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FACT SHEET

June 02, 2014

USAID Firms Project Livestock Policy Reform Program

Geographic Focus	Punjab, Sindh, Khyber Pakhtunkhwa (KP) & Balochistan
Implementing Partner	Chemonics International Inc.
Start Date	January, 2011

Introduction:

The livestock sector in Pakistan plays a significant role in the economy of the country. With over 50 percent contribution to the agricultural Gross Domestic Product (GDP) of Pakistan, the livestock sector provides a steady source of income and employment for the population in the rural and urban areas. Over the years, it has emerged as a leading sub-sector of the agricultural sector and has the potential to increase productivity, profitability and export earnings for the economic growth of Pakistan.



A typical livestock market

Sector Constraints:

- **Policy distortions:** Outdated policy, institutional and regulatory frameworks distort market forces and lead to mismanagement of resources.
- **Price controls:** Price controls on meat and milk force producers to compromise on the quality of inputs such as feed and vaccination in order to reduce costs associated with doing business.
- **Lack of technical capacity:** The lack of technical capacity among provincial government departments to regulate and manage the livestock sector has resulted in gaps in the delivery of livestock related infrastructure, services and facilities.
- **Unreliable quality of inputs:** The lack of regime for standardization of inputs such as feed, vaccines and semen has led to decreasing productivity in the livestock sector.
- **Imbalances in market power:** Lack of adequate information relating to livestock infrastructure, services and facilities leaves the small producers and consumers vulnerable to exploitation by rent-seeking elements within the industry.

Interventions:

USAID Firms Project is providing Policy and Regulatory reforms assistance to the Governments of Punjab, KP, Sindh and Balochistan. The aim of this assistance is to create space for the private sector by realigning public sector roles and responsibilities and enabling private sector-led sector development of livestock infrastructure, services and facilities. The USAID Firms Project is assisting the beneficiary provincial governments and the private sector by making reform- oriented interventions in several key areas that include:

- Disease surveillance and control:
To increase Government capacity to conduct surveillance programs capable of detecting new exotic diseases while assessing progress in control and eradication, and build capacity to provide the technical and financial analysis to enable decisions and strategies relating to livestock disease.
- Extension services: Private sector entities to be registered and facilitated to provide extension services. Government institutions to be provided with capacity to deliver programs for the public good including technology transfer, education, attitude change, human resource development, and dissemination and collection of information.
- Livestock markets: Livestock markets to be conducted by the private sector, with commercial entities competing to offer market services.
- Market management: Entities to be regulated to ensure compliance with provincial conditions including standards of market conduct, collection of data and collection of levies to fund market development
- Slaughtering and meat processing: Private sector's freedom to undertake slaughter of livestock and processing activities to produce meat products for domestic or export use.
- Business Standards: Business entities to be licensed to undertake domestic processing, with accreditation based on issues such as standards of infrastructure, operational hygiene, and environmental care etc.
- Animal welfare: Code of practice for animal welfare in markets, slaughter, transport, research, and commercial production including nutrition and management to be introduced, reflecting good commercial livestock practice.
- Rangeland Management: Regulation of livestock management practices which have negative effects on soil, water or vegetation resources and threaten ecosystems on publicly-owned and administered rangeland.



Livestock in a mountainous region of Pakistan

Results and Expected Impact:

- The project drafted the Quality Meat and Slaughter Act and the Animal Welfare Act for the government of Punjab which was accepted by the government.
- The establishment of a modern and comprehensive legal and regulatory regime to govern inter alia Livestock Markets, Slaughter, Animal Welfare, Rangeland Management and Extension Services.
- Enabling an increase in the number of private sector initiatives for the delivery of livestock related infrastructure, services and facilities.
- Creating economic opportunities to increase the contribution of the livestock sector in the GDP.