

Strengthening Poultry Supply Chains in Nepal

IFC worked with Small and Medium Enterprises (SMEs) and farmers in the Nepalese poultry sector to strengthen their technical skills, increase profitability, and expand access to markets.

Through building the capacity of three local poultry companies and 4,050 poultry farmers, IFC addressed industry-wide challenges, such as lack of veterinarian skills and bio-security standards, low production efficiency, and limited farm management skills.

“We value IFC’s integrated approach to improve efficiency through technical assistance and to pave the way for investment. IFC helped us improve the productivity and the loyalty of our broiler farmers through an innovative fee-based extension services model which is led by the private sector. IFC has also started helping us with farmer capacity building in the maize sector.”

—Anand Bagaria, Managing Director, Probiotech Industries, Nepal



RESULTS AND IMPACT

- Provided fee-based training on farm management to 4,050 chicken growers, 42 percent of whom are women.
- Trained 32 (30 percent women) veterinarians as trainers to build local capacity.
- Developed a Standard Operating Practice—a guide for stock farms, hatchery, and broiler growers.
- Developed a Training Aid and Broiler Production Guide to facilitate adoption of new skills and knowledge by poultry farmers.
- Probiotech feed mill, one of IFC’s clients, won the “Nepal Standard” quality award from the Nepal Bureau of Standards and Metrology in 2011.
- Women farmers trained by the project have reduced the cost of chicken production by 18 percent versus 7 percent by men farmers.
- In May 2014, IFC signed an agreement with poultry feed manufacturer Probiotech Industries to invest \$1.9 million equity in the company to enhance farm productivity and boost incomes in rural Nepal. This is IFC’s first agribusiness investment in Nepal.

*This series provides examples of IFC’s impact, expertise and lessons learned working with clients and partners.

The Opportunity

The poultry sector in Nepal is estimated at \$240 million and employs over 70,000 people. However, the industry loses up to \$32 million in profits. This loss is primarily due to the fact that local SMEs lack formal training on farm management and struggle to stay profitable.

More specifically, Nepalese poultry producers face multiple challenges like inefficient feeding practices and low quality of baby chickens—the two key inputs that together represent up to 90 percent of their costs.

Another issue is bio-security and disease management, which are critical to the sustainability of the industry. Local specialists lack adequate training and the Nepalese poultry sector needs to build capacity in these areas.

IFC's Approach

To achieve the most impact, IFC is focused on the following interventions:

- Assessing poultry feed process quality and advising on how to improve nutrition practices.
- Developing a Standard Operating Practice—a good practice guide for the poultry sector aimed at increasing overall production efficiency.
- Analyzing bio-security and diseases in parent and grower farms, and providing industry-wide recommendations for improvement.
- Training small and medium poultry farms' staff and build local veterinarian capacity by training the trainers.

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector.

IFC CLIENTS Probiotech Feed Mill, Avinash Hatchery and others