**Export of Meat and Huge Local Demand: Policy Analysis of Punjab Agriculture and Meat Company**

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# Punjab Agriculture and Meat Company-An Overview of Policy

Punjab Agriculture & Meat Company (former Lahore Meat Company) is a Government of the Punjab owned, non-profit R&D organization, duly incorporated and registered under section 42 of Companies Ordinance, 1984. The company has been aimed at formalizing horticulture and meat sector through interventions at each tier of value chain i.e. *production*, *processing* and *marketing* **(inland & export)** under compliance of international quality standards through public/ private channels (PAMCO, 2015). Lahore Meat Processing Complex which is a flagship project of PAMCO is solely working the production, processing and Export of Meat Products in Punjab. Main purpose of incorporation of this company is to work on the effectiveness and efficiency, of meat production and processing and laid great stress on the global demand and exports of agriculture products and meat as stated in the company profile of PAMCO on their main website, “There is a growing demand of Halal meat and its products at global markets. It is important to abridge the demand and supply gap through R&D initiatives for Halal meat supply system. Currently about 600 billion dollars Global Halal market is facing supply gap due to constraints in terms of quality animals and processing under the compliance regime of international quality standards.” (PAMCO, 2015).

Government of Punjab is spending a lot of money on the meat export, subsidies have been provided and loans have been granted to exporters, in order to increase the exports of meat without considering that whether our economy and people will be benefited from the exports or it will have adverse effects on the overall economic condition of the general public and take meat away from the reach of the general public. Later in this paper we will address the following question. *1) Does these objectives of PAMCO are sufficing the meat demands of general public? 2) Does majority of our population is being benefited from these policies or it is just working in the interests of some social class? 3) Breeding and farming of animals is enough to meet the global and local demand of the meat? 4) Why exports of meat is unable to create a Trickle-Down effect in the economy and does Trickle-down effect exist in the economy?*

# Increased Demand and Reduced Supply

Currently owing to changing lifestyle and awareness regarding Balanced diet, meat demand has drastically increased. On the other hand increasing Pakistani meat export has reduced the supply of meat for local Pakistani consumers. This scenario has led to an exponential increase in meat prices during last decades and this trend is continuously in progress. Present study is an attempt leading to empirical modeling and forecasting of meat production and meat price index to access it`s future implications up to the year 2020. People of Pakistan ranked atop in the consumption of meat in world. Pakistan's goat meat consumption of 779,000 tons in 2011-12 ranks it among the top 3 in the world. 1.7 million tons of beef consumption in Pakistan is ranked 9th among beef consuming nations. In addition, 834,000 tons of poultry meat consumption puts it among world's top 20. Although there is huge consumption of meat in the Pakistan, but if we take it to the per capita consumption of meat then we would understand that it is very low by the world standards. At just 18 Kg per person, it's less than half of the [world average](http://www.fao.org/docrep/014/al978e/al978e00.pdf) of 42 Kg per capita meat consumption reported by the FAO, this can be translated as the major portion of population is not consuming meat. (Pakistan Economic Survey, 2011-12).

Pakistani meat has a unique taste that`s why it is being exported to many countries predominantly Arabian countries including Saudi Arabia, Kuwait, UAE, Oman, Qatar, Bharain and some others. . In the six years ending in 2009, Pakistani red meat exports have risen by an average of 68.6 per cent a year, though admittedly from a very low base. Pakistan was exporting 1,500,000 tons of meat in 2009 which reached its highest level 2,500,000 tons in 2015. Exports of red meat increased by 8.5 percent annually. This clearly indicates that PAMCO is evidently promoting exports. This export has a continuous increasing in meat export from Pakistan as compared to the previous years as compared to 2012, meat exports increased by 37.4 percent in 2013. In Pakistan is also exporting the live animals and earning around US$ 13.95 million from their export. This situation has resulted in less meat availability for local (Pakistan Economic Survey, 2011-12)

# Impact of Policy

The livestock sector is characterized by widening shortages in production to meet the growing demand for dairy and meat products in Pakistan. By 2020, the gap between supply and demand is projected to be 55 million tons of milk and 2.3 million tons of beef.   
As it is discussed earlier that Pakistan is rapidly increasing their exports of red meat. On the other hand, the population growth, increase in per capita income and export revenue is fueling the demand of livestock and livestock products and population growth, urbanization and income growth in developing countries are fuelling a massive global increase in demand for food of animal origin (Delgado and Rosegrant, 1999). The demand and supply gap in meat production in Pakistan is estimated to grow at 4.1% per annum (PBIT, 2011). A sharp increase in global commodity prices, mainly related to food and energy, noticed in early 2009, has exerted strong upward pressure on the domestic price level. In Pakistan Food inflation has remained elevated in the past few months, stabilizing at around 14,5%” (Anonymous, 2009-10). This demand and supply gap has resulted in soaring meat prices for local people as evident from continuous increase in meat prices in Pakistan

# Bibliography

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