



**PUBLIC-PRIVATE-PRODUCER PARTNERSHIP FOR
ABATTOIR DEVELOPMENT**

Heifer International Nepal



**HEIFER[®]
INTERNATIONAL**



Animal Slaughterhouse and Meat Inspection Act 1999

Animal Slaughterhouse and Meat Inspection Regulation, 2001

Basic Legal Criteria for Hygienic and Healthy Meat Production and Distribution:

- Only government licensed individual and institution can slaughter animals and sale meat through slaughterhouses and meat shops that meet the legal standard.
- Animal slaughterhouse and meat shop should be in separate place
- Slaughterhouse must have separate roads for transporting live animal and carcass
- Animal should be rested for at least 24 hours in a roofed liorage.
- Animal health check up should be done before slaughtering and there should be a separate place for keeping animals suspected with disease.
- Slaughterhouse must have appropriate places for stunning, slaughtering, bleeding, dressing, evisceration, meat cleaning, meat inspection, quality control and distribution.
- Animal intestine, abdomen, head, legs, blood, if to be sold from the shop, must be sold keeping separate, so that the meat is untouched.
- Slaughterhouse and meat shop must have waste management system

Past Initiative Of Slaughterhouse Construction And Operationalization



Hetauda

Past Initiative of Slaughterhouse Construction and Operationalization



Biratnagar

Past Initiative of Slaughterhouse Construction and Operationalization



Butwal

Past Initiative of Slaughterhouse Construction and Operationalization



Dhading

Current State of Animal Slaughtering and Meat Management

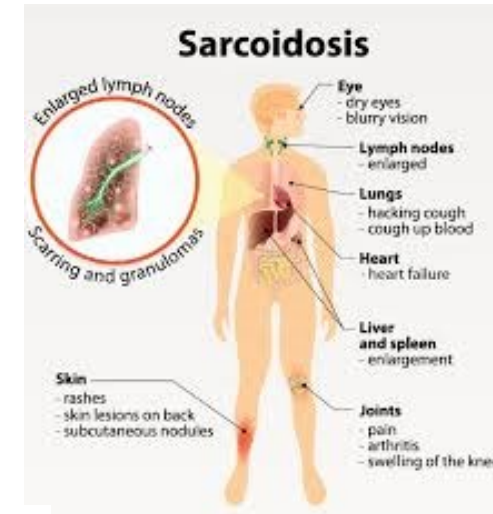
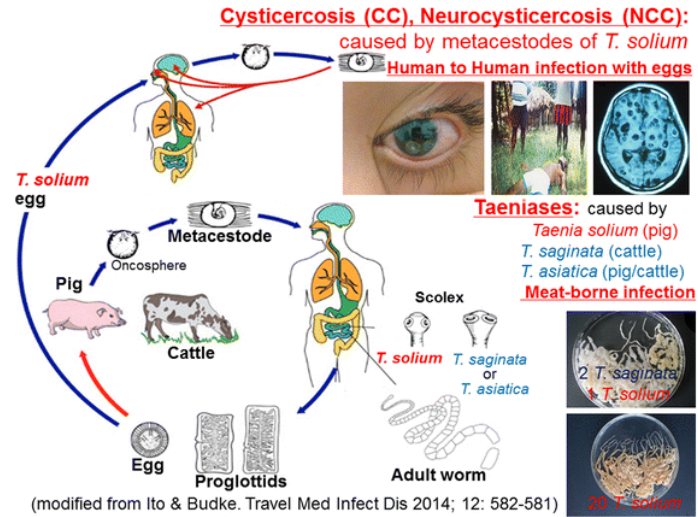
- Animal slaughtering and meat management system in majority of Nepal is still conventional and does not meet the standards
- Unhygienic & Inhumane Slaughtering Practices
- No Animal Health Inspection Ante-mortem/Post-Mortem
- Substandard Transportation of Meat
- Unhealthy Meat Distribution System
- Environmental degradation due to inadequate waste management

Current State of Animal Slaughtering and Meat Management

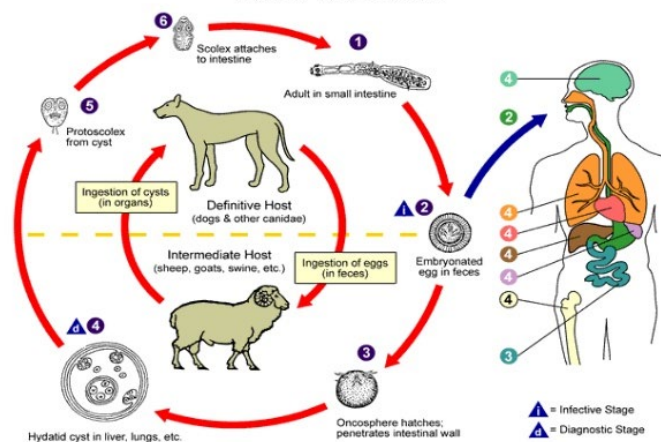


Current State of Animal Slaughtering and Meat Management

Threat of zoonotic disease from unhealthy meat



HIDATIDOSIS



Reasons for the Failure of Slaughterhouse Construction and Operationalization

- Unsuccessful implementation of Animal Slaughterhouse and Meat Inspection Act
- Lack of appropriate public private partnership
- Lack of collaboration with producer farmers for regular and adequate supply of animals
- Lack of enabling environment and incentive for investment from private sector
- Lack of proper business model for operationalization of slaughterhouse
- Lack of public awareness on consumption of healthy and hygienic meat

Government of Nepal's Priority for Self Reliance on Meat and Heifer's Initiatives

- GoN targeted to become self reliant on meat by year 2017/18
- Out of more than **2,50,000** Heifer beneficiary families about **2,00,000** are involved in goat farming
- **Strengthening Smallholders Livestock Value Chain Program-SLVC I (2012-2017)** alone has helped **1,38,000** families of 30 districts in goat farming
- More than **200** women led cooperatives have been established of which **135** are collecting and marketing goats

Achievement on Goat Production and Productivity from SLVC I

Improvement in Marketable Goat Production

2012

Marketable age: 15.5 Months

Average weight: 25.3 Kgs



2017

Marketable Age: 12 Months

Average weight: 30 Kgs



Number of Kids/Doe/Year

In 2012: 1.54



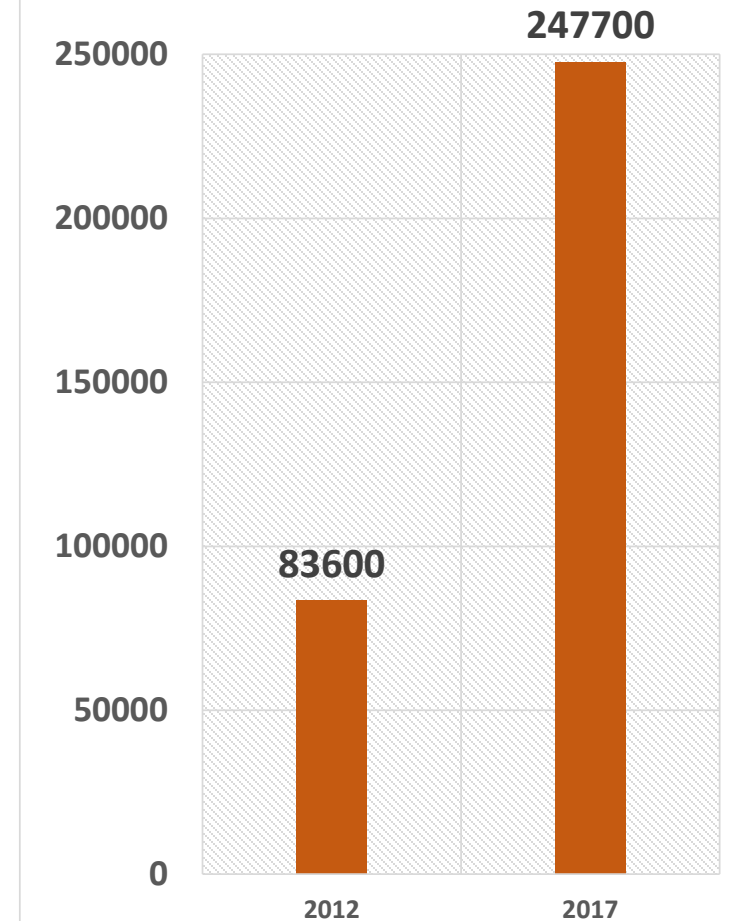
In 2017: 2.4



Average annual income increased by: 74%

Number of Goats Sold

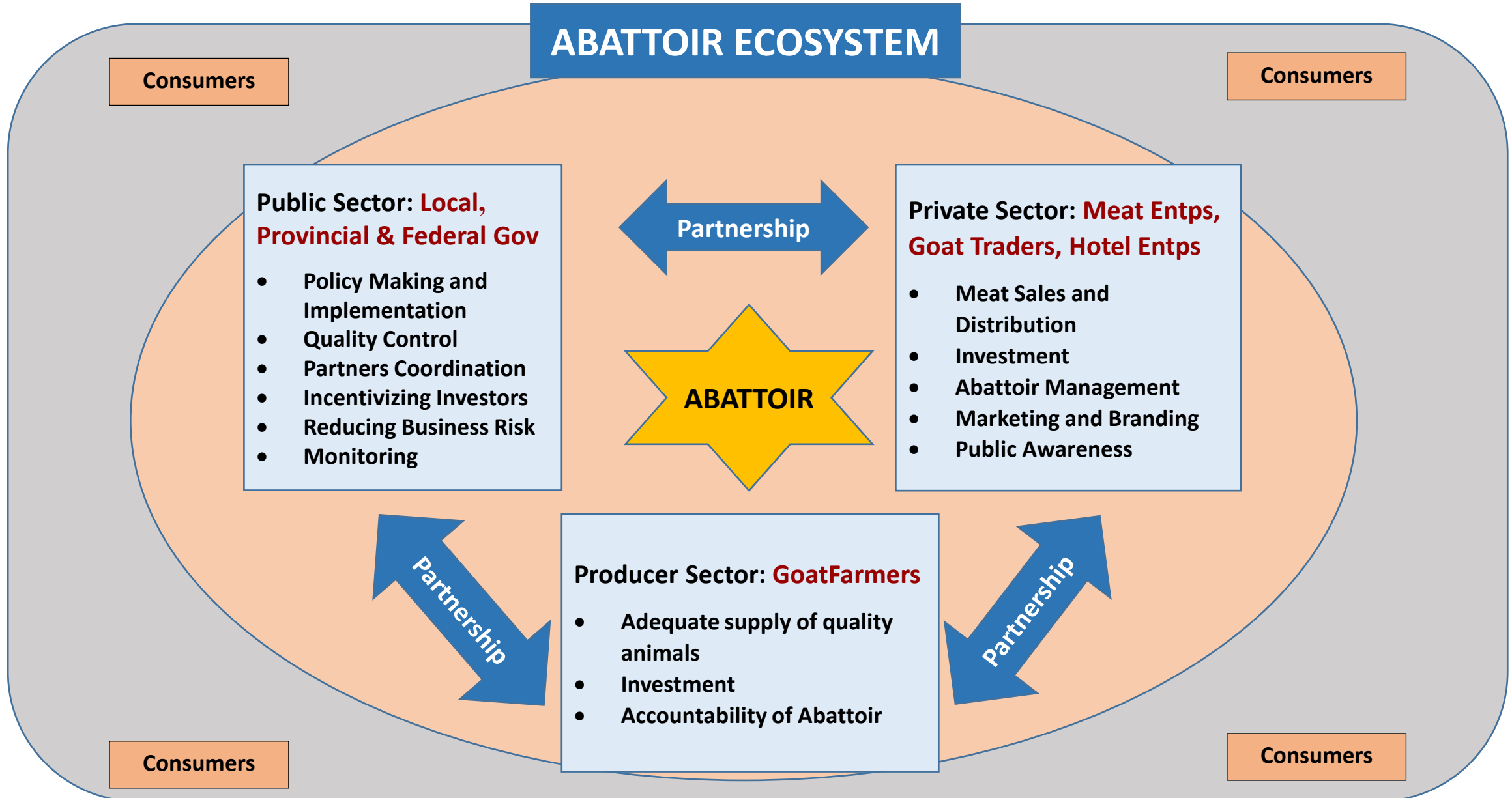
196% increase



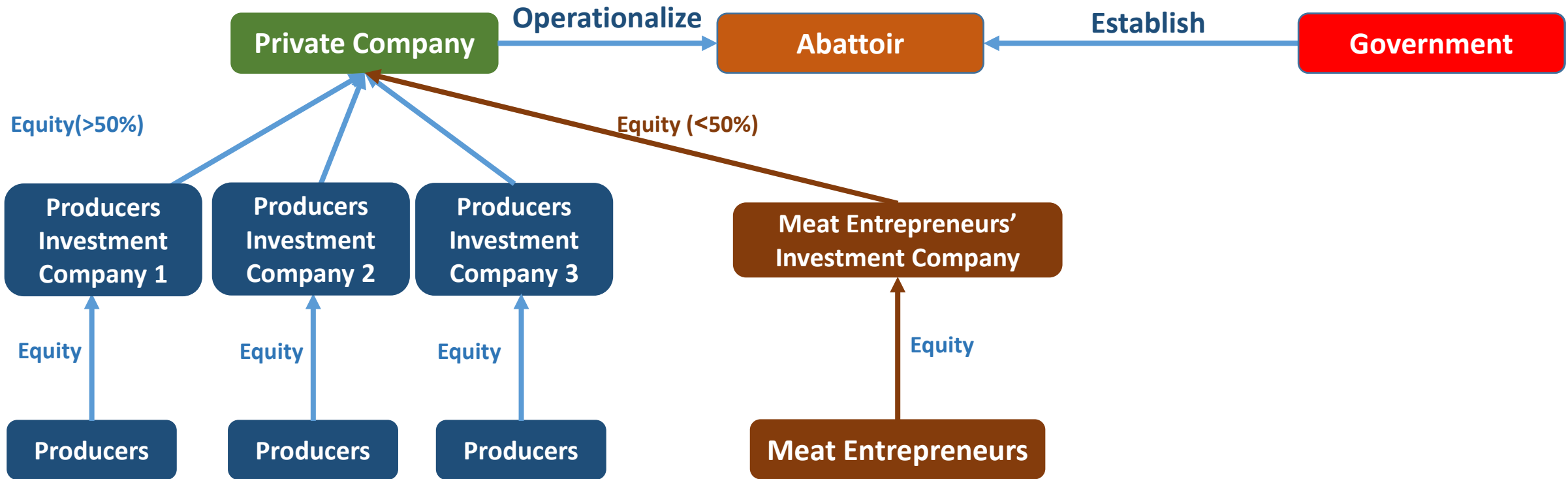
Strengthening Smallholders Livestock Value Chain Program-SLVC II (2018-23)

- SLVC II focuses on connecting the producers with the end market by improving the market systems and value chain in meat goat and dairy sector
- In goat value chain, SLVC II builds on the improved production and productivity of meat goat from SLVC I to enhance the profitability of the smallholder farmers through a range of different interventions.
- Abattoir Development is one of the key interventions.

Concept of 4P for the Successful Operationalization of Abattoir



PUBLIC-PRIVATE- PRODUCER PARTNERSHIP (4P) MODEL





Public Fund Commitment for Abattoir Development

Abattoir location	Total cost of project (without land cost)	Public Fund (Local+ Province Gov) Committed
Kohalpur	212,980,000	212,980,000
Butwal	226,710,000	226,710,000
Pokhara	226,710,000	226,710,000
Biratnagar	212,580,000	212,580,000
Total	878,980,000	878,980,000
Total in USD	7,990,727	7,990,727

Budget Allocated By Public Sector and Equity Committed by Producers and Meat Entrepreneurs (2019-20)

Abattoir location	Budget from Local Government	Budget from Province Government	Total from Government	Equity Committed by Producers	Equity Committed by Meat Entp
Kohalpur	16,500,000	70,000,000	86,500,000	58,108,400	12,000,000
Butwal	30,000,000	70,000,000	100,000,000	62,896,000	37,850,000
Pokhara	20,000,000	20,000,000	40,000,000	42,551,500	15,356,000
Biratnagar	50,000,000	50,000,000	100,000,000	11,776,000	6,212,000
Total in NPR	116,500,000	210,000,000	326,500,000	175,331,900	71,418,000
Total in USD	1,059,091	1,909,091	2,968,182	1,593,926	649,255

Producers committed for Equity	27,949
Meat Entrepreneurs Committed for Equity	318

of Investment Companies: Biratnagar (3), Pokhara (4), Butwal (4), Kohalpur (5)

of Private Companies: Biratnagar (1), Pokhara (1), Butwal (1), Kohalpur (1)

Financial Forecast for Operating One Abattoir

	(In Million NPR)		
	Year 1 (70%)	Year 2 (70%)	Year 3 (90%)
Cost of Production	1204.4	1374.4	1544.4
Administrative Expenses	10.3	10.8	11.3
Total Financial Expenses	1214.7	1385.2	1555.7
Total Revenue	1325.5	1514.9	1704.2
Gross Profit	110.8	129.7	148.6
Depreciation	12.4	11.3	10.2
Operating Profit	98.4	118.4	138.4
Tax (25%)	24.6	29.6	34.6
Net Profit	73.8	88.8	103.8
Profit %	6%	6%	7%

Financial Gain for Smallholder Producers from 5 Abattoirs

Profit for Producers (In NPR)			
	Year 1 (70%)	Year 2 (80%)	Year 3 (90%)
Net Profit from 5 Abattoirs	368.9 M	444.2 M	518.8 M
Profit for Producer Investment Companies (at least 50%)	188.1 M	226.5 M	264.6 M
Number of expected investor farmers	50000	50000	50000
Average investmetn/ farmer	5750	5750	5750
Annual profit/farmer	3763	4531	5292
Earning per share	65%	79%	92%

Financial Gain for Meat Entrepreneurs from 5 Abattoirs

Profit for Private Sector (In NPR)			
	Year 1 (70%)	Year 2 (80%)	Year 3 (90%)
Net Profit from 5 Abattoirs	368.9 M	444.2 M	518.8 M
Profit for Private Sector Investment Companies (at most 49%)	180.8 M	217.6 M	254.2 M
Number of expected investor from Private Sector	1500	1500	1500
Average investment/entrepreneur	75000	75000	75000
Annual average profit/entrepreneur	120501	145096	169485
Earning per share	161%	194%	226%

Challenges

Construction Phase:

- Nepali people love meat but have a taboo against slaughterhouse
- Local governments' lack of experience in construction of complex industrial plant such as an abattoir
- Lack of technical expertise in Nepal for construction of abattoir

Operationalization Phase:

- Lack of domestic human resource to run the abattoir as an industrial plant
- Empowering producer farmers to run private and public companies
- Ensuring sustainable domestic production



Community Mobilization and Trainings for Smallholder Farmers



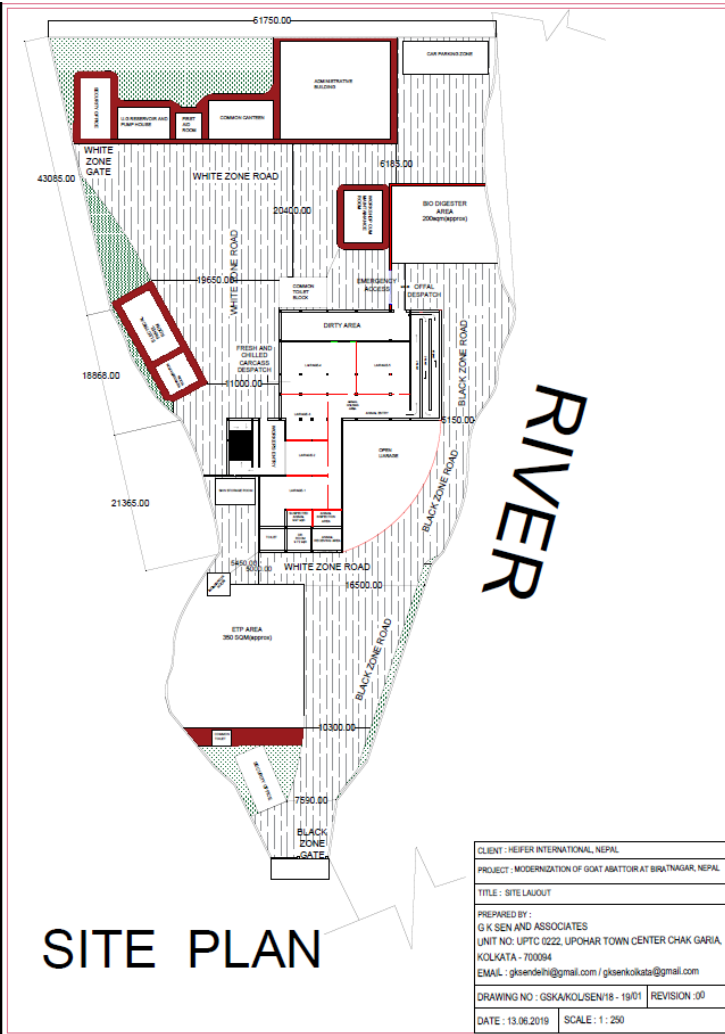
Abattoir Construction and Operationalization Committee Meeting



International Exposure Visit



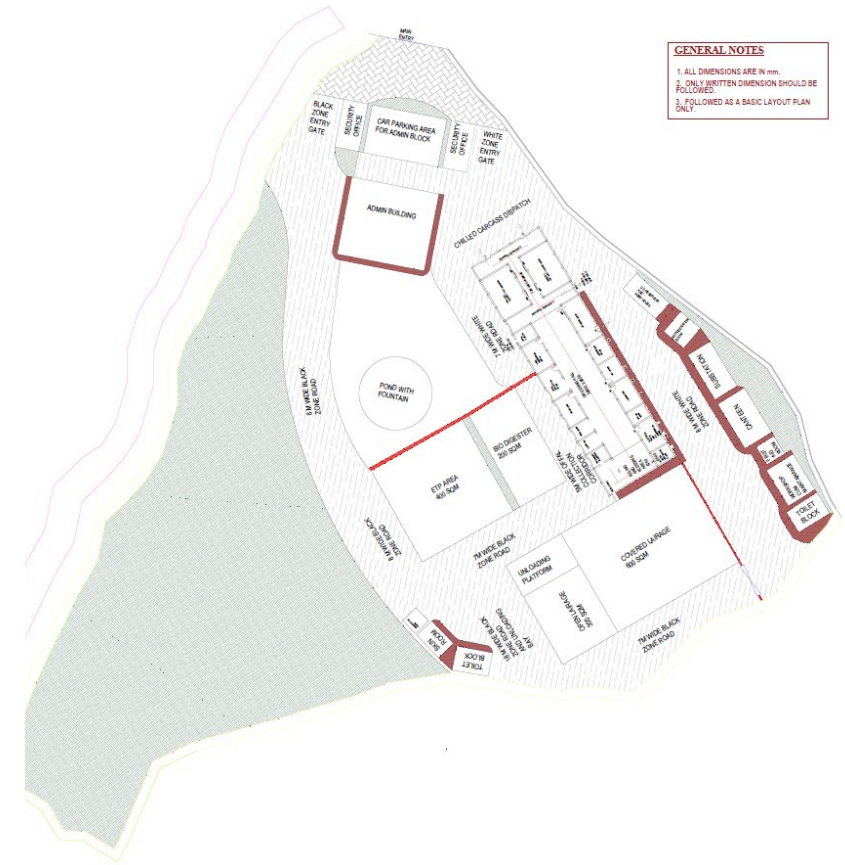
Abattoir Master Plans



बिराटनगर



बुटवल



कोहलपुर

Example of a Modern Abattoir



Lairage for resting the animal

Example of a Modern Abattoir



Painless Killing/ Stunning

Example of a Modern Abattoir



Dressing after slaughtering

Example of a Modern Abattoir



तयारि मासुको चिस्त्यान प्रक्रिया

Thank you

TOGETHER,
WE HAVE POWER OVER HUNGER
AND POVERTY

