

SUMMARY REPORT

Webinar on Scaling Up Bovine Meat Exports of Pakistan

July 28th, 2021



The Pakistan Business Council (PBC) as part of its 'Make-in-Pakistan' initiative, has published a study titled, 'Scaling-up Bovine Meat Exports of Pakistan'. This study identifies structural issues that limit Pakistan's exports in international markets and proposes solutions to overcome them. Building upon the momentum that the sector has developed in the last couple of decades, Pakistan has the potential to significantly increase its export of bovine meat.

A webinar was hosted on 28th July, 2021 by the PBC with key stakeholders from the public and private sector to share the findings of the report and to have a discourse on the initiatives undertaken to increase exports from Pakistan. The public sector representatives from provinces of Sindh and Punjab shared the initiatives by the provincial governments to facilitate export growth. The private sector shared their experience and difficulties in accessing international markets.

The key takeaways from the webinar are as follows:



Tackling Foot and Mouth Disease (FMD)

Pakistan needs a strategy to move from Stage 2 to Stage 3 on FMD Progressive Control Pathway (PCP) to access new international markets. Without progressing to Stage 3, Pakistan cannot export to countries that have reached Stage 3, which limits Pakistan's export destinations, including China. Animal vaccination is crucial in countering this epidemic in bovine animals, but the vaccination is expensive. To tackle this, the Sindh Government is importing concentrated vaccines in bulk, diluting and distributing them at a low cost to poor livestock farmers. The Government of Sindh is also working on a proposal to develop a FMD vaccination plant near Karachi under a Public-Private Partnership agreement so that cheaper vaccine is readily available across the country. Cheaper and readily available vaccine is a key component of the strategy move to Stage 3 of the FMD Progressive Control Pathway.



Establishment of Disease Free Zones (DFZ's)

Pakistan needs to develop DFZs to access new international markets. The DFZs are regions where livestock mobility and disease outbreaks, such as FMD can be controlled. The Government of Sindh has declared Tharparker and Ghotki as DFZs and Punjab has declared Cholistan as a DFZ. Key initiatives that are undertaken by the provincial governments include importing Food and Agriculture Organization's (FAO) complaint vaccines for these areas and setting up designated compartments which will be disease free. Although, the DFZs have been conceptualized over the last couple of decades, there is a need to expedite their completion.

Apart from the prevalence of FMD, Pakistan suffered from Rinderpest outbreak in 2002, resulting in the ban of export of meat to the European Union (EU). While the EU allowed Pakistan to export offal in 2007, the ban on bovine meat still persists. This issue needs to be addressed by the government as Pakistan has overcome the disease.



Introducing Traceability

High-end international markets require animal traceability and Pakistan has to develop better documentation in order to access these markets. The provincial governments have and are developing legislation to regulate animal health and traceability. The Animal Health Act has been approved by Punjab Cabinet. The Act has been promulgated for the prevention and control of animal disease and to meet international standards of export. It includes development of DFZs, controlled areas, disease certifications, vaccinations, movement of livestock and other biosecurity measures. Similar legislation is under development by the Government of Sindh and Balochistan. Moreover, the Livestock Registration and Trading Authority has been established in Sindh. Every livestock farmer and meat processor wanting to export, has to register with this body, and their compartments have to be certified with a local or international auditor.



Improving Export Competitiveness

The recent surge in animal prices due to increased fodder prices and illicit export of live animals has reduced export competitiveness for Pakistan, and needs to be remedied. Animal feed is being exported from Pakistan, which has resulted an increase in the price of meat. For instance, while wheat export is banned, wheat husk is being exported which is an important raw material for making silage. Export of animal feed has to be limited since its impact across the domestic value chain and on exports outweigh the gain in current account. Additionally, cross border animal smuggling into Iran and Afghanistan is another problem which raises the price of bovine meat. Pakistan's laws and subsequent court hearings have ruled against export of live animals, but enforcement is weak. Furthermore, high energy prices also plays a role in increasing processing costs and hence making exports of frozen bovine meat uncompetitive in the international markets.



Better Beef Breeds

Pakistan needs to improve feed to meat conversion ratio which will reduce livestock rearing costs and encourage investments in bovine meat value chain. The provincial governments have previously imported animals and distributed them along with semen, but it has not been very effective. A plan needs to be developed in collaboration with the private sector so that semen for new breeds can be utilized effectively in Pakistan. Currently, the Sindh government has imported Brahman breed from the United States of America and its semen is now being produced and distributed locally. A local breed Lohani should be encouraged for livestock rearing in Pakistan, as it is double muscled and has a very high feed to meat conversion ratio.



Upgrading Slaughterhouses

Slaughter houses in Pakistan, with exceptions of a few, have poor hygiene standards and need to be improved. The Federal Government's Animal Quarantine Department registers all slaughterhouses, but their oversight at provincial level is low. The provincial governments are now trying to have secondary registrations for these slaughterhouses to increase oversight. While quality compliance is important, regulatory burden on the private sector should not be increased. The public sector needs to improve its enforcement mechanism.



Technological Upgradation

Pakistan needs to improve utilization of better technology that will result in cost efficiencies. Pakistan would traditionally ship its chilled meat via air to the Gulf Cooperation Council (GCC) countries. Over the course of last year, introduction of chilled temperature controlled reefers has shifted a significant proportion of bovine meat exports via sea route and lowered the shipment cost significantly.



Regulatory Support

The government needs to play its role as a facilitator and ensure regulatory compliance. There should be no price capping for meat and poultry products (as endorsed by the Sindh Government). The private sector can be incentivized through special financial instruments that encourage investments in beef production.

PANELISTS

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