

Poultry prospects and broiler boom in Pakistan

Muhammad Junaid | 23rd Jan 2025



The poultry industry is a key source of protein and a vital part of the livestock economy. Over the past decade, with investments exceeding Rs 1,056 billion, it has achieved an average annual growth rate of 7.3%. The industry employs over 1.5 million people.

In 2023, poultry exports reached \$2.24 million, while Pakistan imported over 1.5 million tons of feedstuffs, especially soybean meal, to meet production needs. Pakistan's poultry industry ranks third in South Asia

after India's and Bangladesh's, where production techniques have improved, and export markets have expanded. Globally, Pakistan is now the eighth-largest producer of poultry chicken, indicating strong potential for growth and development.

This sector comprises domestic poultry, ducks, drakes, and ducklings. The share of total meat production (domestic) of poultry is approximately 40.7 percent. Most commercial poultry in Pakistan are broilers, with about 98% of total poultry production occurring commercially.

Poultry activities are primarily concentrated in Punjab, which accounts for approximately 64 percent of production, followed by Khyber Pakhtunkhwa (KPK) and other regions. Commercial broiler farming in Pakistan is primarily conducted under two management systems: open-sided house systems and environmentally controlled systems.

They estimate that 97–98 percent of the commercial broiler farming industry that uses humans specifically to raise broiler chickens takes place in environmentally controlled buildings with mechanical systems to feed, water, humidify, heat, etc. These facilities can accommodate around 30,000–40,000 birds, each achieving a live weight of 1.5 to 2.0 kg by the end of the production cycle, with a feed conversion ratio (FCR) ranging from 1.2 to 1.6.

Despite such huge prospects of poultry as an important source of protein and economic activity, it is confronted with a barrage of challenges. Issues such as disease outbreaks, fluctuating feed prices, and unregulated market structure complicate operations and affect profitability.

Additionally, logistical inefficiencies and the involvement of multiple agents in the supply chain contribute to price volatility, further complicating the landscape for poultry producers. These challenges seriously affect its sustainability and have contributed to the recent spurt in chicken prices.

Recently, chicken prices have risen sharply, ravaging daily across district collector (DC) rates, and are dictated by supply and demand. The industry can point out a confluence of interrelated factors plaguing it and can be cited for this inflationary trend.

The poultry sector faces a critical challenge due to its high vulnerability to outbreaks like avian influenza. These outbreaks can devastate flocks, resulting in the culling of millions of birds and casting serious doubts on the stability of the supply chain. This leads to a decreased supply, which, during periods of high demand, can drive prices significantly higher, creating a volatile market environment. Additionally, fluctuating feed prices, which can account for up to 70 percent of total production costs, further exacerbate the issue.

Global supply chain disruptions and local market volatilities have raised feed ingredient prices, especially soybean meals and corn. For example, poultry producers are now facing additional financial pressures due to increased soybean prices by over 30% in recent years.

The market structure is also unregulated, which also increases the price volatility. The constant interactions between farmers and intermediaries are characterized by a chain of many actors: farmers, wholesalers, retailers, transporters, and agents.

The lack of overall chain operations in the value chain results in insufficient oversight, leading to price manipulation and irregularities. However, because of this complexity, there could be significant price discrepancies in different regions, leading to confusion and mistrust among consumers and producers.

In addition, the inefficiencies of the industry drive up costs and spoilage. Losses due to inadequate logistics are estimated to be about 20 percent of poultry products, which burdens consumers. However, we can neither overlook nor deny the role of commission agents in the supply chain.

Often, the fees of these agents are very high, which is eventually passed on to consumers, making the poultry products not affordable. According to reports, commission fees that can make up 10–15 percent of the retail price impact the total cost of chicken.

Broader economic factors, including inflation and currency devaluation, have also driven the rising costs. The increasing expense of feed and other inputs in local currency terms and the depreciation of the Pakistani rupee against significant currencies made the poultry farming business extremely difficult.

These considerable challenges of the poultry industry in Pakistan will not deter its future. Several strategic recommendations should be implemented to fully realize its potential and maintain a steady supply of this essential protein source for the population.

The first fundamental step is to set up robust regulatory frameworks that can effectively oversee the poultry supply chain. This would protect us from the negative effects of unregulated market dynamics by implementing a regulated system with clear pricing and quality control standards.

This would ensure quality product delivery that would instill a sense of trust and confidence between the product producer and consumer. Investing in biosecurity is essential because it can strengthen measures to prevent disease outbreaks that threaten poultry stock and disrupt the supply chain. Maintaining a stable supply will depend on prioritizing vaccination programs and better farm management practices.

In addition, increasing poultry logistics infrastructure is necessary to prevent post-harvest spoilage and get products to market on time. Another key recommendation is the diversification of feed sources by encouraging local production of feed ingredients, which reduces dependence on imports and stabilizes the cost of purchases.

Finally, consumer education is critical because knowing the poultry supply chain and pricing mechanism is important. It will increase consumers' awareness, enabling them to embrace price fluctuations, increase loyalty, and inform them about the purchase act. Through implementing these strategies, Pakistan's poultry industry will be able to combat current problems and preserve its prosperity tendency and contribution to the country's economy.

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