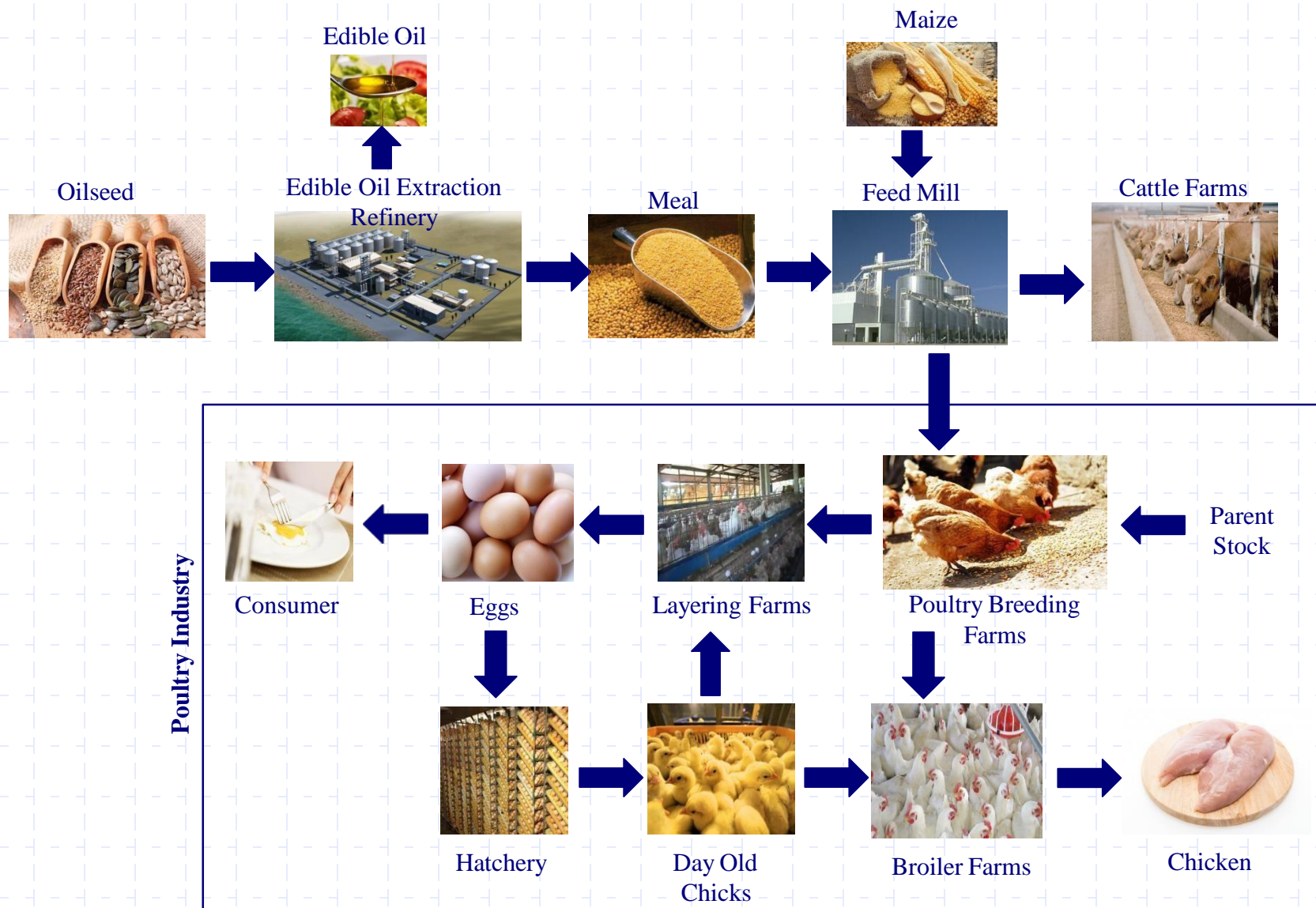


Food & Allied

Poultry Industry

January 2020

Industry Process Flow



Poultry | Input and Output

- **Input**
 - Parent stock of birds
 - Poultry feed
- **Types of Poultry Farms**
 - Breeder units | planned breeding of parent stock
 - Layering sheds | better egg production controlled environment
 - Hatcheries | eggs hatched under controlled conditions
 - Broiler sheds | chicken raised for meat production
- **Output**
 - Day Old Chicks
 - Table Eggs
 - Chicken Meat



Poultry | Industry Snapshot

Global Dynamics

- Among the largest agro based segments
 - 11th largest producer in the world

Local Dynamics

- Commercial poultry established in 1962
- In FY19 | Sector contribution
 - GDP ~ 1.1% (*FY18:1.4%*)
 - Total Agriculture Value ~ 7.5%
 - Livestock value ~ 12.7%
- Employs 1.5 million people
- No. of Farms | ~25,000 farms
 - ~6,500 controlled sheds
 - All across Pakistan
- Farm Capacity | 5,000 to 500,000 birds
- Investment | PKR 700bln
- Annual growth rate ~ 8 - 10%
- Contribution in total meat production | 34%



Feed Conversion Ratio

Broiler

- Modern broiler weight | 2.5 kg in 35 days
- FCR ~ 1.6 kg of feed consumed to gain 1 kg of weight/meat

Layer

- Annual egg production | around 330 eggs
- FCR | dependent on eggs laid
- Differs for every flock, as per bird's age
 - Peak parameter | 90-95% layers in a flock lay eggs
- FCR | 1.5 kg of feed consumed to lay a dozen of eggs
 - Peak of laying eggs ~ 32 weeks



Growth In Poultry

In FY19, growth in poultry is evident as shown in the table below:

Type	Units	FY16 (Mln)	Growth (%)	FY17 (Mln)	Growth (%)	FY18 (Mln)	Growth (%)	FY19 (Mln)	Growth (%)
Domestic Poultry									
Cocks	mln nos.	11	0%	12	9%	12	0%	12	1%
Hens	mln nos.	41	2%	42	2%	42	0%	43	3%
Day Old Chicks	mln nos.	32	0%	33	3%	33	0%	33	0.5%
Table Eggs	mln nos.	4,090	2%	4,164	2%	4,239	2%	4,315	2%
Poultry Meat	mln tons	115	2%	118	3%	120	2%	122	2%
Commercial Poultry									
Layers	mln nos.	46	7%	49	7%	52	6%	56	8%
Broilers	mln nos.	874	10%	962	10%	1,058	10%	1,163	10%
Breeding Stock	mln nos.	11	0%	12	9%	12	0%	13	8%
Day Old Chicks	mln nos.	913	10%	1,004	10%	1,105	10%	1,215	10%
Table Eggs	mln nos.	12,077	7%	12,900	7%	13,779	7%	14,719	7%
Poultry Meat	mln tons	1,054	10%	1,158	10%	1,271	10%	1,395	10%
Total Poultry									
Day Old Chicks	mln nos.	945	10%	1,037	10%	1,138	10%	1,248	10%
Poultry Bird	mln nos.	1,016	9%	1,108	9%	1,210	9%	1,321	9%
Table Eggs	mln nos.	16,167	5%	17,083	6%	18,037	6%	19,052	6%
Poultry Meat	mln tons	1,170	9%	1,276	9%	1,391	9%	1,517	9%

Production

Year	FY16	FY17	FY18	FY19
Poultry Population	1,016	1,108	1,210	1,321
Poultry Meat ('000' Tons)	1,170	1,276	1,391	1,518
Eggs (Mln)	16,167	17,064	18,018	19,034

Growth in FY19:

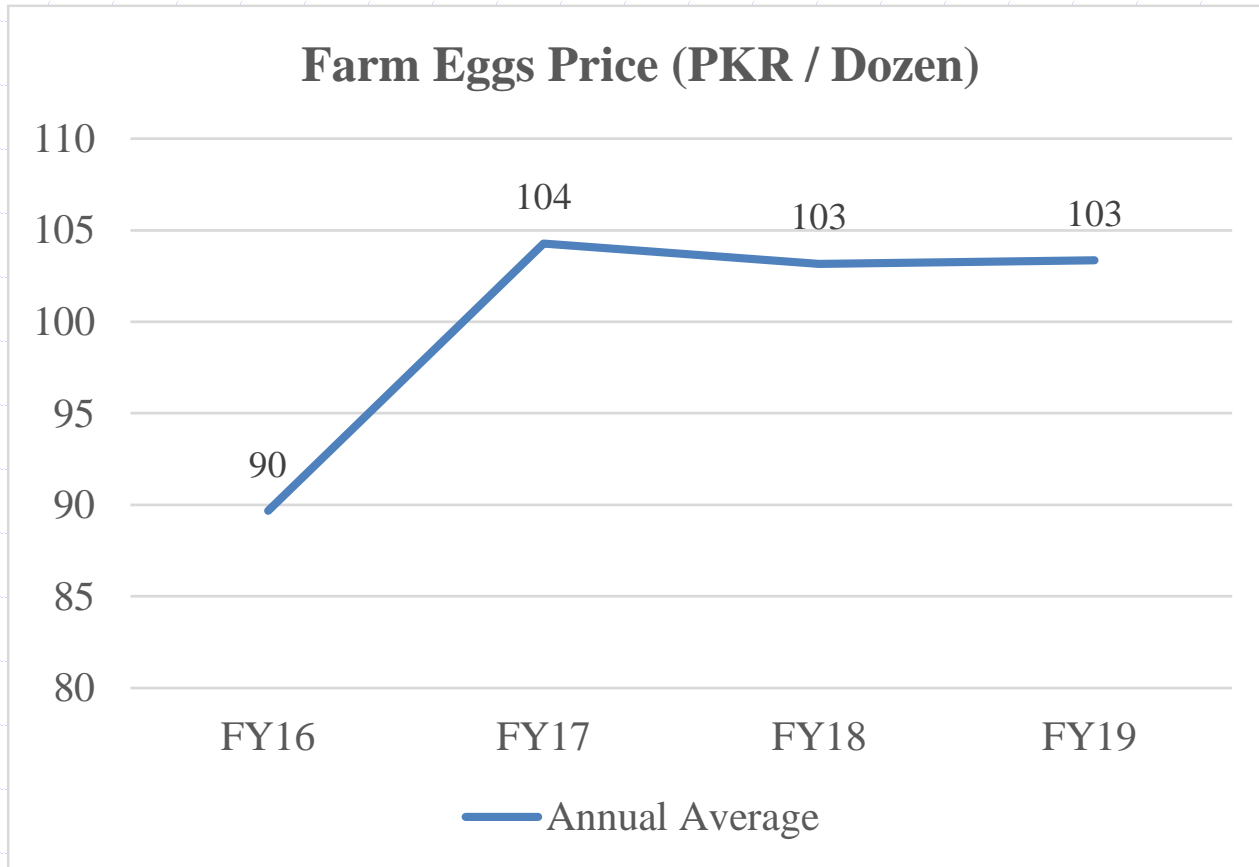
- Poultry population | 9%
- Poultry Meat production | 9%
- Eggs Production | 6%



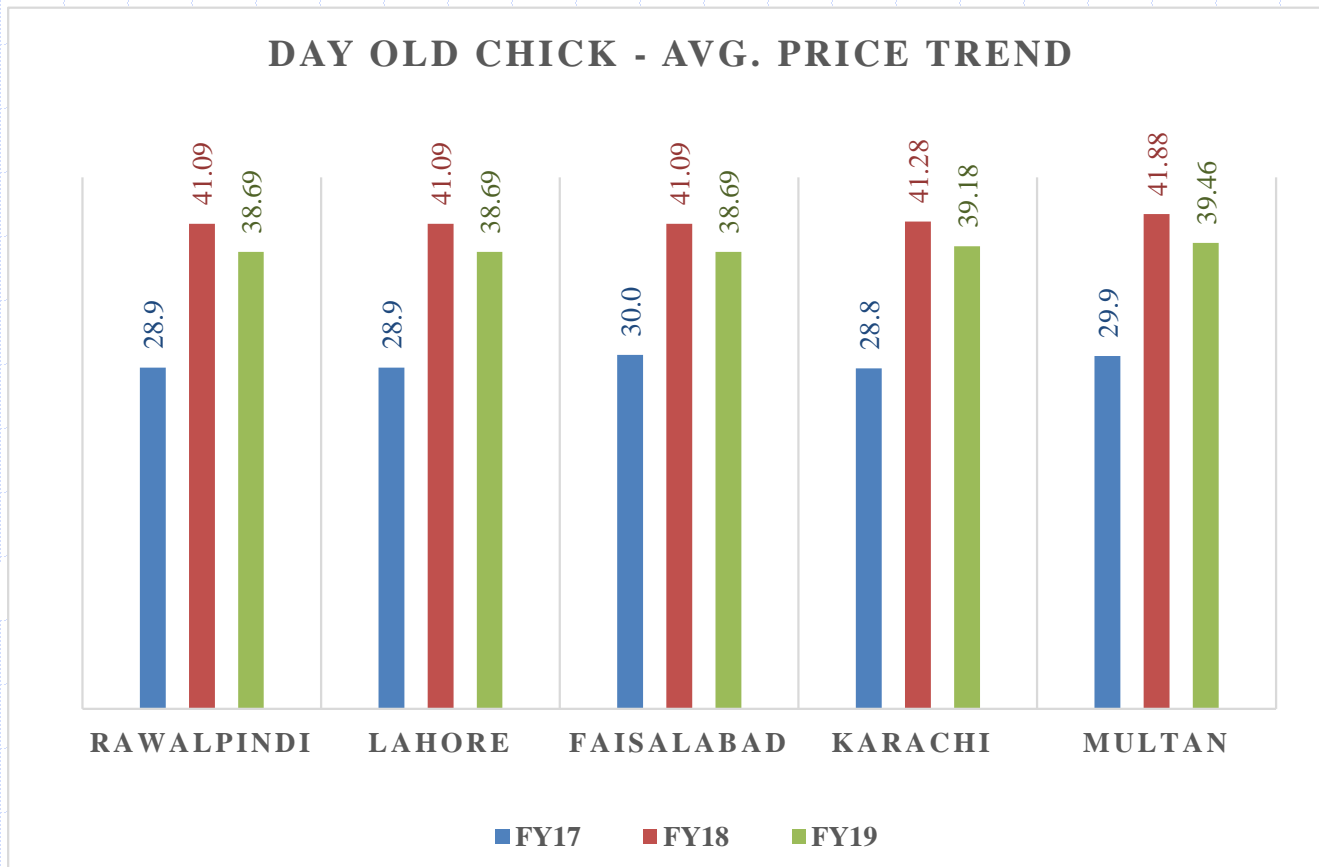
Consumption

Eggs Consumption	FY 19
Pakistan's Per Capita consumption	65 - 70 Eggs
Developed Countries per capita consumption	300 Eggs
World's average per capita consumption	160 Eggs
Poultry Meat Consumption	FY 19
Pakistan's Per Capita meat consumption	7 Kg
Developed Countries per capita meat consumption	40 kg
Pakistan's daily poultry meat consumption	17 grams
As per WHO, daily requirement of animal protein	27 grams

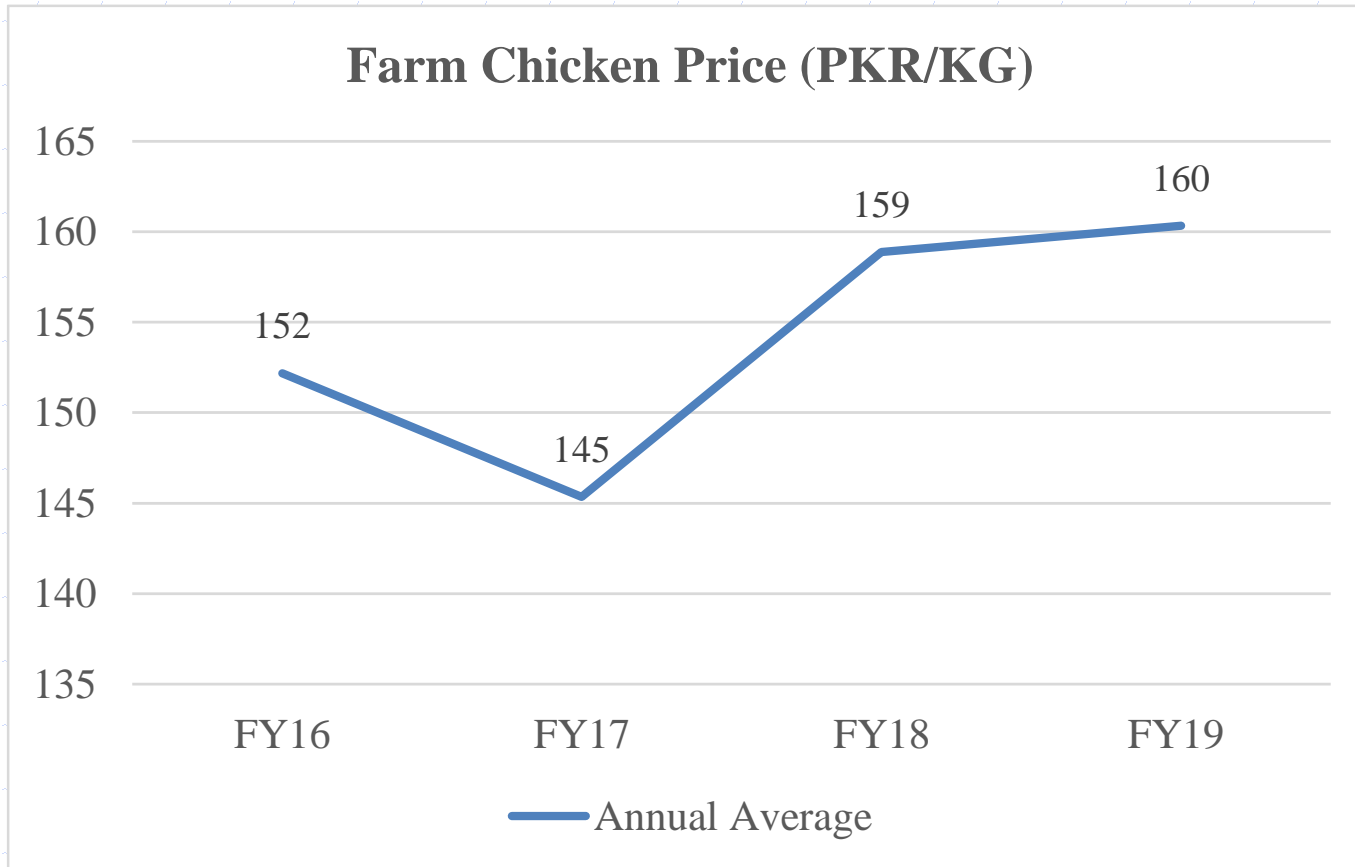
Price Dynamics | Eggs



Price Dynamics | Day Old Chick



Price Dynamics | Poultry Meat



Regulatory Structure

Regulations	%	Stage of Imposition
Customs Duty	5%	Import of Grand Parent/ Parent Stock of poultry birds
Customs Duty	3%	Import of Incubators, Brooders and other Poultry Equipment
Sales Tax	7%	Local - Poultry Sheds, Incubators, Brooders and other Poultry Equipment
Income Tax	0.50%	Minimum tax as percentage of person's turnover for the year on poultry breeding, broiler production, egg production and poultry feed production
Sales Tax	16%	Electricity used in Poultry
Withholding tax	10%	
Withholding tax	Exempt	Poultry and its products
Sales Tax	Exempt	Import Of Poultry machinery & Equipment

Analyst	Faiqa Qamar
	faiga.qamar@pacra.com
Contact Number: + 92 42 3586 9504	

DISCLAIMER

PACRA has used due care in preparation of this document. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. The information in this document may be copied or otherwise reproduced, in whole or in part, provided the source is duly acknowledged. The presentation should not be relied upon as professional advice.