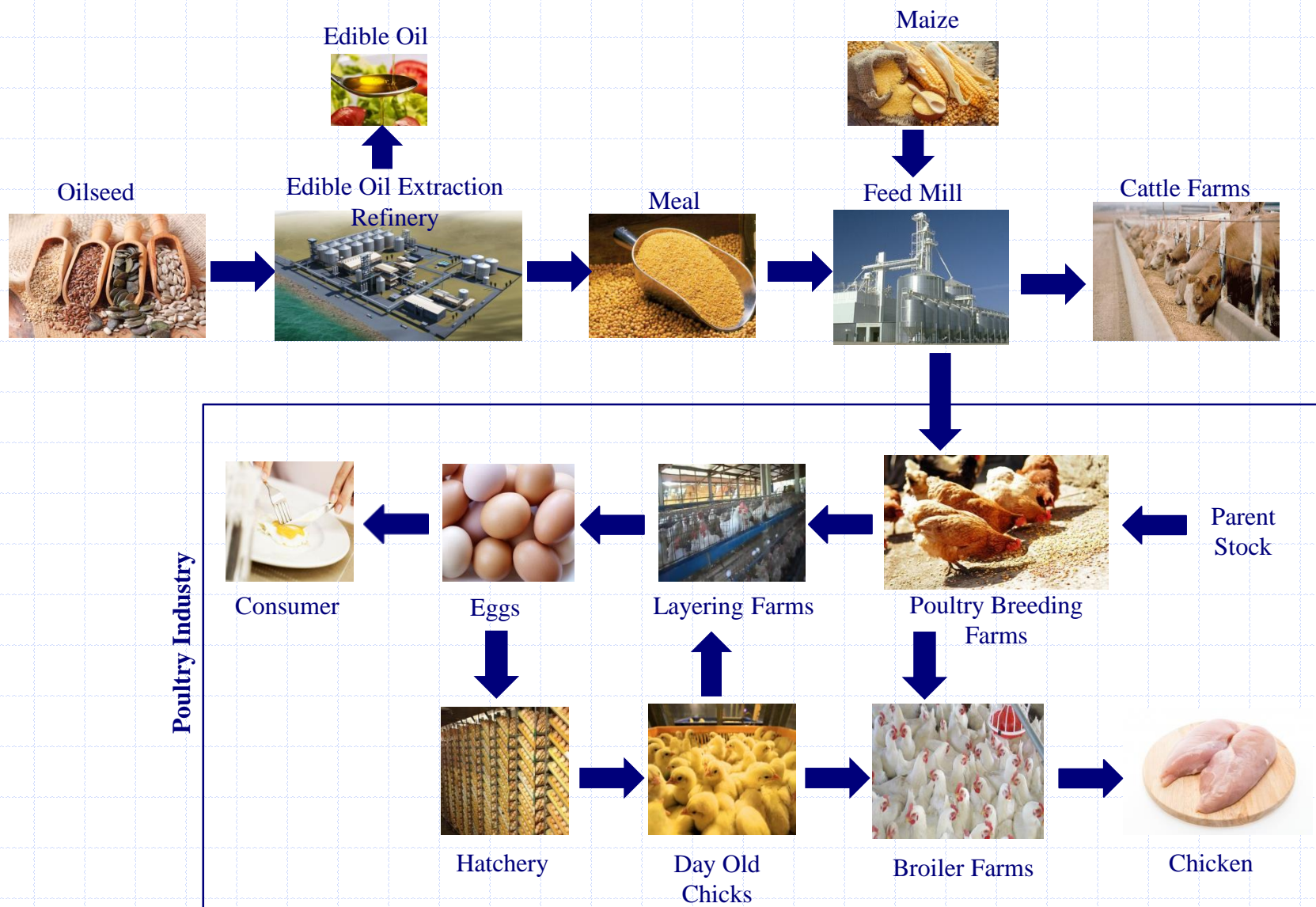
Food & Allied

Poultry Industry

Industry Profile
Industry Structure
Industry Performance
Regulatory Structure
Key Challenges

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Industry Process Flow



Industry Profile

Poultry

- Poultry is one of the largest agro based segment
- It accounts both domestic & commercial poultry
- In Pakistan, commercial poultry was established in 1962
- Pakistan's poultry industry is making a tremendous contribution in bridging
 - The available animal protein source for our masses
 - An effective check upon the spiralling animal protein prices



Poultry

- **Input:** Parent stock of birds & poultry feed from various feed manufacturing mills
- **Types of Poultry Farms:** Breeder units used for the purpose of planned breeding of parent stock
- Layering sheds gives better egg production under controlled environment
- In Hatcheries, eggs are hatched under artificial & controlled conditions
- In Broiler sheds, chicken is raised specifically for meat production
- **Output:** Day Old Chicks, Table Eggs & Chicken Meat

Industry Structure

Poultry

Egg Consumption

Pakistan's per capita consumption ~ 65-70 eggs

- Developed countries per capita consumption ~ 300 eggs
- World's average per capita consumption ~ 160 eggs

Egg Production

Pakistan's annual eggs production ~ 17 billion

- Domestic egg production ~ 4 billion
- Commercial egg production ~ 13 billion

Poultry Meat Consumption

Pakistan's per capita poultry meat consumption ~ 8 kg

- Pakistan's daily poultry meat consumption ~17 grams
- World's average poultry meat consumption ~ 13.8 kg
- As per WHO, daily requirement of animal protein ~ 27 grams

Poultry Meat Production

Pakistan's annual poultry meat production ~ 1,276 million tons

- Domestic Poultry meat ~ 118 million tons
- Commercial Poultry meat ~ 1,158 million tons

Poultry

- Poultry sector is one of the most organized branches of the agro based sector of Pakistan
- There are over 25,000 poultry farms from Karachi to Peshawar
- Having a capacity range of 5,000 to 500,000 birds
- Poultry meat contributes 31% of the total meat production in the country
- Poultry slaughterhouses, in the organized sector are around 5-6%
- Marketing channels of broiler meat and eggs are in both organized and unorganized sectors

Industry Performance

Poultry

- Population growth, increase in per capita income and export opportunities are fuelling the demand of poultry products in Pakistan
- Sectors' contribution in GDP ~ 1.4 %
- Employs 1.5 million people
- Sector consumes over 7 MMT of agro residues
- In FY17, investment in poultry sector ~ PKR 700 billion

Source: Pakistan Economic Survey FY17



Feed Conversion Ratio

Broiler

- Modern broilers weigh 2.5 kg in 35 days
- FCR ~ 1.6 kg of feed is consumed to gain 1 kg of weight/meat

Layer

- Annual egg production by a layer is around 330 eggs
- FCR is dependent on production percentage
- This differs in case of every flock, as per age of the bird
- Peak parameter is when 90-95% layers in a flock are laying eggs
- However, 1.5 kg of feed is consumed to lay a dozen of eggs when layer is at its peak of laying eggs i.e. 32 weeks

Growth In Poultry

- Overall annual growth in the sector ~ 10%
- In FY17, growth in poultry is evident as shown in the table below

Type	FY16 (Million)	FY17 (Million)	Growth (%)
Domestic Poultry			
Hen	41	42	2%
Cock	11	12	3%
Day Old Chicks	32	33	1%
Table Eggs	4,090	4,164	2%
Poultry Meat	115	118	2%
Commercial Poultry			
Layer	46	49	7%
Broiler	874	962	10%
Breeding Stock	11	12	5%
Day Old Chicks	913	1,004	10%
Table Eggs	12,077	12,900	7%
Poultry Meat	1,054	1,158	10%
Total			
Hen - Layer	87	90	5%
Cock - Broiler	885	973	10%
Day Old Chicks	945	1,037	10%
Table Eggs	16,167	17,064	6%
Poultry Meat	1,170	1,275	9%

Regulatory Structure

Regulatory Structure		
		Stage of Imposition
Custom Duty	10%	Import of Grand Parent/ Parent Stock of poultry birds
Custom Duty	2%	Import of Incubators, Brooders and other Poultry Equipment
Sales Tax	7%	Local - Poultry Sheds, Incubators, Brooders and other Poultry Equipment
Income Tax	0.5%	Minimum tax as percentage of person's turnover for the year on poultry breeding, broiler production, egg production and poultry feed production

- Import from China results in an exemption of duty due to Free Trade Agreement
- UAE Govt. has lifted the ban on import from Pakistan's poultry industry. This is quite encouraging as gulf region is a big export market

Key Challenges

- Pakistan Poultry Association (PPA) is urging government to raise nutrition level in children, as 45% of children under 5-15 years are malnutrition
- Price is based on demand and supply mechanism regardless of production cost
- Continuous energy crisis and enhancement in electricity tariff rates
- Extreme weather conditions during the year and spread of ND, IB, H7 and H9 viruses among different regions of Pakistan creates problems for poultry industry
- Implementation of Biosecurity programs to control disease outbreaks
- Issues surrounding inclusion of antibiotics in poultry feed and also the use of alternatives to antibiotic growth
- Nutrition-related environmental issues (excretion of nutrients such as nitrogen and phosphorus in the manure)



Research Team	M. Shahzad Saleem	Silwat Malik	Faiqa Qamar
	shahzad@pacra.com	silwat.malik@pacra.com	faiqa.qamar@pacra.com
	Contact Number: +92 42 3586 9504		

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