



Poultry Feed

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Poultry Feed

Introduction



Starter Poultry Feed is a protein-dense variety of chicken feed intended to fulfill baby chicks' dietary requirements. The main ingredient in it is Soybean Meal. It offers a high concentration of proteins, i.e. ~40-48% proteins.



Grower Poultry Feed has lesser protein content than starter. It is used after 4-6 weeks of feeding with chick starter. The main ingredient in it is maize. That helps in preparing their body and reproductive organs for the egg-laying activities.

Product Portfolio



Layer Poultry Feed is fed after they have started their first egg laying cycle. This poultry feed mainly constitutes of wheat. It helps in development and rapid production of eggs and has a high-level calcium, which is useful for egg laying poultry birds.



Broiler Poultry Feed has a very high volume of protein for the rapid growth of the broiler. The feed helps the broiler develop very rapidly in ~02 months. The main ingredient here is fish meal. It is enriched with proteins that helps in growth.

Poultry Feed

Process Flow

Poultry Feed Sector majorly involves the following steps:

Step 1: The inputs used in Poultry Feed, including domestically produced maize and imported soybean seeds as well as locally produced soybean meal, are first collected.

Step 2: These inputs are then sent to feed mills in order to form the mixture (Poultry Feed).

Step 3: This mixture is transferred to poultry farms for consumption by poultry birds.



Oil Seeds



Edible Oils Extraction Refinery



Meal



Poultry Farms



Maize



Poultry Feed Mill



Cattle Farms



Poultry Feed

Global | Overview

- During CY24, global feed production reached ~1.4Bn MT, reflecting a ~1.2% YoY increase. Broiler and layer feed together accounted for ~40% of total production. Broiler feed production grew ~1.8% YoY, while layer feed recorded a comparatively slower growth of ~1.4% YoY.
- China remained the largest feed-producing country in the world in CY24 (~22.6%), followed by the USA and Brazil, with ~19.3% and ~6.2% shares in the global output, respectively.
- After stagnating in CY23, global animal feed production rebounded in CY24. The recovery occurred despite ongoing challenges such as disease outbreaks (including avian influenza and African swine fever), economic uncertainty, climate variability and geopolitical tensions. Changes in consumer protein preferences, input cost dynamics and improved biosecurity measures also influenced feed production and demand across regions.
- In terms of consumption, the top 10 countries account for ~65.6% of global feed production, highlighting the strong geographic concentration of the Sector. Furthermore, ~52.0% of global feed consumption is concentrated in four major economies namely China, U.S.A, Brazil and India.

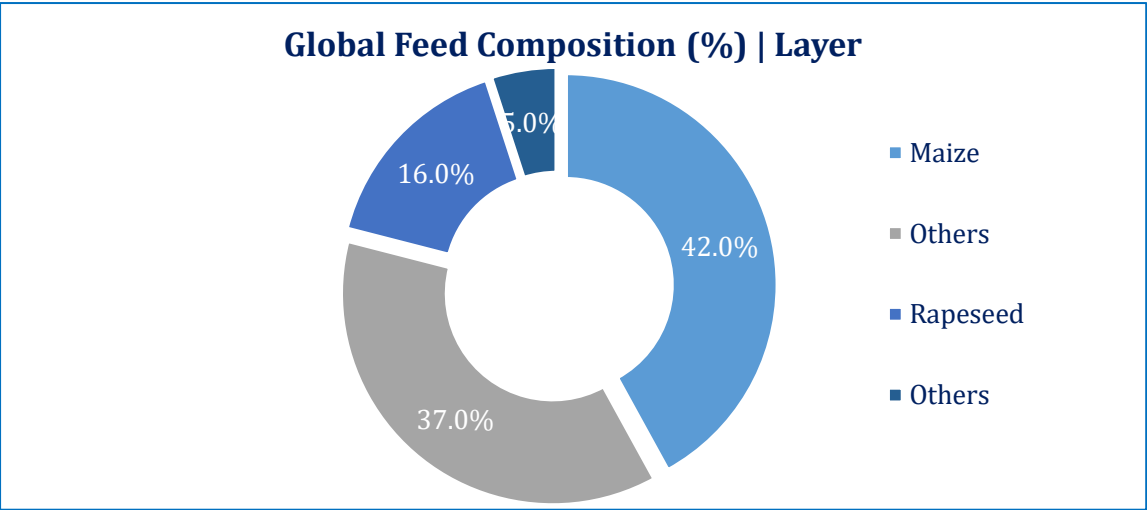
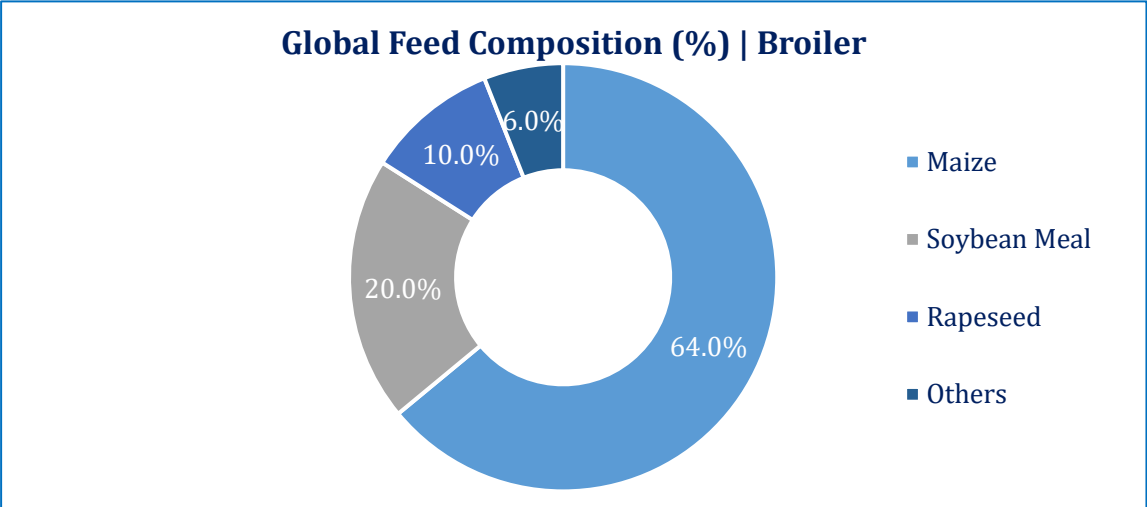
Country-wise Feed Production Mn MT			
Country	CY23	CY24*	YoY Growth (%)
China	262.7	315.0	19.9%
U.S.A	238.1	269.6	13.2%
Brazil	83.3	86.6	4.0%
India	52.8	55.2	4.5%
Mexico	40.4	41.4	2.5%
Russia	35.5	38.5	8.5%
Spain	36.2	36.0	-0.6%
Vietnam	24.2	25.9	7.0%
Türkiye	23.9	24.5	2.5%
Japan	23.4	24.3	3.8%
ROW	559.5	479.0	-14.4%
Total	1,380.0	1,396.0	1.2%

*Latest data available.

Poultry Feed

Global | Feed Composition

- Maize** has been globally recognized as a major energy poultry feed component. In a broiler starter diet, maize contributes ~64.0% of the metabolizable energy and ~20.0% of the protein. It is by far the most widely used cereal grain in the diets of intensively-reared poultry. The market size for Maize is expected to grow from USD ~320.3Bn in CY26 to USD ~372.4Bn by CY31, at a CAGR of ~3.1%.
- Soybean Meal**, primarily used as a protein supplement, serves not only as a source of metabolizable energy but is also used as food and poultry feed. Usually, ~1 bushel of soybeans (i.e. ~60lbs. or ~27.2kg) yields ~48lbs. (~21.8kg) of meal with soybeans. The Soybean Meal market is projected to increase from USD~108.8Bn in CY26 to USD~ 134.8Bn by CY31, growing at a CAGR of 4.4% during the forecast period.
- Maize and soybean are two major components of Poultry Feed. Thus, changes in dynamics of both components (local/ global) have direct implications on the Sector's overall performance.
- Rapeseed Meal** is used as an alternative source of protein in feed. As with the case with soybean, rapeseed is being produced as by-products in the production of rapeseed edible oil. Rapeseed has a considerable share in global oil production. The Rapeseed market is anticipated to expand to USD ~57.5Bn by CY31 from USD ~46.6Bn in CY26, reflecting a CAGR of ~4.3%.
- Others:** Major other components are cotton seed, animal protein feed, vitamins, hay meal, grass meal, among others.

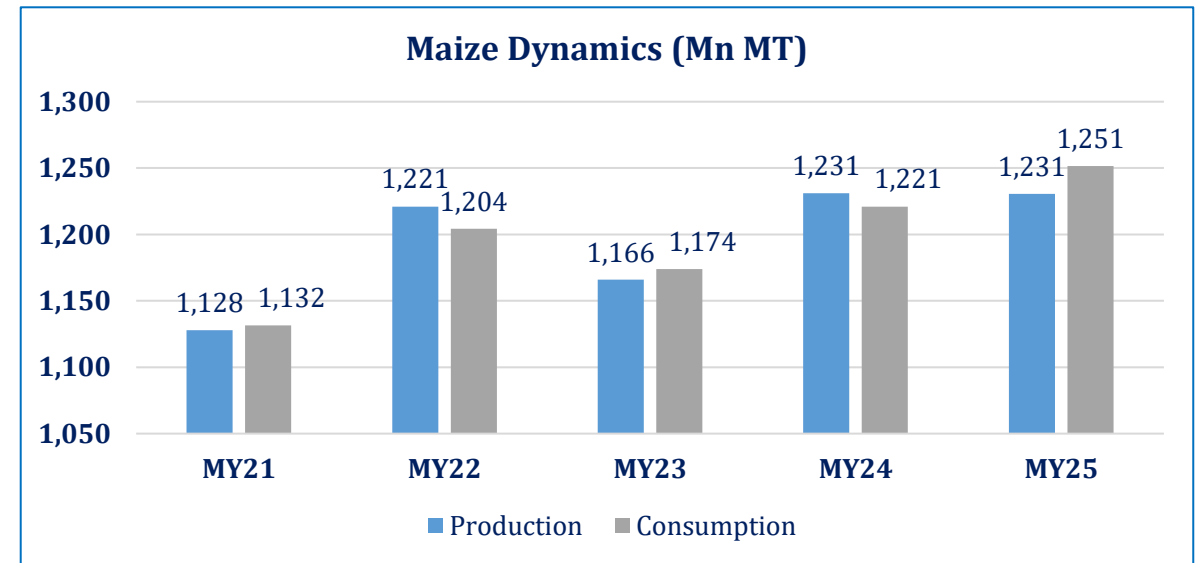
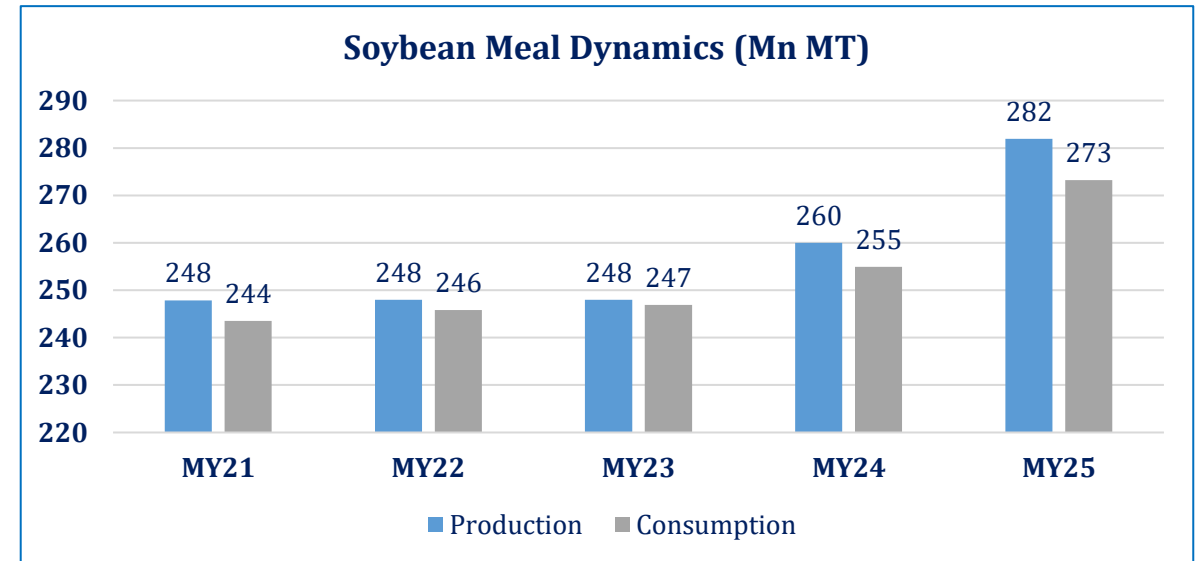


**Latest data available.*

Poultry Feed

Global | Soybean Meal, Maize Dynamics

- China remains the largest global producer as well as consumer of Soybean Meal, with almost ~30.0% share in the global production and consumption recorded in MY25. Other prominent producers included the USA, Brazil and Argentina with shares of ~18.8%, ~15.7% and ~12.0% respectively, whereas other leading consumers included USA, EU and Brazil with ~13.6%, ~11.4% and ~7.4% shares, respectively, in the same period.
- For MY25, Soybean Meal production increased by ~8.5% YoY, driven by record South American harvests, Argentina's crop recovery & U.S. biofuel-led crush expansion. Rising protein feed demand across Asian and Latin American poultry and aquaculture sectors, EU substitution away from scarce rapeseed and sunflower meals and near five-year-low export prices all combined to drive higher global soybean meal consumption in MY25.
- The global production of Maize stayed consistent at ~1.2Bn MT in MY25. The USA was the largest producer, with ~30.7% share in global Maize production, followed by China and Brazil with ~24.0% and ~11.1% shares, respectively.
- Global Maize consumption was up ~2.5% YoY in MY25 owing to the increase in consumption of Maize by China, Brazil, Mexico and India by ~2.9%, ~11.9%, ~4.5%, and ~12.1% YoY, respectively.



Note: MY: Most countries are on an October/September Marketing Year (MY). The United States, Mexico, and Thailand are on a September/August MY. Canada is on an August/July MY. Paraguay is on a Jan/Dec MY.

Poultry Feed

Local | Overview

- Pakistan’s poultry feed turnover rose by ~14.0% YoY in FY25 to record at PKR~869Bn (FY24: PKR~763Bn). At present, the animal feed mill segment in Pakistan is relatively unorganized with sales being dependent solely on the poultry and livestock sectors and primarily generated via shops/ household premises. The Sector’s market structure can be classified as competitive, with over ~100 functional feed mills currently producing poultry feed in Punjab.
- One of the key ingredients of Poultry Feed, Maize, is grown locally in the provinces of Punjab and KPK, which is highly dependent on climatic. During FY25, Maize production declined by ~15.5% YoY to ~8.2Mn MT (FY24: ~9.7Mn MT) driven by a contraction in cultivated acreage. Production for Soybean Meal increased to ~1.4Mn MT in FY25 from ~0.9 Mn MT (~55.6% YoY) in FY24.
- Poultry Feed is mostly used in controlled sheds where majority of the sales are made on credit. Thus, sector players are subject to credit risk. Moreover, any fluctuations in the demand for poultry products can directly impact the production and import of Poultry Feed.

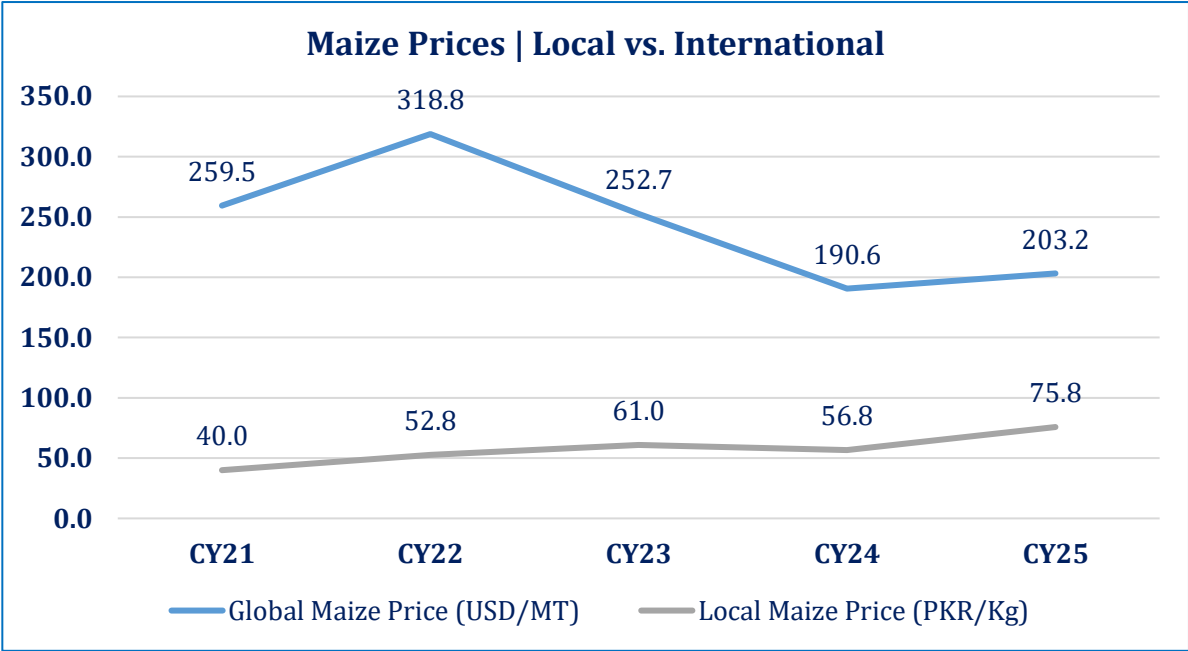
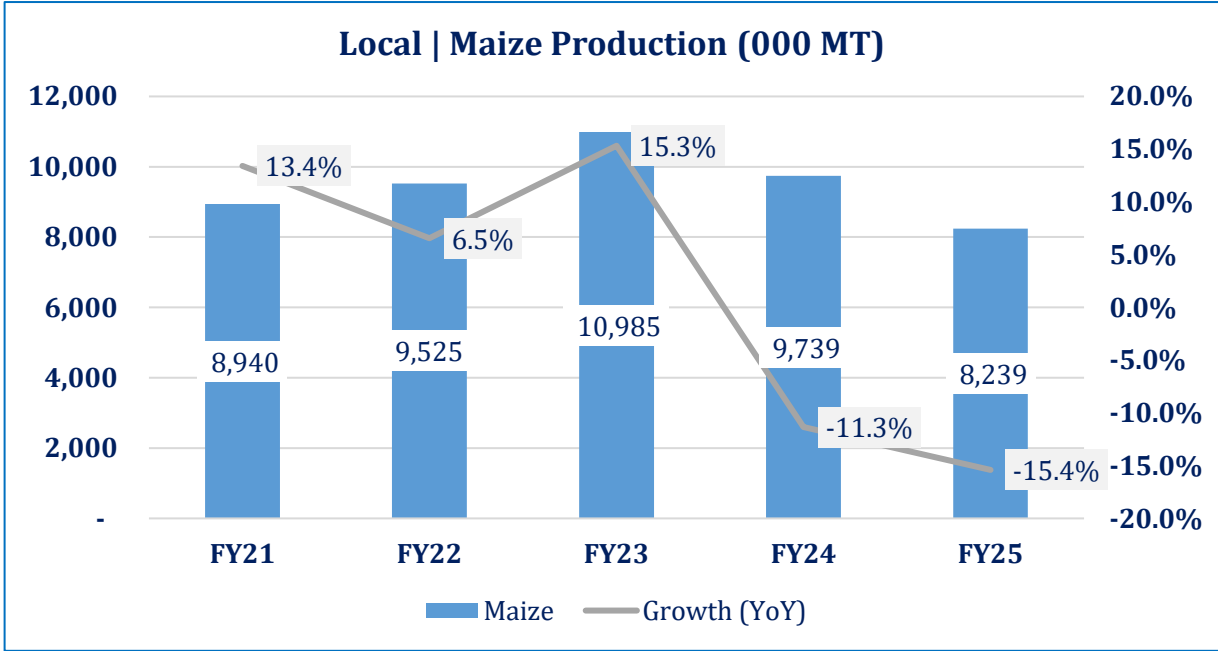
Industry Snapshot	FY23	FY24	FY25
Revenue (PKR Bn)	827	763	869
YoY Growth (%)	28.6%	-7.7%	14.0%
Contribution to GDP*	1.0%	0.8%	0.8%
Maize Production (Mn MT)	11.0	9.7	8.2
Soyabean Meal Production (Mn MT)	0.4	0.9	1.4
Regulatory Body	Pakistan Poultry Association (PPA)		
Market Structure	Competitive		

Note: Contribution to GDP has been calculated using sector’s gross revenue as a percentage of nominal GDP of the respective year. Soybean Seed data reflective of HS Code 1201.1000,9000

Poultry Feed

Local | Supply Dynamics | Maize

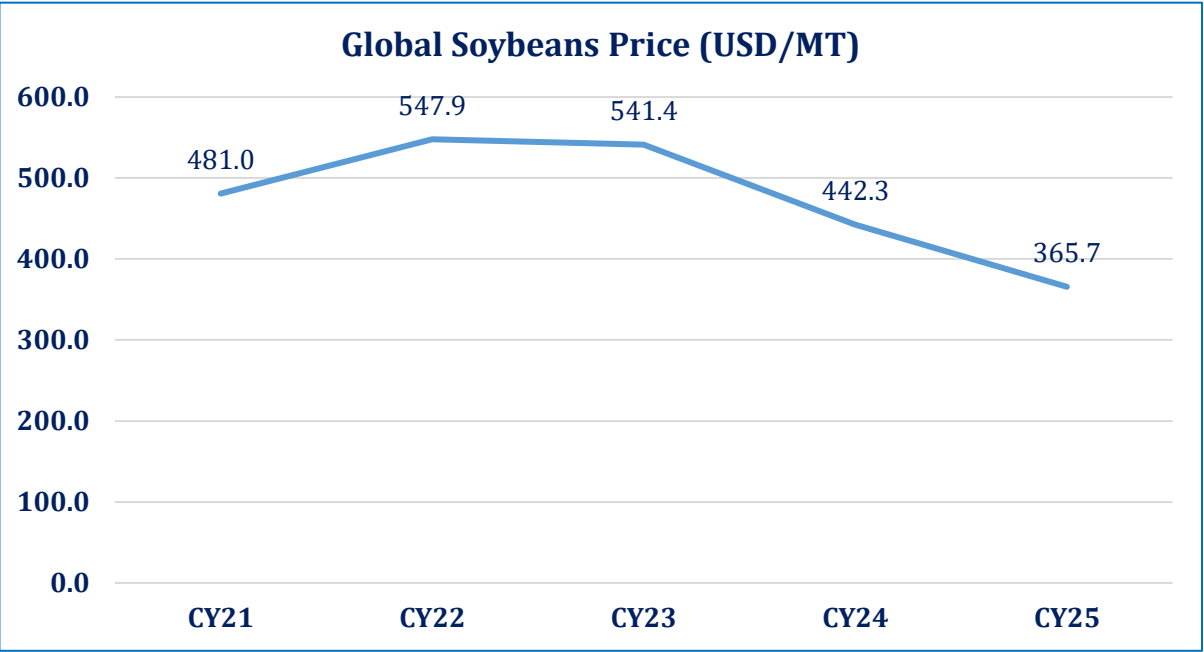
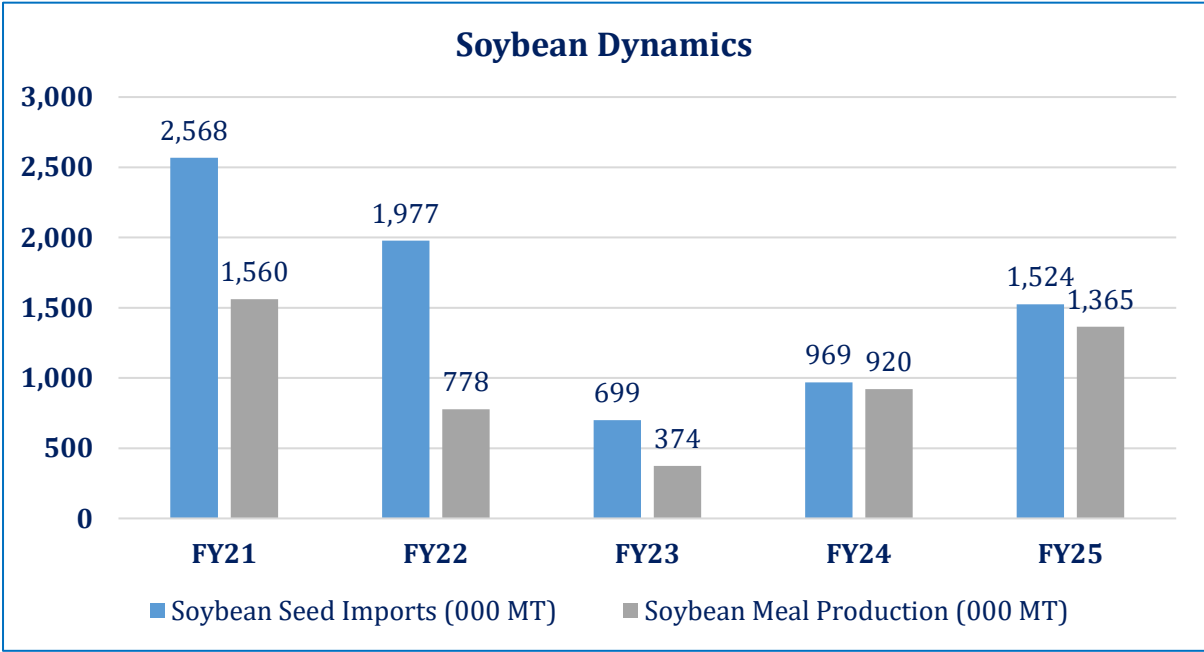
- Maize is the third important cereal crop of Pakistan after Wheat and Rice. Pakistan is entirely self-sufficient in meeting local demand of Maize. The commodity is a multi-purpose crop as it is used for food, feed and fodder. In FY25, area under cultivation for Maize shrunk by ~10.0% YoY to ~1.4Mn Ha (FY24: ~1.6Mn Ha). Subsequently, its production registered a YoY decline of ~15.4%.
- Average global Maize prices during CY25 increased ~6.6% YoY to USD~203.2/MT (FY24: USD~190.6/MT). Despite a recovery in global maize production in CY25, average prices remained higher than CY24 levels. This was primarily driven by carry-over effects of multi-year low global stocks entering the year and residual trade uncertainty stemming from US tariffs and Ukraine export fragility. During CY25, average local Maize prices increased ~33.5% YoY to PKR~75.8/KG.



Poultry Feed

Local | Supply Dynamics | Soybean

- Pakistan meets its local demand of Soyabean Meal majorly through imports of Soybean Seeds. During FY25, Soybean Seed imports increased ~57.3% YoY to record at ~1.5Mn MT (FY24: ~1.0Mn MT) primarily due to the government’s approval of GMO soybean imports in Nov’24, which eased earlier biosafety restrictions and allowed larger volumes to be imported to meet rising Poultry Feed demand. Due to this increase, Soybean Meal production clocked in at ~1.4Mn MT for FY25, registering a YoY growth of ~48.3%.
- Global Soybean Seed prices declined during CY25 to USD~365.7/MT (SPLY: USD~442.3/MT), due to record soybean harvests and increased crushing activity in major producing countries such as Brazil and Argentina, which significantly increased global meal supply.



Note: HS codes 1201.1000, 9000 (Soybean Seeds).

Poultry Feed

Local | Demand Dynamics

- Domestic Poultry production has traced an upward trajectory over the past years (FY21-25), exhibiting a CAGR of ~7.9% during this period. Local poultry output, including domestic and commercial, reached ~4.3Bn during FY25, up ~9.9% YoY. The increase reflects steady demand and use of Poultry products as primary protein source.
- Poultry production is influenced by the quality and quantity of the Poultry Feed used. In Pakistan, ~70.0% of the total Maize produced is used in the production of Poultry Feed while ~20.0% is used in wet milling** and ~10.0% in foods and seeds of the Maize.
- The composition of Poultry Feed affects the conversion ratio of poultry birds and, in turn, affects the time it takes for the poultry bird to enter the supply chain for commercial and domestic usage. Among Poultry birds, Broiler has the highest consumption of feed (~58.4% in FY25*) with ~3.5Mn MT estimated for the period.

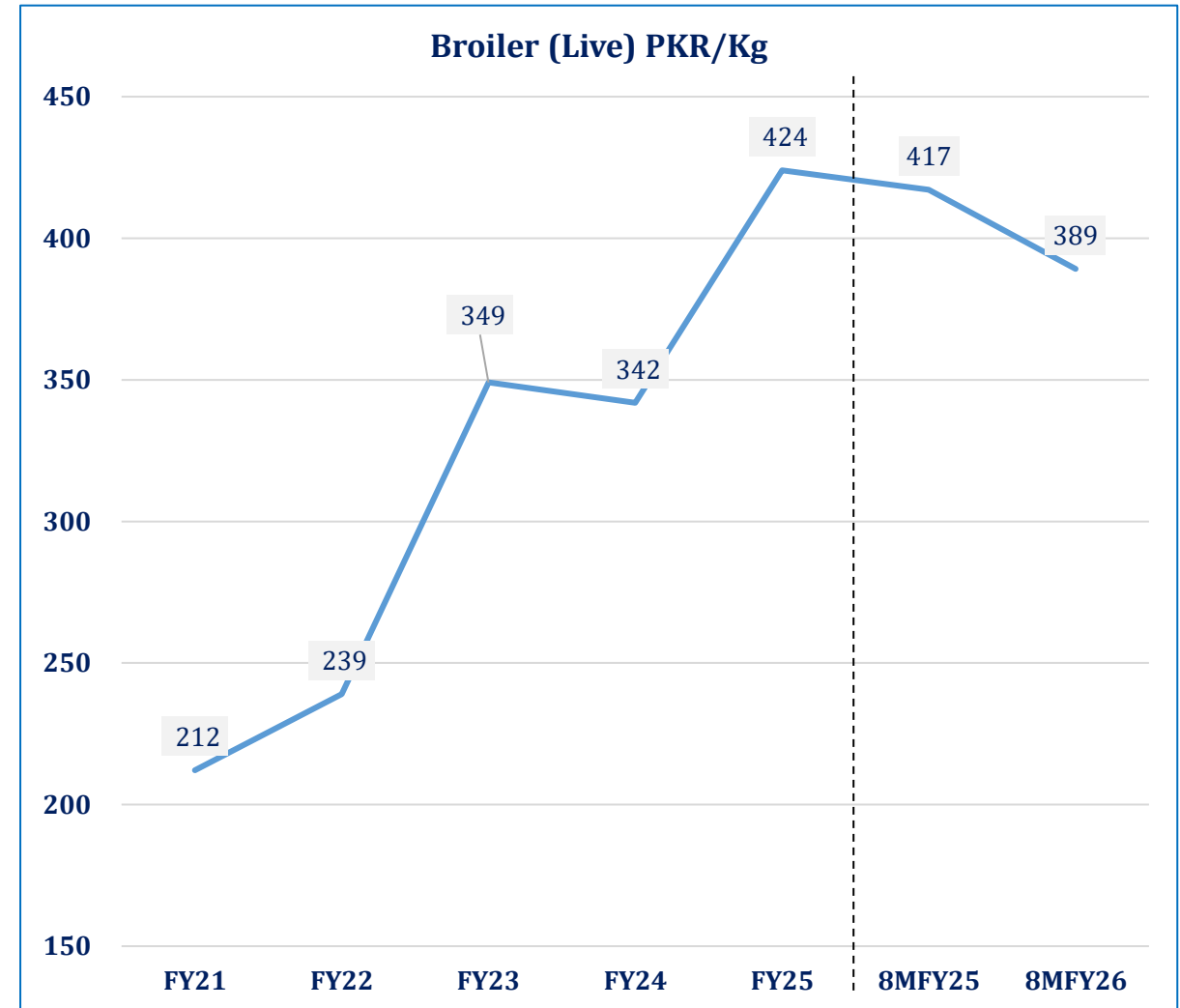
Poultry Supply (Mn No.)	FY21	FY22	FY23	FY24	FY25	Poultry Feed Usage ('000' MT)					
Domestic Poultry						Broiler Farming	FY21	FY22	FY23	FY24	FY25*
Cocks	13	13	14	14	14	Grand Parent Stock	25	30	16	15	16
Hens	45	46	46	47	48	Parent Stock	768	832	768	640	704
Broiler	34	34	34	34	35	Broiler	3,780	3,937	3,500	3,200	3,518
Total Domestic Poultry	91	93	94	95	97	Layer Farming					
Commercial Poultry						Parent Stock	36	32	28	27	30
Layers	64	68	73	78	84	Commercial Layer	1,800	1,600	1,600	1,600	1,759
Broilers	1,408	1,549	1,703	1,874	2,061	Total Poultry Feed	6,409	6,431	5,912	5,482	6,027
Breeding Stock	14	15	16	16	17						
Day Old Chicks	1,470	1,617	1,779	1,957	2,153						
Total Commercial Poultry	2,956	3,249	3,572	3,925	4,315						

FY25* poultry feed usage estimated by prorating poultry supply growth.. **The main products of wet milling are industrial starches, liquid glucose and dextrose.

Poultry Feed

Business Risk

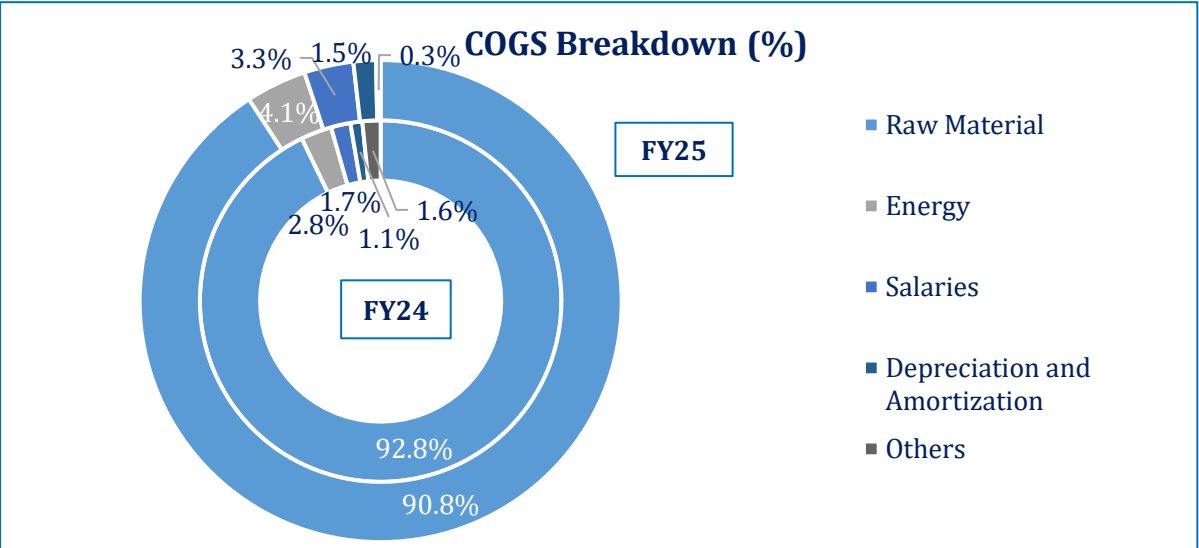
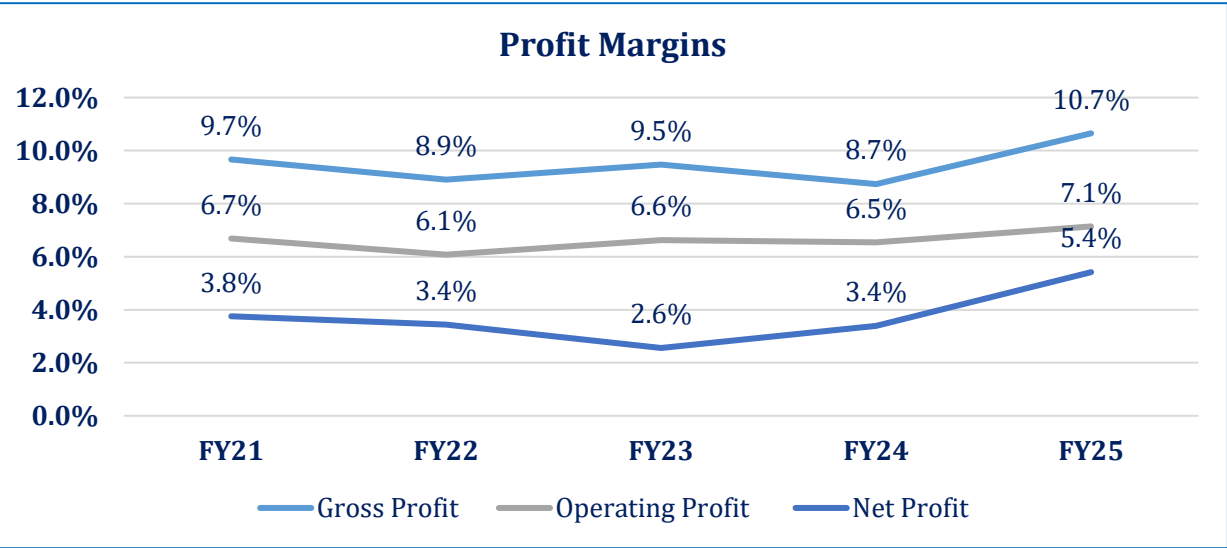
- **Operating Risk** refers to difficulties relating to the operations of Sector players, which can hamper their profitability. Inputs for the Sector include both local and imported products.
- The Sector's costs are subject to exchange rate volatility and global prices to the extent of the imported raw materials (mainly Soyabean). Other unavoidable factors include high inflation rates alongside import duties and sales tax structure of the Sector, which also indirectly impacts the profit-making capacity of the players.
- **Sales Risk:** The Sector mainly derives its demand from the local poultry sector (meat and eggs). Any disruption in demand from the poultry sector can hamper the demand of Poultry feed significantly.
- Average price of broiler chicken increased to PKR ~424 during FY25, despite increased production, due to better demand. Prices in 8MFY26 declined to PKR ~389/KG compared to the average price of PKR ~417/KG during SPLY, owing to the easing of food-related inflation levels.



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Business Risk | Margins

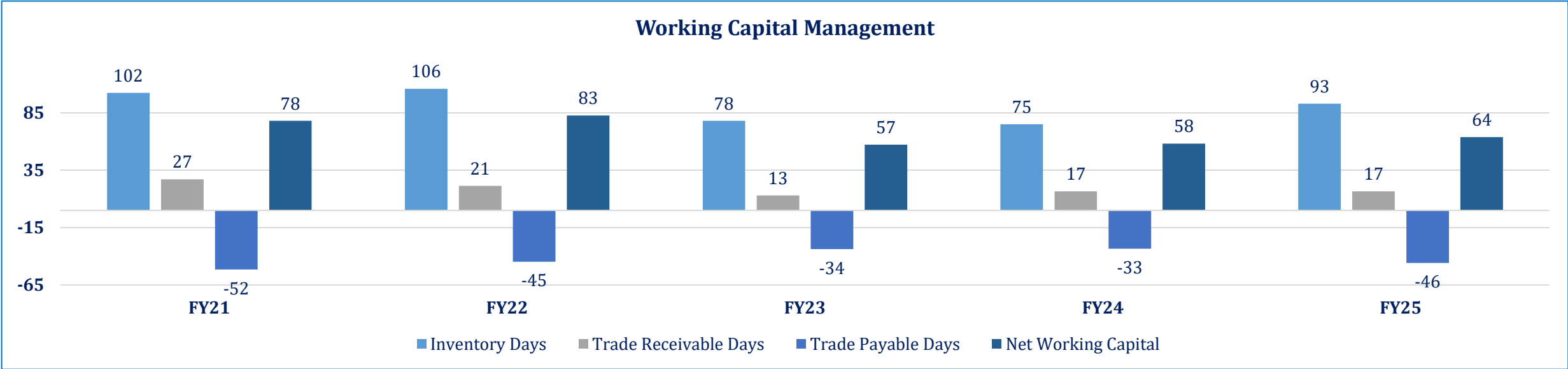
- During FY25, the Sector’s profitability margins exhibited a notable improvement. Gross margins expanded to ~10.7% (FY24: ~8.7%), primarily driven by a ~7.1% YoY decline in COGS reflecting improved procurement efficiencies and normalization of raw material supply following earlier disruptions caused by restrictions on GMO seed imports. Adoption of operational adjustments, including tolling arrangements and revised procurement structures across the Sector, supported cost optimization and improved production efficiency. Consequently, operating margins improved to ~7.1% (FY24: ~6.5%), supported by stronger gross profitability and improved operational utilization levels as raw material availability stabilized. At the net level, margins increased to ~5.4% (FY24: ~3.4%), mainly due to a significant reduction in finance costs, which declined markedly during the year as borrowings moderated and liquidity improved.
- Raw materials remained the dominant component of the Sector’s cost structure, accounting for ~90.8% of total production costs in FY25 (FY24: ~92.8%), primarily comprising maize and soybean meal. Given the Sector’s strong reliance on imported feed inputs and their linkage to international commodity prices, fluctuations in global markets directly influence cost dynamics. In instances where rising raw material costs cannot be fully passed on to customers, Sector players absorb the impact, exerting pressure on margins.



Note: Calculations are based on 03 Sector players.

Financial Risk | Working Capital Management

- The Sector’s liquidity profile is largely shaped by inventory-intensive operations and moderate receivable cycles, reflecting the need to maintain adequate feed and raw material stocks to support continuous poultry production. Consequently, short-term borrowings remain a key funding source, enabling Sector players to finance routine operational requirements, including procurement of feed inputs, chick rearing, farm maintenance, equipment needs, and vaccination activities, thereby forming a significant component of the Sector’s overall borrowing mix.
- Average working capital days of the Sector increased to ~64 days in FY25 (FY24: ~58 days), primarily driven by a rise in inventory days to ~93 days (FY24: ~75 days), reflecting higher raw material stocking, mainly maize and soybean meal, to ensure production continuity amid supply-side volatility. Trade receivable days remained stable at ~17 days, indicating consistent collection practices, while payable days extended to ~46 days (FY24: ~33 days), partially offsetting the inventory build-up through improved supplier credit. Overall, the Sector’s working capital cycle remains inventory-heavy, a structural characteristic of poultry feed manufacturers due to their reliance on bulk procurement and storage of raw materials.



Note: Calculations are based on 03 Sector players.

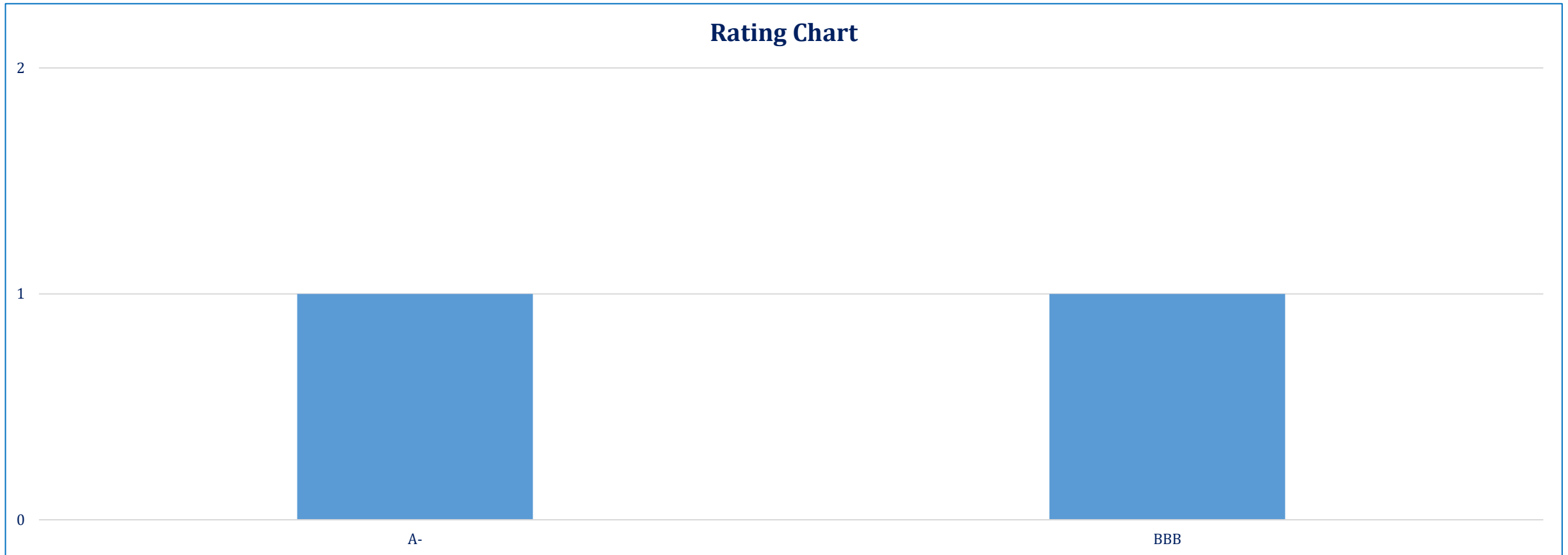
Duty Structure

PCT Code	Description	Custom Duty		Additional Custom Duty		Total	
		FY25	FY26	FY25	FY26	FY25	FY26
1201.1000	Soyabean Seed	3%	0%	2%	0%	5%	0%
1005.9000	Maize	11%	10%	2%	0%	13%	10%
1103.1300	Meal of Maize	16%	15%	4%	2%	20%	17%
1208.1000	Meal of Soyabean	11%	10%	2%	0%	13%	10%

Poultry Feed

Rating Curve

- PACRA currently rates two players in the Poultry Feed sector. The rating bandwidth stretches from A- to BBB.



Poultry Feed

SWOT Analysis

- Sustained demand
- Local availability of major raw materials
- Ease of operating controlled sheds
- Government incentives and supportive policies
- Established supply network.

Strengths

Weaknesses

- Lack of research and development initiatives
- Outdated technology used for making a mixture of poultry feed
- Unregistered and unorganized sector
- Perishable Items
- Limited value addition
- Credit based business model.

- Economic and political instability
- Poor Infrastructure
- Low entry barriers
- Lack of required regulation by the GoP
- Outbreak of any viral disease in broilers
- Cartelization.

Threats

Opportunities

- Increased research and development
- Rising population and purchasing power
- Room for value addition in terms of organic and other feed types
- Vast distribution
- Modernization of technology

Poultry Feed

Outlook: Stable

- In FY25, Pakistan's GDP (nominal) stood at PKR~113.9Tn (FY24: PKR~105.4Tn), increasing, in real terms, by ~3.1% YoY (FY24: ~2.6% YoY) and is projected to grow by ~3.2% in FY26, according to the IMF. The 1QFY26 data show a ~3.7% YoY real growth rate as compared to ~1.6% YoY in 1QFY25, showing an improvement in economic activity as compared to the SPLY.
- The Poultry Feed Sector holds significant importance for the country's food security, with Maize and Soybean Meal serving as primary inputs. Pakistan remains largely self-sufficient in meeting its domestic Maize demand. The crop is multi-purpose in nature, being utilized for food, feed, and fodder. During FY25, the area under Maize cultivation contracted by ~10.0% YoY, leading to a ~15.4% YoY decline in overall production.
- Soybean Meal constitutes another key input, the demand for which is predominantly fulfilled through imports of Soybean Seed, thereby exposing the Sector to international price movements and exchange rate volatility. In FY25, Soybean Seed imports rose by ~57.3% YoY. Consequently, Soybean Meal production reached ~1.4Mn MT during FY25, reflecting a YoY growth of ~48.3%.
- During FY25, the Sector's overall margins showed an increasing trend as gross margins stood at ~10.7% (SPLY: ~8.7%). Moreover, operating margins improved to ~7.1% (FY24: ~6.5%), while net margins increased to ~5.4% (FY24: ~3.4%).
- Pakistan approved GMO soybean and rapeseed imports for CY25-26, which is expected to increase Soybean imports and domestic Soybean Meal production. This should improve protein availability for feed mills and support poultry production. In a long-term development, the Oilseed Research Institute (ORI) Faisalabad has developed three climate-resilient soybean varieties (Super, AARI, and Faisal Soybean), with the objective of reaching ~3Mn tons of local production by CY30, potentially reducing Pakistan's reliance on soybean imports.
- Rising poultry production continues to drive higher maize consumption for feed, while feed costs remain sensitive to commodity price movements as feed accounts for nearly ~70% of poultry production costs. However, regulatory and taxation risks remain. Overall, the Poultry Feed Sector remains stable driven by growing demand and better availability of Soybean Meal. However, the sector remains vulnerable to disease and other such shocks.

Poultry Feed

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