

# MODERNIZING POULTRY POLICY FOR A COMPETITIVE FUTURE

**Policy Brief**



**June 2025**

# **Modernizing Poultry Policy for a Competitive Future**

POLICY BRIEF

June 2025

**The Pakistan Business Council (PBC)**

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The Pakistan Business Council (PBC) is a research-based business policy advocacy platform, supported by over 100 private sector companies, local and multinational, that have significant and long-term commitment to sustainable growth of the country. They come from 17 major sectors of the formal economy, generate 40% of annual exports, contribute a third of Pakistan's total tax revenues and employ three million. Their combined sales represent every 9th Rupee of Pakistan's GDP. PBC's major thrust is "Make-in-Pakistan" with three pillars: "Grow More/Grow Better", "Make More/Make Better" and "Serve More/Serve Better," all with the objective of generating jobs, promoting exports and reducing imports. This study is under the "Grow More/Grow Better" pillar. ([www.pbc.org.pk](http://www.pbc.org.pk))

# The Pakistan Business Council:

## An Overview

The Pakistan Business Council (PBC) is a research-based business advocacy platform established in 2005. It is now supported by over 100 private sector local and multinational businesses with significant investment in, and long-term commitment to sustainable growth of the country. They come from 14 countries, have leading roles in 17 major sectors of the formal economy, generate 40% of annual exports, contribute a third of Pakistan's total tax revenues and employ three million. Their combined sales represent every 6th Rupee of Pakistan's GDP.

PBC's major objectives are to advocate policies that lead to creation of jobs, value-added exports and reduction in import reliance through improved competitiveness of manufacturing, services and the agriculture sectors. It also promotes formalization of the economy.

PBC's over-arching theme, **"Make-in-Pakistan"** consists of three pillars: **"Grow More/Grow Better"**, **"Make More/Make Better"** and **"Serve More/Serve Better."** Its evidence-based advocacy is backed by over a hundred studies to date through its full-time research team, supplemented by collaborative research with renowned industry experts and economists. Through its Centre of Excellence in Responsible Business (CERB), PBC works to build capacity and capability of businesses beyond its membership, to adopt high environmental, social and governance standards. PBC holds conferences, seminars and webinars to facilitate the flow of relevant information to all stakeholders in order to help create an informed view on the major issues faced by Pakistan. Through its presence in Islamabad and Karachi, it works closely with relevant government departments, ministries, regulators and institutions, as well as other stakeholders including professional bodies, to develop consensus on major issues impacting the economy.

PBC is a pan-sectoral, not-for-profit, Section 42 entity. It is not a trade body; therefore, it does not advocate for any specific business sector. Rather, its key advocacy thrust is on easing barriers that thwart competitiveness of businesses in Pakistan. Further information on the PBC is available on: [www.pbc.org.pk](http://www.pbc.org.pk). The PBC's founding objectives are:

- To provide for the formation and exchange of views on any question connected with the conduct of business in and from Pakistan.
- To conduct, organize, set up, administer and manage campaigns, surveys, focus groups, workshops, seminars and fieldwork for carrying out research and raising awareness in regard to matters affecting businesses in Pakistan.
- To acquire, collect, compile, analyze, publish and provide statistics, data analysis and other information relating to businesses of any kind, nature or description and on opportunities for such businesses within and outside Pakistan.
- To promote and facilitate the integration of businesses in Pakistan into the World economy and to encourage in the development and growth of Pakistani multinationals.
- To interact with governments in the economic development of Pakistan and to facilitate, foster and further the economic, social and human resource development of Pakistan.

# The PBC Member Companies







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# EXECUTIVE SUMMARY

Pakistan's poultry sector is one of the fastest-growing segments of the country's agricultural economy, contributing significantly to **food security, rural livelihoods, and economic resilience**. With an annual output of **1.8 billion broilers** and growing at an average rate of **8–10% per year**, the sector has undergone notable modernization in breeding, feed milling, and farm management. It supports over **1.5 million jobs**, absorbs more than **11 million metric tons** of agri-residues annually, and provides the **most affordable source of animal protein** for consumers across all income groups.

Despite these gains, the sector faces a range of challenges that threaten its long-term sustainability and competitiveness. **Price volatility**, driven by fluctuating demand and frequent supply shocks, is exacerbated by the dominance of the **informal market**, which accounts for the majority of poultry sales but operates outside the tax net and regulatory framework. Meanwhile, formal processors bear a disproportionate tax burden, discouraging investment in value addition. Experiences from the milk sector illustrate how excessive taxation on the formal market can lead to decreased sales and a consumer shift to unregulated alternatives.

At the same time, **high energy costs**, unstable input prices—especially for feed—and **heavy import dependency on soybean** further erode profitability. Additionally, Pakistan's **lack of a comprehensive disease control program** and outdated regulations block access to high-value export markets such as the **EU and GCC**. Although efforts have been initiated to harmonize food safety standards through the **Pakistan Standards and Quality Control Authority (PSQCA)**, implementation has been delayed due to turf issues between the concerned federal and provincial regulators and the absence of a **digital, integrated regulatory platform**.

This policy brief recommends a multi-pronged reform agenda:

- **Streamline food regulation** - digital integration between federal and provincial authorities
- **Reduce taxes on essential feed and processing inputs** and restore zero-rating to support formalization
- **Promote poultry processing and cold chain development** to absorb market shocks and create an exportable surplus
- **Expand domestic soybean production** to reduce foreign exchange pressure and ensure feed supply security
- **Develop a robust disease eradication strategy** to lower mortality rates and open up new export markets

With targeted interventions, Pakistan can unlock the full potential of its poultry sector, enabling it to become a more **resilient, competitive, and export-oriented industry** that supports both economic growth and nutritional security.

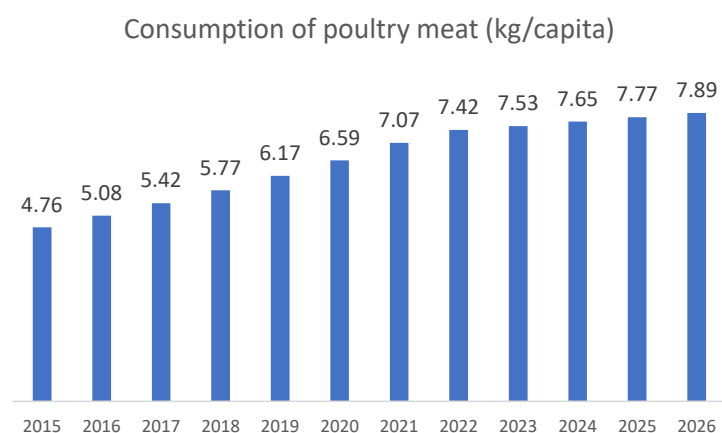
# INTRODUCTION

This policy brief explores the significance of Pakistan's poultry sector, highlighting its role in food security, employment generation, and economic growth. It first examines the current state of the industry, outlining key production statistics and its contribution to the economy. The brief then discusses the sector's evolution, identifying major trends in production, pricing, and infrastructure advancements. Finally, it delves into the key challenges faced by the industry, categorized into market-related and regulatory barriers, and presents policy recommendations to improve Pakistan's poultry sector.

## The poultry sector is an integral part of Pakistan's economy witnessing tremendous growth

Pakistan's poultry sector has emerged as a remarkable success story within the country's agricultural landscape, demonstrating consistent growth and modernization. Over the years, the industry has expanded at an average rate of 8–10% per annum<sup>1</sup>, making significant strides in production efficiency and infrastructure development. The poultry value chain has several components, including grandparent and parent stock breeding, broiler farming, day-old chick production, and feed milling, all of which have adopted modern techniques (or are transitioning towards doing so) which are comparable to those used in developed poultry-producing nations.

Currently, Pakistan ranks as the 10th largest poultry producer in the world<sup>2</sup>, with an annual production of 1.8 billion broilers and around 2.4 million tons of poultry meat<sup>3</sup>. The poultry industry is a major employer, providing direct and indirect jobs to over 1.5 million people. In FY24, poultry meat and egg production grew by 9.4% and 5.8%, respectively, with per capita farmed chicken meat consumption reaching 7.65 kg.<sup>4</sup>



## Positive externalities of the poultry sector

Pakistan's poultry sector generates significant positive externalities beyond its direct economic contributions. One of its most notable impacts is its role in utilizing agricultural byproducts, reducing waste, and supporting the broader agricultural economy. The industry is the largest consumer of agro-residues and byproducts such as wheat bran, rice polishing, oilseed meals, broken rice, and animal byproduct meals. By absorbing over 11 million metric tons of these materials annually, the poultry sector helps lower the cost of staple food items while enabling farmers to earn higher prices for their crops. This creates a ripple effect, incentivizing agricultural productivity and strengthening rural economies.

<sup>1</sup> <https://www.thepab.org/files/2018/June-2018/PAB-MS-180008.pdf>

<sup>2</sup> <https://www.fas.usda.gov/data/production/commodity/0115000>

<sup>3</sup> [https://www.finance.gov.pk/survey/chapter\\_24/Economic\\_Survey\\_2023\\_24.pdf](https://www.finance.gov.pk/survey/chapter_24/Economic_Survey_2023_24.pdf)

<sup>4</sup> <https://www.statista.com/statistics/758159/pakistan-poultry-consumption-per-capita/>

Additionally, the poultry industry plays a critical role in stabilizing food prices and improving nutrition. Chicken remains one of the most affordable sources of protein in Pakistan, helping to ease demand pressure on other meats and preventing sharp price fluctuations in beef and mutton. Furthermore, the expansion of poultry farming has provided employment opportunities to many, particularly in rural areas, reducing urban migration and fostering economic inclusion.

# EVOLUTION OF THE POULTRY SECTOR

## Poultry meat has become more affordable over time – increasing protein consumption

Despite rising feed costs, the real prices of chicken and eggs—adjusted for inflation—have steadily declined over the years. This reduction is largely due to improvements in efficiency, including better breeding techniques, optimized feed conversion, and advancements in farm management. As a result, the real cost of chicken today is lower than it was a decade ago, making it an increasingly affordable protein source for consumers. This is clearly reflected in the chart which shows increased consumption of poultry per capita in Pakistan.

In fact, chicken remains one of the most economical protein options available in Pakistan, often priced lower than vegetables and pulses. Given that poultry is widely accessible and produced in large volumes, it serves as a crucial component of the national diet, providing essential protein to millions of people across all income groups. As shown in the table below, chicken remains one of the most affordable sources of protein in Pakistan, offering better value per gram compared to red meat, pulses, egg, and milk. This only goes to underscore its critical role in ensuring accessible nutrition for low- and middle-income households.

Food Item	Price per kg (PKR)	Protein (g per 100g)	Cost per gram of protein (PKR)
Chicken	750	28	2.7
Beef	1,200	26	4.6
Mutton	2,300	23	10.0
Eggs	240 (per dozen)	6 (per egg)	3.3
Lentils	300	9	3.3
Milk	220	3.5	6.2

Source: Author's own calculations based on available data<sup>5</sup>

## Poultry infrastructure has improved significantly over the years

One of the most striking developments in the industry is the advancement of feed milling. Along the N-5 National Highway from Lahore to Multan, which runs through Pakistan's major corn belt, state-of-the-art feed mills equipped with metal silos can be seen on both sides of the road. These silos play a crucial role in maintaining the quality of corn, a primary ingredient in poultry feed. Any decline in feed quality, whether due to poor storage conditions or substandard raw materials, can negatively impact poultry health, increase mortality rates, and lead to financial losses for farmers.

<sup>5</sup> [https://www.hopkinsmedicine.org/-/media/bariatrics/nutrition\\_protein\\_content\\_common\\_foods.pdf](https://www.hopkinsmedicine.org/-/media/bariatrics/nutrition_protein_content_common_foods.pdf)

This rapid expansion of feed mills has been directly linked to the widespread adoption of hybrid corn, enabled by the availability of high-quality seeds that have provided farmers with better yields and higher returns. This development underscores the deep interconnection between multiple value chains, where advancements in one sector create transformative effects in others. The poultry sector's reliance on a robust and efficient feed supply demonstrates how strategic improvements in agricultural inputs can drive growth across industries. This theme of interdependence will be revisited later in the paper when discussing the soybean value chain.

Modernization in poultry farming has also seen a shift from traditional open-sided houses to environmentally controlled sheds. These climate-controlled systems automate heating, cooling, feeding, and water supply and unlike open-sided houses that expose poultry to extreme weather fluctuations, these controlled sheds maintain optimal temperature and ventilation conditions based on the birds' body weight and growth stage. Open-sided houses limit production of poultry to slightly cooler months (with almost no production in the hottest months of the year), whereas controlled sheds allow for year-round operations thus improving efficiency and reducing costs.

Further strengthening the sector, grandparent and parent stock operations, along with feed mills, have invested in well-equipped laboratories to ensure high-quality diagnostics and feed safety. These facilities help optimize genetic potential, prevent disease outbreaks, and maintain strict quality control standards making the final product globally competitive in terms of quality. Despite these advancements, Pakistan's poultry products remain less competitive in terms of production costs, which poses a challenge to its international competitiveness. This is discussed later in the brief.

## **Advances in poultry breeding and genetic potential**

Genetic improvement in poultry is a result of years of selective breeding, aimed at producing birds that grow faster, require less feed, and yield higher meat production. To put it simply, just as farmers have selectively bred crops for higher yields and better resistance to disease, poultry breeding companies have continuously selected the best-performing birds over generations that grow to the biggest size in the shortest amount of time to optimize overall productivity.

One of the most significant advancements in poultry has been the improvement in Feed Conversion Ratio (FCR), which refers to how efficiently a bird converts feed into body weight. Over the years, through careful genetic selection and advancements in nutrition and farm management, modern broiler chickens have achieved remarkable efficiency. In 1957, it took significantly more feed and time for a chicken to reach market weight. By 2005, broiler growth rates had increased by over 400%, while FCR had improved by 50%, meaning birds were growing larger on significantly less feed. This progress continues to evolve, ensuring that poultry farming remains both sustainable and cost-effective.

At the core of the poultry production chain, grandparent and parent stock birds play a pivotal role in driving industry growth and expansion. An initial investment in imported grandparent birds multiplies in value several times as they produce parent stock hens. These hens, in turn, generate millions of broiler chicks. By the time these broiler chicks reach market weight as poultry meat, the initial investment has multiplied over 300 times.

# SECTORAL CONSTRAINTS AND RECOMMENDED ACTIONS

Despite its rapid growth, Pakistan's poultry sector faces multiple challenges that hinder its competitiveness and long-term sustainability. **Fluctuating demand** and **price volatility**, coupled with the dominance of an **informal market**, create instability, while **frequent boom-and-bust cycles** driven by **unstable feed costs** further strain producers. **High energy expenses**, heavy **taxation on feed ingredients**, and a **lack of disease control measures** increase production costs, making poultry less competitive internationally. Additionally, barriers to entering the halal export market and **regulatory inefficiencies** further limit growth. Addressing these challenges through policy reforms, market regulation, and cost reduction strategies is essential for the sector's future expansion.

## MARKET CHALLENGES

### ■ Fluctuating demand and price controls lead to price volatility

One of the primary reasons for price instability in poultry is the fluctuating nature of demand of poultry products. Demand for chicken meat surges during certain religious and festive periods but then declines sharply afterward, while supply remains fairly constant. Climatic changes affect egg consumption patterns as well, with demand increasing in colder months and dropping during warmer periods. However, poultry production operates on a short turnover cycle, meaning that a profitable year leads to rapid expansion in supply within a short span of a few months. This often results in overproduction, leading to a market downturn and suppressed prices, forcing farmers to scale back operations, creating another cycle of shortages and price hikes.

Further compounding the issue is the classification of poultry as an "essential commodity", which enables local administrations to impose price controls. Although this measure is intended to protect consumers from price shocks, it also prevents natural market forces from stabilizing prices. When farmers begin to recover from previous losses, price controls limit their ability to adjust prices based on input costs and market conditions, further aggravating the cycle of instability.

### ■ Dominant informal poultry market prevents price stability

A significant challenge in the poultry sector is the dominance of the informal market. The majority of poultry sales in Pakistan occur through live/wet markets (traditional street-side slaughter). While this system has been in place for decades, it poses a major bottleneck for increased processed meat production. A shift toward processed and packaged poultry could offer a solution to price volatility. Processed poultry products can be stored and distributed more efficiently, allowing the market to absorb seasonal fluctuations in demand. A well-developed processing sector with a steady supply of quality packaged meat would help stabilize prices and ensure that both farmers and consumers benefit from a more predictable market environment. However, the dominance of the informal sector which is also mostly undocumented also remains untaxed continues to hinder this transition. The processors, which are part of the formal and documented economy, have to suffer from the sales tax as well which renders them even more uncompetitive in the local market. The solution is for taxation to be evenly applied across the markets for creating a level playing field for registered businesses to operate and grow.

**Learning from milk sector:** A telling example of how tax policy can backfire is the recent experience in Pakistan's milk market. Following the imposition of an 18% General Sales Tax (GST) on packaged milk, prices surged by approximately Rs. 70 per liter, reaching Rs. 350<sup>6</sup>. This sharp increase led to a 20% decline in sales and prompted a significant shift back to unregulated loose milk, which now constitutes over 90% of the market. Consequently, around 500 milk collection centers closed, affecting 35% of formal dairy farmers, many of whom are now selling at a loss of Rs. 10–15 per liter<sup>7</sup>. This policy not only undermined public health by increasing reliance on unregulated milk but also failed to achieve its revenue targets.

### ■ Unstable input costs contribute to frequent boom-and-bust cycles

The poultry sector's instability is further exacerbated by fluctuating input prices, particularly for feed. Poultry feed accounts for around three-quarters of the total production cost, making it the single most significant factor affecting poultry prices. The frequent rise in feed prices—driven largely by impacts of regulatory policies, exchange rate instability, and taxation affecting imported ingredients such as vitamins, minerals, amino acids, soybean, canola meal, vaccines, and medicines—directly impacts production costs. These imported inputs constitute a major portion of poultry feed costs, meaning any increase in global prices or import duties significantly affects the industry's overall cost structure. Because farmers cannot immediately pass on rising costs to consumers, it results in more frequent market crashes (busts) than booms.

### ■ High energy costs lead to high production expenses

Frequent power outages in rural areas, typically lasting several hours daily, pose a major challenge to poultry farms, especially environmentally controlled sheds, where even a half-hour ventilation failure can cause major bird mortality. Farmers are often forced to rely on expensive backup generators, significantly increasing operational costs. Energy cost per unit is also much higher in Pakistan standing at an average of 13.5 cents per unit<sup>8</sup> in 2024 which is double the average electricity rates in the United States, India and China<sup>9,10</sup>.

Processing plants face similar challenges, requiring a large number of hours of self-generated electricity due to load-shedding, while gas shortages force reliance on expensive alternative fuels. Additionally, processed poultry must remain in cold storage throughout the supply chain, making energy a critical cost factor. These high and unstable energy costs drive up overall production expenses, reducing the sector's competitiveness in the international arena.

## Recommendations for market challenges

To address price volatility, the government should avoid unnecessary price controls and allow market-driven pricing while expanding poultry processing and storage capacity to stabilize supply and consumer prices. Strengthening the formal poultry market through incentives for processing and branding will reduce reliance on informal sales, ensuring better price regulation. Reducing taxes on imported feed ingredients and lowering energy tariffs for poultry farms and processing units—along with encouraging renewable energy adoption—will help cut high production expenses and support the rural economy. Importantly, as seen in the case of packaged

6 [https://taxhelplines.com.pk/news\\_detail?id=256](https://taxhelplines.com.pk/news_detail?id=256)

7 <https://profit.pakistantoday.com.pk/2025/02/20/govt-to-review-18-sales-tax-on-packaged-milk-as-industry-warns-of-crisis/>

8 For energy-intensive industries

9 United States and India amounted to 6.3 cents each per kilowatt-hour (kWh), 7.7 cents in China

10 <https://www.dawn.com/news/1896102/pakistans-industry-paying-double-power-costs-of-us-china-india-report>



milk, increasing tax rates on the formal sector without bringing the informal sector into the tax net, drives consumers to informal, untaxed alternatives and reduce overall revenue. A more balanced tax structure is needed—one that supports formalization rather than discouraging it.

## REGULATORY CHALLENGES

### ■ Ad hoc policies related to soybean (a critical input in feed) affect the whole sector

Soybean is an essential component of poultry feed, constituting 20–30% of its composition. It provides the necessary protein and energy required for quality meat production. While alternatives like cottonseed meal exist, excessive use often leads to health issues in poultry, such as gossypol toxicity, making soybean meal a critical component in commercial poultry farming.

Pakistan currently imports more than a billion dollars' worth of soybean annually<sup>11</sup>, putting significant pressure on foreign exchange reserves. The industry's heavy reliance on imports also makes it vulnerable to supply chain disruptions. A clear example occurred in October 2022, when several soybean shipments were held up at Karachi's harbor due to inconsistent policy enforcement. The delay disrupted the entire poultry value chain—feed mills faced shortages, hatcheries shut down, day-old chicks' supply dropped, and feed prices surged. This chain reaction ultimately led to record-high poultry prices in the following months.

### Recommendation

Since October 2022, the Department of Plant Protection (DPP) has authorized applications for import licenses which has reopened the soybean import market. However, to reduce dependency on imports and ensure a stable supply, Pakistan must increase domestic soybean production. Locally produced soybeans can gradually replace costly imports, securing the poultry sector's long-term sustainability and insulating it from global price fluctuations and supply disruptions.

### ■ Taxes on feed ingredients and removal from zero-rated lists affects price of poultry products

Higher taxes on imported poultry feed inputs in Pakistan significantly increase production costs, making domestic poultry less competitive on the international stage. Currently, feed ingredients face an import duty between 3% and 11%, an additional customs duty of 2% to 7%, and a sales tax of around 18%. These taxes can add up to a total tax burden of 10% to 32% on imported poultry feed inputs, which make up nearly 55% of the total cost of producing poultry feed—meaning even modest tax rates can significantly raise feed and overall production cost. For example, the table shows that impact of taxes on imported soybean meal.

Taxes on imported items	Rate (%)	Price
Soybean meal		100
Import duty	11%	26
Additional duty	2%	23
Duty paid price		113
Sales tax	18%	20.3
Final price		133.3
Total tax impact:	33.3%	

*Impact of taxes on imported soybean meal*

Similarly, inputs for value-added poultry products also attract customs duty ranging from 11-16%, additional

<sup>11</sup> <https://ussec.org/wp-content/uploads/2023/03/Pakistan.pdf>

customs duty from 2-4%, and sales tax of 17% on the final value (including duties), taking the total impact to approximately between 30% and 40%—further straining processors who cannot easily pass these costs onto consumers due to price stickiness and price controls.

In contrast, many other countries safeguard their poultry industries through policies like zero-rating. For example, under free trade agreements, countries such as Malaysia, China, and India allow reduced or zero import duties on raw materials for poultry processing, allowing them to remain competitive. In India, import duties of 100% on value added poultry products are used to protect the local market and support processing plants<sup>12</sup>, while the United Kingdom zero-rates food items, including poultry products, to ensure affordability and market stability. This stark policy difference highlights how Pakistan's higher input taxes and the lack of zero-rating for processed poultry create an uneven playing field, discouraging domestic production, impeding export potential, and ultimately contributing to unstable market prices.

### Recommendation

The government should reduce or eliminate taxes on essential poultry feed ingredients to lower production costs and enhance competitiveness. Applying zero-rating on poultry inputs will help stabilize prices, making poultry more affordable for consumers while supporting industry growth and export potential.

### ■ Lack of disease control hinders entry into international markets like the EU

Pakistan's poultry sector faces recurring disease outbreaks, yet there is no comprehensive disease eradication program to mitigate their impact. While the government occasionally intervenes through compartmentalization, vaccination programs, and compensation for losses due to mass culling (stampeding), these efforts are reactive rather than preventive. Once a disease outbreak is under control, government support often ceases, leaving poultry farmers vulnerable to future outbreaks.

The consequences of this gap in disease control are severe. Viral diseases such as Newcastle Disease, Infectious Bursal Disease, and Infectious Bronchitis account for an estimated 20% mortality rate during outbreaks, which can last up to five months. This results in significant financial losses for farmers, disrupts poultry supply chains, and drives up prices for consumers. Unlike many countries that maintain a list of notifiable poultry diseases and have strict disease control protocols, Pakistan only classifies Avian Influenza (H5N1) as a notifiable disease. The absence of a broader disease eradication strategy increases production costs due to high mortality rates and expensive medication, making poultry farming less profitable and more unpredictable.

Beyond domestic challenges, the lack of a structured disease control program also prevents Pakistan from accessing high-value export markets such as the European Union (EU). The EU's Directorate for Health and Consumer Protection<sup>13</sup> requires exporting countries to have a comprehensive animal health framework, including legislation on disease control, veterinary oversight, notifiable disease lists, vaccination programs, and strict importation policies. Without these regulatory measures in place, Pakistani poultry producers fail to meet EU eligibility criteria, limiting the country's ability to expand exports.

<sup>12</sup> Indian Trade Classification HS Code 1602 for Gallus domesticus <https://www.cybox.in/indian-custom-duty/other-prepared-preserved-meat-offal-hs-code-1602>

<sup>13</sup> SANCO/10076/2007 – Questionnaire: For countries wishing to export live poultry and/or meat products to the EU

## Recommendation

A robust disease control strategy, including mandatory disease reporting, systematic vaccination programs, and improved veterinary infrastructure, is essential to safeguard poultry production, enhance sector competitiveness, and enable access to high-value export markets like the EU and GCC.

## Entering the halal export market

Pakistan has a significant opportunity to tap into the growing global halal food market, particularly for halal-certified poultry products. The global halal food market was valued at USD 2.63 trillion in 2024 and is expected to grow to USD 6.75 trillion by 2032<sup>14</sup>. However, several challenges prevent Pakistan from fully capitalizing on international demand.

While this brief has highlighted cost-related barriers to competitiveness, additional regulatory challenges further hinder Pakistan's entry into the global halal market. For example, Pakistan's halal regulations prohibit pre-slaughter stunning and mechanical slaughter, whereas countries like China and Malaysia allow these practices. This discrepancy increases Pakistan's production costs, making it harder to compete.

## Other regulatory challenges

Pakistan's food industry operates within a complex regulatory environment shaped by both federal and provincial authorities. This often leads to encroachment or entanglement of powers which leads to inconsistencies in enforcement and compliance. To reduce these inconsistencies and improve efficiency in the food sector, including for those looking to get a production/ processing license, the Council of Common Interests (CCI) had earlier decided to harmonize food quality standards across Pakistan by adopting the national standards set by the Pakistan Standards and Quality Control Authority (PSQCA) while delegating enforcement responsibilities to provincial governments. However, its implementation has faced significant delays and coordination gaps. For instance, the inaction of provincial food authorities and PSQCA to amend their respective laws and rules to reflect the distribution of responsibilities reflected in CCI's decision has created a significant bottleneck in regulatory alignment.

A major challenge in implementing CCI's decision is the lack of a centralized digital infrastructure for regulatory compliance. Currently, food businesses must navigate multiple layers of approvals at both federal and provincial levels, often dealing with redundant paperwork, delays, and conflicting regulations.

## Recommendation

Pakistan needs a smarter, more connected approach to food regulation. A digital system that links provincial food authorities with federal agencies in real time would make the entire process smoother—applications could be submitted, tracked, and approved without unnecessary delays. This would not only improve efficiency and transparency but also ensure that food safety rules are applied consistently across the country. By leveraging technology for regulatory oversight, Pakistan can create a more predictable and business-friendly food safety environment, especially one that encourages investment and supports the poultry (and overall food) processing sector.

14 [https://www.researchandmarkets.com/report/halal-food?srsltid=AfmBOoqMybHADrhB6sNwWD881prCUVUcXOXXLbn8621FeRSNiOYmEt3\\_](https://www.researchandmarkets.com/report/halal-food?srsltid=AfmBOoqMybHADrhB6sNwWD881prCUVUcXOXXLbn8621FeRSNiOYmEt3_)

## CONCLUSION

Pakistan's poultry sector holds immense potential for **domestic food security and international market expansion**. However, challenges such as **price volatility, high input costs, regulatory inefficiencies, energy constraints, and weak disease control measures** continue to hinder growth. Addressing these issues requires **policy reforms, including a more harmonized digitalized regulatory infrastructure, improved trade barriers, expansion of poultry processing, reduced taxation on essential inputs and creating a level playing field for the formal sector to compete with widespread untaxed players in the market**. Additionally, investing in **agricultural productivity and domestic soybean production** will ensure long-term sustainability. By implementing these strategic measures, Pakistan can stabilize its poultry market, create an enabling environment for investment and exports, and position itself as a competitive player in the global poultry industry.



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