Awareness Seminar
On
Dairy Farming As a Profitable Business
Jointly Organized By
Small & Medium Enterprises Development Authority (SMEDA)
Sahiwal Chamber of Commerce & Industry
Scheme of Presentation

• Introduction of Dairy Farming
• Dairy Scenario in Pakistan
• How to Start Dairy Farming
Pakistan’s Livestock Sector Scenario

GDP $112 billion
- GDP growth rate: 8.4 % (growing economy)

Share of Agriculture in GDP 23 %
- Avg growth rate: 7.5 %
- Employment: 42 % of work force
- Major Crops: Cotton, Sugarcane, Rice, Maize, Wheat
- Land Utilization:
  - Total: 79.61 m hectares
  - Cropped area: 22.94 m hectares (28.8 %)

Contribution of Livestock towards Agriculture GDP 49.6 %
Contribution of Livestock towards national GDP 11.5 %
Rural Population engaged in Livestock raising 30-35 m
Income of the farmers derived from Livestock 35-40 %

Source: Economic Survey of Pakistan
Dairy & Livestock Scenario

- Milk trade is US $ 65 Billion: Pakistan is importing US $ 180 million milk powder annually.

- Meat trade is US $ 600 billion: Pakistan share in Exports is only US $ 100 million

(Source: www.commoditytradeinternational.com)
<table>
<thead>
<tr>
<th><strong>Products</strong></th>
<th><strong>Production (000 tons)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk</td>
<td>38690.0</td>
</tr>
<tr>
<td>Meat</td>
<td>2,576.0</td>
</tr>
<tr>
<td>Wool</td>
<td>41.2</td>
</tr>
<tr>
<td>Hides (Million no.)</td>
<td>9.6</td>
</tr>
<tr>
<td>Skins (Million no.)</td>
<td>48.0</td>
</tr>
</tbody>
</table>

*(Economic survey of Pakistan, 2006-07)*

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- *(www.commoditytradeinternational.com)*
Dairy Economics

- 100 cows = Rs.40 million
- RoI for dairy = 42%
- Other businesses = 15%
International Farm Gate Milk Prices
(PKR/kg)

- Pakistan  40
- India  50
- China  56
- Russia  50
- UAE  60
- USA  34
- EU  34

Source: Intl.Farm Comparison Network (IFCN)
International Meat Prices

- Beef: US $ 5 to 30
- Mutton: US $ 7 to 35
Pakistan Dairy & Livestock Sector Issue

- **Not Competitive: Why?**
- Low breeds efficiency: 1000 ltr/animal/lactation as compare to 10000 ltr/animal/lactation in developed countries
- Shortage/ unavailability of ‘Trained/ skilled workforce’
- Insufficient Milk marketing & processing system through processors (Nestle, Haleeb etc) as compared to Dairy Cooperatives in developed countries e.g. Fonterra New Zealand, Dairy farmers of USA, Land’O Lakes Inc. USA
- Inefficient breeds for meat: 600 gram and 150 grams Daily Weight gain as compared to 1000 grams and 400 grams respectively for beef and mutton
- Lack of Internationally certified slaughter houses and supply chains.
Issues

- Poor infrastructure (energy, transport, and storage)
- Sector institutions and policies
- Access to modern technology
- Financial and business development services
Introduction of SMEDA
SMEDA

Building a Conducive Environment
- Proposing and facilitating changes in Policy and Regulatory Environment
- Reducing the Cost of Doing Business
- Facilitating Government-SME Interface

Developing Clusters and Sectors
- Sector Studies, Strategies and Implementation
- Cluster Development
- Common Facility Centers

Provision and Facilitation of Services
- Investment Facilitation
- Technology, Training, Finance, Business Information, Marketing, and legal support
- Productivity and Competitiveness Improvement
SMEDA Offers

- Sector Studies --- Overall potential
- Feasibility Studies --- Individual Projects
- Legal and Regulatory Support --- Operational matters
- Business Matchmaking --- Potential partners
- Regional Offices & centers – Karachi, Lahore, Quetta & Peshawar
Help Desk Services for SMEs

Established in Jan 2001

- Identification of Investment Opportunities
- Business Plan Development
- Technical Advice
- Marketing Advice (Branding, Promotion, Labeling, Packaging etc)
- Legal Services (Company Incorporation, Export Registration & Regulatory, Tax Advice)
- Business Matchmaking Service
- Information Services (Library, project briefs, databases, pre-feasibilities etc)
- Assistance in Raising Finance from Financial Institutions
Establishment/Upgradation of Model Dairy Projects

1. Farmers Dairy  Lahore
2. Alrazi dairy  Gujranwala
3. Living dairy  Chunian
4. Noble dairy  Lahore
5. Hygienic dairy  Chiniot
6. Eastern dairy  Behra
## SME Facilitation

### Pre-feasibility

1. Dairy Farm (25 Animal)
2. Environmentally Controlled Dairy Farm (50 American Cows)
3. Dairy Farm (200 Animal)
4. Calf Fattening Farm
5. Poultry Farm (7,500 Broiler Birds)
6. Livestock Semen Production Unit (Cattle & Buffalo)
7. Layer Farming (10000 Birds)
8. Semi Intensive Sheep Farm
9. Environmental Controlled Poultry Farm (30,000 Birds)
10. Poultry Breeder Farm
11. Sheep Fattening Farm
12. Quail Farming
13. Intensive Goat Breeding Farm
14. Environmentally Controlled Poultry Farm (60,000 birds)
15. Veterinary Clinic
16. Abattoir (Slaughterhouse)
17. Milk Pasteurizing Unit
SME Facilitation

Training Programs
1. One month Training of Farmers/Supervisors and Dairy Managers in collaboration with Nestle'
2. Livestock & Dairy Farm Management
3. Artificial Insemination for Animals, Burj Attari
4. Calf Fattening
5. Dairy Farm Management
6. Animal Productivity Enhancement through Feeding
7. Goat and Sheep Farming
8. Animal Productivity Enhancement through Urea Molasses (Milk & Meat)
9. Investment Opportunities in Livestock Sector
10. Breed Improvement with Artificial Insemination
11. Feeding of Dairy Animals for Quality Milk Production
12. How to manage livestock farms
13. Milk Collection and Increased Milk Production
14. Quail Farming as Profitable Enterprise
Thank You