



POULTRY

Overview

Poultry is a blanket term for husbandry of domesticated birds like chickens, ducks, geese, turkeys, ostrich and so on for production of meat and eggs. Of these, chickens are the most numerous poultry birds in the world and annually 50 billion chickens are reared and consumed worldwide. Worldwide there are two methods of poultry husbandry whether for meat or eggs: intensive farming and free-range farming. The former refers to high-efficiency farming involving high stocking density and strict controls while the latter refers to a more natural approach to husbandry in which poultry birds are given freedom of movement for certain hours a day with lesser stocking density.

Poultry is arguably the most important subsector of Pakistani agriculture in terms of affordable food supply. It is one of the most well-developed and vibrant segments of national economy growing at a robust 8-10% annually as opposed to 4% growth rate of livestock sector. Poultry sector provides direct and indirect employment to 1.5 million people in Pakistan. Poultry meat contributes 25.8% of overall meat production in the country and the share is increasing. In Pakistan, poultry farming is generally being practiced either as urban commercial intensive farming or as rural free-range farming.



**A Modern
Controlled-Atmosphere
Poultry Farm**



Poultry Hatchery



Chicken Feed Mill

Market Analysis

Poultry farming started in Pakistan on commercial basis in the 1960s. Poultry industry has very important backward and forward linkages with other sectors and industries. Poultry meat and eggs take little time to produce and market and, as such, poultry is a profitable business. Poultry industry can be divided into three components: poultry farming, hatcheries, and chicken feed mills. Poultry farming itself consists of:

- Broiler farming (for production of meat)
- Layer farming (for production of eggs)
- Breeder farming (for reproduction)



Pakistan produces around 834,000 tons of poultry meat annually with per capita consumption at 4kg per month. In addition, 3809 million tons of eggs are produced annually. A total of Rs 300 bn have been invested in the poultry sector and there is still immense room for expansion.

In Sindh, there are more than 5,200 poultry farms and despite damage caused by floods the poultry industry is on the rise. Poultry farms are situated in districts Dadu, Mirpur Khas, Sanghar, Khairpur, Tando Muhammad Khan, Karachi, and Hyderabad. The rural Sindh is especially suited for poultry farming because of low humidity but hot climate became an issue, which has been solved with the introduction of environmentally-controlled poultry farms. In Sindh, a large supply-demand gap exists in poultry farms because there are not enough indigenous poultry farms. At the moment, poultry products from the Punjab are bridging the gap but the transport costs and wastages result in relative price increase in Sindh as compared to the Punjab.



Investment Opportunities

▪ **Controlled-Atmosphere Poultry Farms**

Environmentally-controlled poultry farms are being established in Sindh rapidly because mortality has been brought down to 2-3% only as compared to the traditional poultry farms wherein mortality could be as high as 10-15%. Also, dispensation of food and medicine is uniform and accurate which results in optimal growth. As such, there is great opportunity to invest in control farms especially on large scale to generate economies of scale.

▪ **Meat Processing Plants**

Poultry meat processing plants can be established on the pattern of enterprises like K&N Foods and Mon Salwa because they offer high returns and low risk with high initial cost. Currently, there is little competition in this field and first investors will gain foothold within a short time.

▪ **Feed Mills and Hatcheries**

Feed mills and hatcheries are basic requirements of poultry farms but currently only a few hundreds of both exist in Pakistan. While demand is high from thousands of poultry farms the supply is low, which is resulting into high feed costs for poultry farmers. In any case, feed mills and hatcheries are great avenues for low-risk and high-returns investments in Sindh.





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