



Small and Medium Enterprise Development Authority

S M E D A

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SME Definition

(Proposed under SME act)



- ✓ Tax ordinance 2005 defines Small business with an equity of up to Rs 25 million and turnover of Rs 200 million.
- ✓ An SME entity is defined as a business with an investment in productive assets (not including land and building) ranging between Rs. 2-40 million and employing between 10-99 workers.
 - ~ **Small**: between 10-35 employees and productive assets range of Rs. 2-20 million.
 - ~ **Medium**: between 36-99 employees and productive assets range to Rs. 20-40 million).
- ☞ For detailed information on SMEs and the proposed SME Policy, kindly visit <http://www.smepolicy.net.pk>

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SME Role in Pakistan

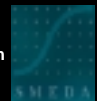


- 📄 Economic Establishments : 3.2 million (99% SMEs)
- 📄 Value Addition in Manufacturing: 35%
- 📄 Contribution to GDP: 30%
- 📄 Share in Manufactured Exports: 25%
- 📄 Contribution in Employment: 99 % Non - agricultural Sector jobs

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SMEDA Ordinance 2002

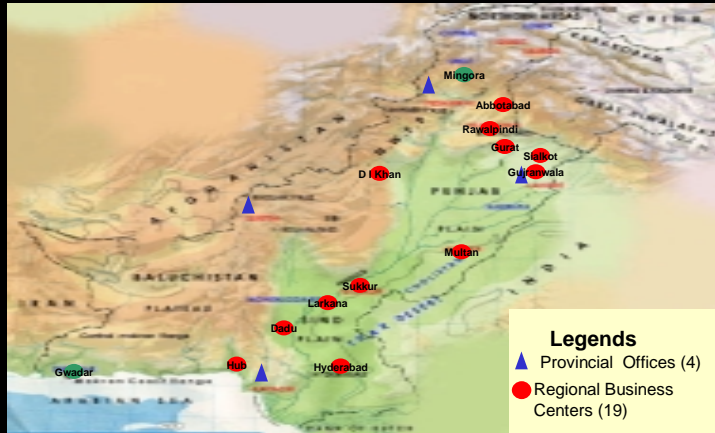
SMEDA Ordinance was announced publicly on 12th August 2002, with the following mandate:



- 📖 Policy Making for SMEs
- 📖 Provision of Resources
- 📖 Business Development Services
- 📖 Kick Start economy through aggressive SME support programs

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Expanding Outreach



Economic Clusters of Punjab



Several Pre-feasibilities, Sector Reports, Trade databases and Cluster Development programs have been launched

Operational Strategy



Building a Conducive Environment

- ☞ Proposing and facilitating changes in Policy and Regulatory Environment
- ☞ Reducing the Cost of Doing Business
- ☞ Facilitating Government-SME Interface



Developing Clusters and Sectors

- ☞ Sector Studies, Strategies and Implementation
- ☞ Cluster Development with trade association/ Chambers
- ☞ Common Facility Centers (CFCs)

Provision and Facilitation of Services

- ☞ Investment Facilitation
- ☞ Technology, Training, Finance, Business Information, Marketing, and Legal Support
- ☞ Productivity and Competitiveness Improvement

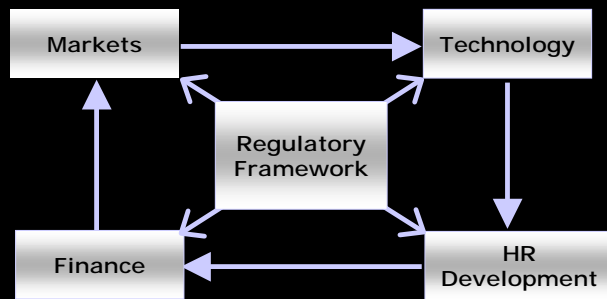
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Sector Studies and Strategies



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SMEDA: Sector Strategy Integrated Approach



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Sector Strategies Developed



- ☞ Fisheries Sector Strategy
- ☞ Transport Sector Strategy
- ☞ Leather Outlook 2010
- ☞ Textile Vision 2005
- ☞ Engineering Vision
- ☞ Marble & Granite Sector Strategy
- ☞ Dairy Sector Strategy
- ☞ Gem & Jewelry Sector Strategy
- ☞ Surgical Sector Strategy
- ☞ Horticulture Sector Strategy
- ☞ Poultry Sector Strategy
- ☞ Kinnow Sector Strategy

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Priority Sectors



1. Dairy & Agro Processing
2. Gems & Jewelry
3. Marble & Granite
4. Light Engineering – Fans and Surgical Instruments
5. Sports Goods
6. Furniture
7. Fisheries

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Why Dairy & Livestock Sector is a Priority Sector In Pakistan ???



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Importance



- ☞ The total value of milk produced is higher than the value of two major crops.
- ☞ Livestock Sector Contributes 11% to Pakistan's GDP, which is higher than the contribution of crop sector.
- ☞ The livestock sector is crucial because 30-35 million of Pakistan's rural population is engaged for its livelihood.
- ☞ Pakistan is among top 5 largest milk producers in the world.

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Pakistan - Agriculture Sector Potential



Item	Rs. Billion	Pak. Avg. Production	World Avg. Production	% Potential Exploited
Fruits	****	1,608***	81,944	2
Vegetables	****	400***	27,327	1
Cotton	110	671*	678	99
Wheat	120	831*	1,084	77
Milk	225	1,150**	5,000	23

* kgs/acre

** Lactation: liters/animal

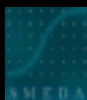
***Tons per hectares

**** Due to different rates of fruits and vegetables their exact figure in terms of Rs. is not shown

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An Overview

Livestock Sector in National Economy



Contribution of Livestock towards Agriculture GDP	=	46.8 %
Contribution of Livestock towards national GDP	=	10.3 %
The Rural Population engaged in Livestock raising	=	30- 35 m
Income of the farmers derived from Livestock	=	30- 40 %

(Economic Survey of Pakistan, 2005-06)

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Livestock Population

(In Million)



Species	Pakistan		Punjab	Share %
	2004-05	2005-06		
Cattle	24.2	25.5	11.132	46%
Buffalo	26.3	28.4	17.621	67%
Sheep	24.9	25.5	06.474	26%
Goat	56.7	61.9	20.979	37%
Poultry (Day old)	372.0	386.5	279.000	75%

Source: Economic Survey of Pakistan : 2005-06

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Herds Pattern



Herd Size (No. of Animals)	%
• 1-2	43
• 2-4	28
• 5-6	13
• Above 6	16

Total Small Holders having 1-6 animals is 84%.

Agriculture Statistics of Pakistan

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International Milk Production



Ranking	Country	Billion liters / annum
1	India	82
2	USA	75
3	Pakistan	31.3
4	Germany	29
5	France	26
8	New Zealand	15
	World Total	585

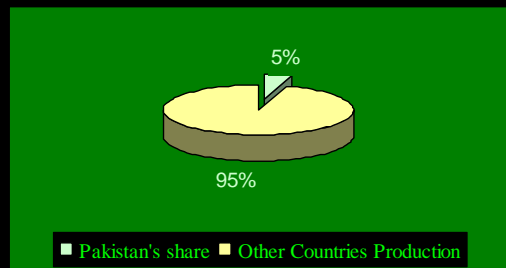
Source: IFCN

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Dairy Sector of Pakistan



Global Milk Production



Source : www.faostat.fao.org

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Challenges in Dairy Business



- ⌘ Unorganized Dairy & Livestock markets.
- ⌘ Informal market channels.
- ⌘ Lack of marketing infrastructure
- ⌘ Lack of support services
- ⌘ Under-developed Dairy Processing Industry

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Factors for low Milk Yield/Lactation in Pakistan



1. Poor selection and culling of Cows & Buffaloes with low genetic potential because of lack of awareness and inefficient breed development/ improvement programs
2. Absence of proper feed quality and quantity according to animal weight, physiological status (lactation/ pregnancy/ dry/ sex of animal) and season

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Contd.



3. Absence of appropriate housing arrangements specially at subsistence level farming
4. Limited standard veterinary services including A.I and other veterinary facilities
5. Absence of properly implemented regulatory framework for the management of manure, dirty water and excessive use of hormones such as Oxytocin to alter lactation cycles

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Dairy Sector Development Strategy



- 🔗 Comprehensive strategy developed and submitted to the Government of Pakistan
- 🔗 Government of Pakistan has allocated PKR 481 million for Dairy Pakistan initiative.
- 🔗 CFC established by SMEDA in Burj Atari to train human resource in order to provide technical services for breed improvement especially Artificial Insemination services



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Proposed Strategy



1. Commercial Dairy Farms

2. Mini Pasteurisation Units

3. Milk Powder Plants

4. Milk Collection & Transportation System

5. Milk Centers

6. Veterinary Services

7. Quality Control Labs

8. Regulations

9. Consumer Rights Protection Groups

Capacity Building Programs



- Livestock & Dairy Farm Management (Okara & Jhang)
- Investment in Livestock and Dairy Farming
- Animal Productivity Enhancement through Feed (Faisalabad & Sahiwal)
- Sheep and Goat Farming (Dera Ghazi Khan)
- WTO & Its Impact on Livestock (Bhawalpur)

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Support Services for Agricultural Credit (SSAC)



- Υ SSAC is a solution to terminate negative factors in the current agriculture credit system through participatory arrangement with private sectors enterprises.
- Υ SMEDA in collaboration with Bank of Punjab has started a pilot project under this scheme in two villages i.e. Kot Pindidas (Distt. Sheikhpura) and Gelhan Hitar (Distt. Kasur)
- Υ Uptill now above 350 individual cases have been approved for revolving credit facility amounting Rs. 15 million.

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Pre-feasibility Studies



1. Abattoir (Slaughterhouse)
2. Broiler Farm (7500 Birds)
3. Calf Fattening Farm
4. Dairy Farm (25 Animals)
5. Dairy Farm (50 Animals)
6. Layer Farm (5000 Birds)
7. Livestock Semen Production
8. Animal Casings (Sheep & Goats)
9. Intensive Sheep Farming

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Business Development Services



SME Facilitation through

- Helpdesks
- through emails, letters/faxes
- Regional Business Centers RBCs

Regional Business Centers (RBCs)

- Punjab 09
- Sindh 04
- NWFP 03
- Balochistan 01

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Future Impacts

1. Production Increase

2. Better Milk Quality - Public Health

3. Rural Poverty Alleviation

4. Employment Generation

5. Import Substitution

6. Export Potential

7. Value Added Products

8. Efficient use of Resources

9. Revival of Sick Dairy Units

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Recommended Housing



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Mechanized Fodder Cutting for Silage Making



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Good Dairying Practices



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Manure Handling
Bio gas generation



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