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# Branding & Promotion in the Meat Value Chain



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## **The Agribusiness Project - Agribusiness Support Fund**

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# 1. Background

The Agribusiness Support Fund (ASF) has been implementing a 4-year project, The Agribusiness Project (TAP) for USAID. TAP uses a value chain and cluster-based approach to increase the competitiveness of the selected horticulture and livestock sub-sectors. TAP, through the **International Market Access and Linkages Program**, aims to facilitate a significant increase in sales to domestic and international markets within the target value chains by providing support to key stakeholders including selected farmers, traders, processors, and exporters. The program, implemented by JE Austin, encompasses technical assistance for market explorations, the development of agricultural marketing, and brand development strategies directed at identifying and capitalizing on opportunities in high-price local and international markets where Pakistan can participate and strengthen its market share on a sustained basis. The program works with medium and large agribusinesses and farmer enterprise groups to identify gaps with regard to the competitiveness of the value chain that could be addressed through project assistance.

As part of the **International Market and Linkages Program**, the positioning and branding of Pakistani products is important in order to facilitate increased exports, increased sales in the domestic markets, and improved margins for producers. If a product is to move beyond being a commodity, it needs a brand. *Progress has already been made in the meat value chain, with new frozen meat based branded products, new chains of hygienic meat shops in major cities and frozen de-boned meat cuts for export.*

The objective of this Technical Assistance is to work with the value chain members, including farmers, merchants, processors, and the export community to develop an approach to position and brand products such as meat, banana, HVOS vegetables, and chilies with the goal of identifying branding strategies for priority value chains.

The focus of this report is on the Pakistan meat sector, a sector in transition. Meat export started in volume 7-8 years ago with air shipment of refrigerated carcasses i.e. fresh meat to Dubai and the Gulf Region. Pakistan was the natural and most economic source of low cost Halal fresh meat. This carcass market is close to saturated and over the past 2-3 years newer meat processors and traders are increasingly shipping frozen cuts and boned meats to more distant markets in China, Vietnam, Malaysia and Russia. Both China and Russia are currently and are expected to continue to be several of the largest global import markets for beef over the next 10 years..

Parallel to the development of the export market is increased packaging of meat and meat products for the supermarkets and big box stores, as well as the emergence of several retail meat (butcher) chains in Karachi, Lahore and Islamabad.

Branding can be a powerful tool to increase revenues, as well as create asset value, for the companies and associations that have successfully developed and implemented a branding strategy. For example, several persons mentioned that the K&N Brand for chicken has become so strong that it is a synonym for “chicken” in the marketplace.

Many agricultural products do not lend themselves to “classic branding.” Trade promotion (another form of “branding” broadly defined) is more appropriate to many groups in the agricultural sector. However, the kinds of questions one would ask to undertake successful trade promotion are the ones that groups would ask when develop a brand. Hence, in Section 2.0, we provide a short general section on branding basics and also Annex I contains a power point presentation on issues related to branding beef in Pakistan.

## **2. What is Branding?**

### **2.1. Product Brand**

A unique name for a product or commodity is often termed a “brand” and is most often owned and controlled by a private company, be it an exporter, importer, food processor, or retail supermarket. A brand is often a combination of a name and also a symbol/logo.

The ownership and uniqueness of the “brand” is enforced by registration as a trademark. Control of a brand is often difficult as other companies will often copy a popular brand with a similar name or symbol/logo. It is the sole owner of the “brand” that needs to be continually diligent in enforcing its legitimate use, often through legal means.

**Brands are a promise to the consumer!** A brand promises that the product will be the same each time it is purchased. Quality control is a must. The brand must assure the quality promised. Furthermore, it should personalize the product to tastes of a target audience. The brand is the only “personality” of your product and link you have to the final consumer.

The brand must build, maintain, and protect a positive image, high awareness, and product preference in the buyer’s mind. The brand seeks to differentiate the product, but consistency and quality are critical elements in building a successful brand.

Your brand should link into seven key principles of branding:

1. It must capture the product's uniqueness, essence or spirit with a big idea /concept
2. It should win the attention of target markets and inspire the imagination
3. It must be of appropriate quality
4. It should be kept simple
5. It should be based on an image (and sound) that makes it unforgettable
6. It must be appropriate for your target audience
7. It must reinforce what you claim the product is capable of delivering (i.e. fruit and vegetables taste great!)

When is a company ready to place a brand on its product? A company is ready when it can make a promise to its customers of providing the same quality and service on every order (for the next 5 years). If a company is not ready to do this, it is better to wait to begin a branding campaign. In fact, in meetings with meat processors, one processor commented that they wanted to



introduce a branded product, but upon internal analysis they could not assure uniformity of quality over several years. A brand that is associated with negative reactions from consumers is in trouble.

What is your market niche? One critical element of branding is having a clear understanding and definition of **who buys your product and why** (also known as your market niche). You should define your market niche through:

- Researching your market.
- Defining a customer profile (location, type of business (importer, supermarket, restaurant, etc.)

Understanding the target audience defines how you will carry out a branding strategy and marketing plan in a cost effective manner.

Budgeting for a brand is another important issue. **A brand should create increased sales, greater margins, and improved return on investment.** However, the cost of branding must be kept at a level that is well below the increase in sales and marginal revenues. Fortunately the cost to develop a branding program can be modest in relation to the fixed assets that are needed to build a factory. Key cost factors that must be considered in a branding program include:

- Market Research
- Name Development
- Logo Development
- Development of support materials such as a web site, printed material, brochures, attending food shows, etc.
- Advertising
- Signage
- Packaging, etc.

Once companies have begun to define their brand promise, the unique of their products, the composition of the target buyer segment, and an estimate of the costs of developing a brand, it becomes possible to put together a brand strategy.

Figure 1 presents a graphic representation of the process of determining a brand strategy and then building a marketing program around that brand strategy.

Figure 1 – Brands and Brand Strategy



Source: Branding Basics for Small Business, How to Create an Irresistible Brand on Any Budget, Maria Ross, NorLightsPress.com, 2010. ISBN: 978-1-935254-24-9

A summary power point presentation of other branding issues is contained in Annex I.

## **2.2 Key Steps in Brand Development**

Once a company decides to establish a brand there are critical steps when thinking about establishing a brand for a specific product or group of products. Listed below are the primary steps:

### **1. Determine what you want to brand**

This is a process of determining how your branded product will be different than a commodity in the marketplace. A meat processor might well have commodity product, as well as develop branded specialty products.

**2. Research the market in which you will sell your product**

There is no substitute for good market research in order to determination of how your product fits into the existing market.

**3. Position your product in the marketplace**

There are usually many similar products in the market place. Determine where your product fits into the market in terms of style, quality, price, etc..

**4. Prepare a definition of your brand**

This is a statement of the overall vision of the role of your brand and product. It defines the uniqueness of your product in the marketplace.

**5. Develop your brand name, logo and tagline**

The **brand** is your name and becomes the personality of the product. It should be unique and memorable. The **logo** is a specific trade mark or symbol that becomes a “short form” of your brand. The **tagline** or slogan is a short but memorable phrase which further describes your product, its usage, etc. For example the brand name AT&T does not really explain the service, but the tagline...*“reach out and touch someone”* further defines the purpose of the service.

**6. Brand Launch**

This is a plan to present your brand and product to the market place with a well thought out plan can encompass advertising, promotion, preparation of a website, presentation at a trade fair, etc Use electronic media....the cost is very low.

**7. Manage and Protect Your Brand**

Deliver a consistent level of quality in your product and the brand should display a consistent look and tone. If you have a successful brand others may try to develop a very similar “copy.”

**8. Keep the Brand Current**

At times in a life of a brand, small changes are made to “modernize” a brand or look.

**2.3 Other Types of Branding**

There are other forms of branding or certifications that can enhance a product and brand, particularly for food products. Meat and poultry in particular, because of possible disease and spoilage issues, is often highly regulated. Government regulations for imported meat vary from country to country, with a wide range of specifications and procedures for attaining approval for import of meat and poultry. In addition, over the last 10 years the specifications and requirements of international supermarket chains as well as food service/restaurant chains have development their own procedures and specifications, and often want to come and inspect the slaughter/processing facility before product will be purchased.

### 2.3.1 Mark of Certification

A mark of certification is a logo given by a certifying body that the company has met the quality standards required to use the mark of certification. For example, Thailand is a leading exporter of commodity rice, but has developed a strong mark of certification for a specific fragrant (jasmine) rice, known as “Thai Hom Mali.” The “*Thai Hom Mali*” is registered mark of certification owned by Thailand’s Department of Foreign Trade, and a standard defined by government regulations.

The “*Thai Hom Mali*” name and mark of certification is based on specific variety and quality standards. Exporters and marketers are only allowed to use both the name and the circular green certification mark on their package, if they meet and maintain the specifications and quality standards required by the Department of Foreign Trade, an organization within the Government of Thailand.

Over the years, the Thai green mark of certification has gained recognition and is used by exporters’ and importers’ as a visible symbol on their branded products internationally, and commands respect from importers and consumers. One of the leading U.S. importers of Thai jasmine rice indicated that the mark of certification is an important marker of quality. They use the Thai name, “*Thai Hom Mali*” and the certification mark on his firm’s own “*Lucky Elephant*” branded products. Importers and distributors in the EU also indicated the mark was important and use it on their labels.

Figure 2 – Mark of Certification - Thai Jasmine Rice



One of the key exporters of beef had the following certification and symbols on the export box:

Figure 3 – Certification and symbols used on an export box of frozen meat from Pakistan



### 2.3.2 Seal of Quality

There are a number of certifications that, while not brands in the technical sense, can be very important in creating an image of quality, particularly in international markets. Hence, certifications or the seal of quality from GLOBALG.A.P; BRC; HACCP; and other international quality certificates are crucial to gaining market share in international markets. Third-party certification of quality standards by reputable international certifiers can also be important. There are cases where groups of growers have come together and agreed on a standard of quality and development their own “seal of quality”. Naturally it is important the group of growers or processors have an agreement among themselves as to how to use their standards and how to internally “police” the standard within their group.

### 2.3.3 Halal

The preparation and processing of meat based on Halal principals is an important differentiation of meat and now it is also used to define many other products in the global marketplace. In Pakistan, all meat is processed to meet Halal specifications and this is a clear advantage when selling in the international market place, particularly to countries with large Islamic populations. It would be useful to have a national Halal symbol for Pakistan meat that can be stamped on cartons or carcasses. Please see slide 15, Annex I for examples of Halal symbol used by other countries.

Annex B, Is a paper, *Comparative Study Between Halal International Models*, that provides a discussion and background for preparing a Halal certification specification.

Figure 4 – Halal certification certificate issued by local government to an abattoir

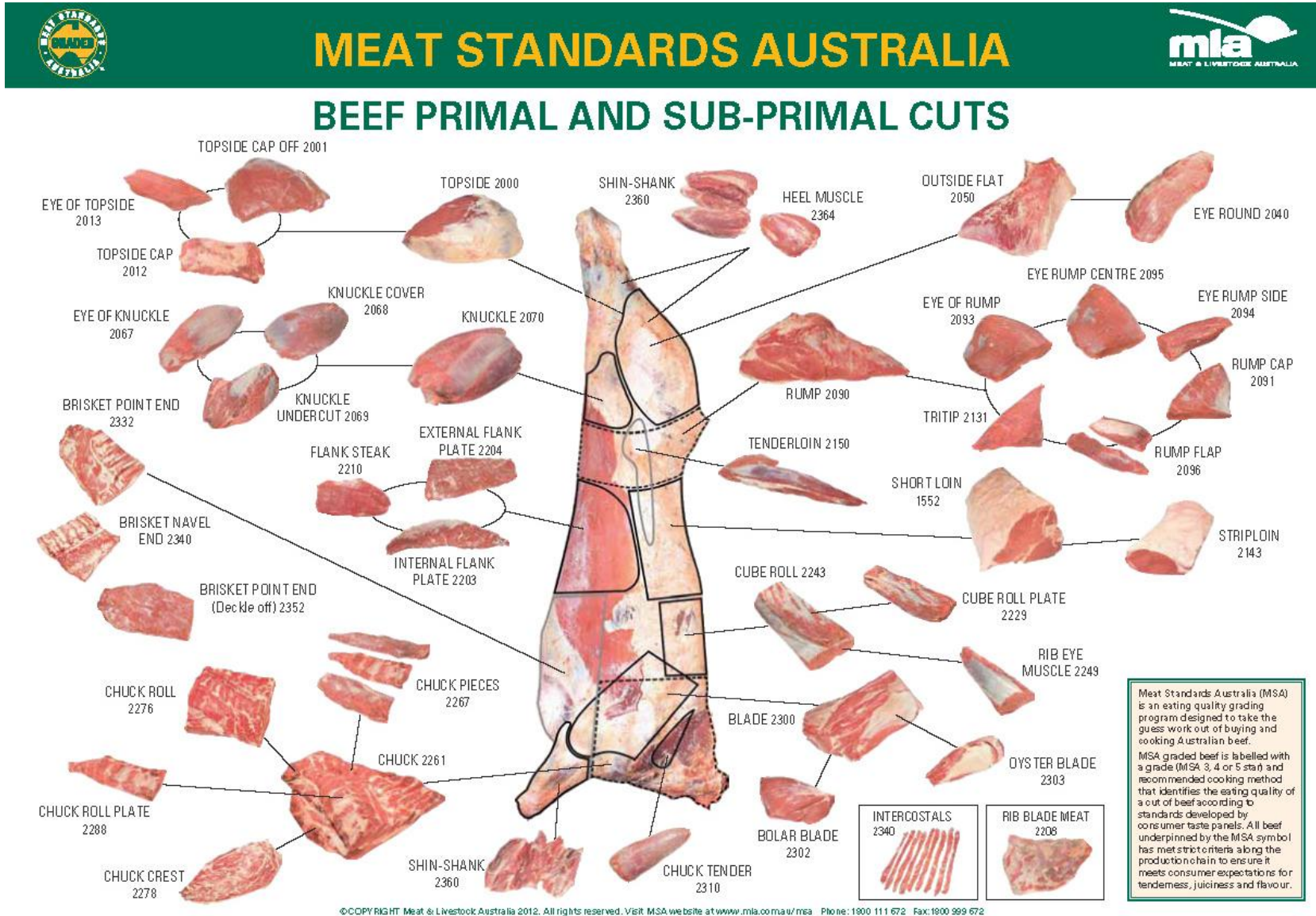


#### 2.3.4 Terminology for Beef Cuts

An important element in branding beef, particularly for export markets, is to use universal terms or definition for various cuts of beef in order that the customer has a full understanding of what is being purchased. Since there is no real international standard, the Australian meat specifications and phyto sanitary standards are often utilized by exporting countries. The following diagram indicates the name of each beef cut utilized by Australian meat exporters. This Figure 5 diagram can be a start for describing in a more simplified way the appropriate definition of products being produced by Pakistan meat exporters.



Figure 5 – Beef Carcass Definition of Cuts, Meat and Livestock Australia, the industry body





### **2.3.5 Organic**

Specifications are available for “organic” products, while yet others exist for the certification of environmentally sustainable manufacturing and raw materials acquisition. For example for many years in the USA, the term “organic” had various definitions but were not standard for USA products. Finally a group of organic producers came together and developed a standard in concert with the Department of Agriculture. Now the “organic” symbol in the USA has government regulation to support the term.

### **2.3.6 The Role of Associations**

In 2010 the meat exporters in Pakistan came together and created the “*All Pakistan Meat Exporters and Processors Association*” (APMEPA). Such associations can become important tools in development standards or certification/brands and methods of promoting Pakistan meat products. There are now approximately 30 members and membership is likely to grow, as livestock production and meat processing expands. Specific activities that benefit the meat industry and can be undertaken by such an association include:

- Export Promotion and representation at Trade Fairs (providing a venue for members)
- Definition/certification of Halal meat and meat products ;
- A general agreement on standardized cut of Pakistan beef and lamb

In addition, an Association can also be a convenient method of obtaining economic development funds for the promotion and strengthening of the industry. It is common, particularly for meat exporting countries, to establish a trade supported Association to provide promotion, market development and research, as well as quality specifications, that help the industry expand the market for their product. Examples include:

**Meat & Livestock Australia**

[www.mla.com.au](http://www.mla.com.au)

**U.S. Meat Export Federation**

[www.usmef.org](http://www.usmef.org)

**Beef & Lamb New Zealand, Inc.**

[www.beeflambnz.co.nz](http://www.beeflambnz.co.nz)

The organizations have similar characteristics, although the Beef & Lamb New Zealand is focused only on promotion of product domestically. Key characteristics of these industry promotion organizations are:

- A trade association focused on developing and promoting export or domestic markets for the meat industry.
- The governing board is usually made up of directors from the industry.
- The association financially supported by the stakeholders, often on a “check-off” mechanism based on product sold.
- The government often supports a significant portion of the work with matching grants.
- For export promotion, multiple offices located in all the key markets.
- Meat standards and safety are part of the portfolio

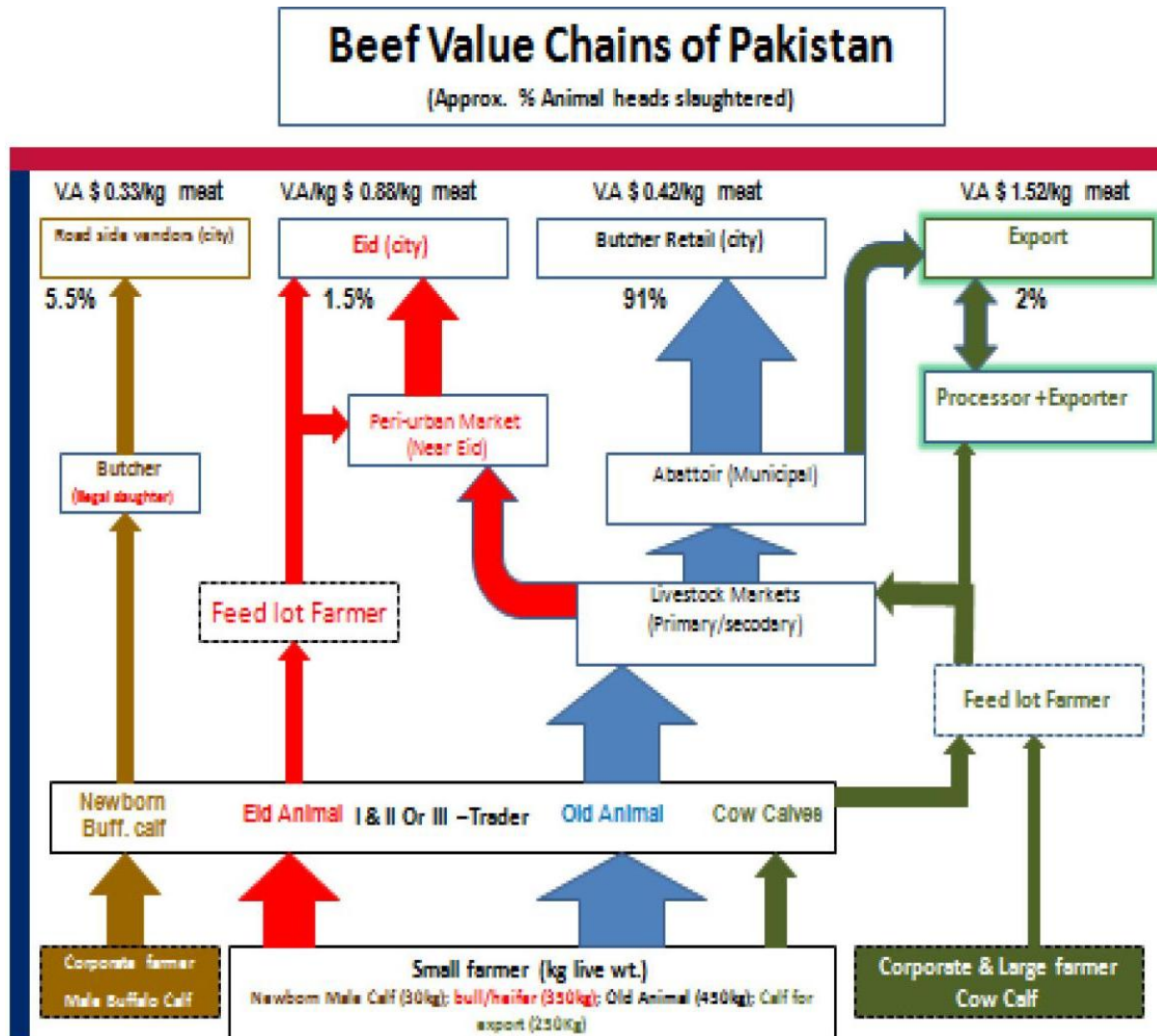
Beef & Lamb New Zealand is responsible for the promotion of beef and lamb within New Zealand and is jointly funded by farmers, retailers and processors. Also the organization works closely with the restaurant and food service industry.

Currently, the Association may not fully reflect all the interests within the meat sector, and the role of the Association will continue to evolve.

### 3.0 Beef Value Chain

It is important to understand the flow of product of beef from the producer to the consumer. The following chart was prepared by the TAP project in 2013-14.

Figure 6 – Bovine Meat Value Chain



Source: The Agribusiness Project, Bovine Meat-Value Chain Competitiveness Assessment, January 27, 2014, J.E. Austin Associates.

## 4.0 Pakistan Market for Meat

Pakistan, with a population approaching 200 million, is a large producer and consumer of beef, lamb/goat and chicken. Total production in 2013 was 3.5 million tons, with less than 2% being exported. Most of the exports are beef, traditionally, as refrigerated beef carcasses. It is noted that there is limited export of processed lamb/goat due to strong demand and price level within the domestic market. Lamb and goat generally retail for double the per kilo price of beef (see Figure 7).

Domestically the majority of meat is sold as retail cuts in retail markets that range from very informal traditional, open air butcher stalls to retail chains of specialized refrigerated meat shops as well as meat counters in supermarkets and hypermarkets. A key limitation within the market is the source of cattle and water buffalo for processing originate as a by-product from the dairy sector. The formal feeding of cattle for meat production is very limited.

### 4.1 Competition and Competitiveness of Pakistan Meat

The Agribusiness Project Report (TAP), “Bovine Meat-Value Chain Competitiveness Assessment,” from January 2014 provides statistics on the position of Pakistan meat in the export market. Important and key findings are:

- The traditional export trade and majority of exports (88%) are refrigerated carcass beef to the UAE and Gulf region. There is a definite preference for “fresh” meat.
- Pakistan’s carcass beef receives only about 60% of the world average value/kg (\$2.8 per kg compared with \$4.8 per kg)
- Pakistan supplies 98% of carcass beef imported by the 3 key Gulf markets.

The global market, particularly for frozen boneless beef, is very large and expanding. For example India alone exported a total of \$4.35 billion in 2013-14 of frozen boneless buffalo meat vs. \$3.2 billion in 2012-13. Vietnam, the biggest market for India, imported \$1.79 billion last year, followed by exports to Malaysia and Egypt in second and third place respectively. These countries can also be important markets for Pakistan.

**Conclusion:** The above statistics indicate that the Gulf fresh carcass market is saturated and that competition has to take place on price, usually leading to even lower prices. Pakistan exporters confirm that their main competitors are other Pakistani exporters.

Other findings in the report indicate:

- Approximately 50% of world trade in beef is in frozen boneless cuts, and expanding.
- Only 2.5% of Pakistan’s exports are frozen cuts, and, what is important, Pakistan is receiving the world price (\$4.10/kg.), indicating that Pakistan beef is and can be a very competitive product in world markets.

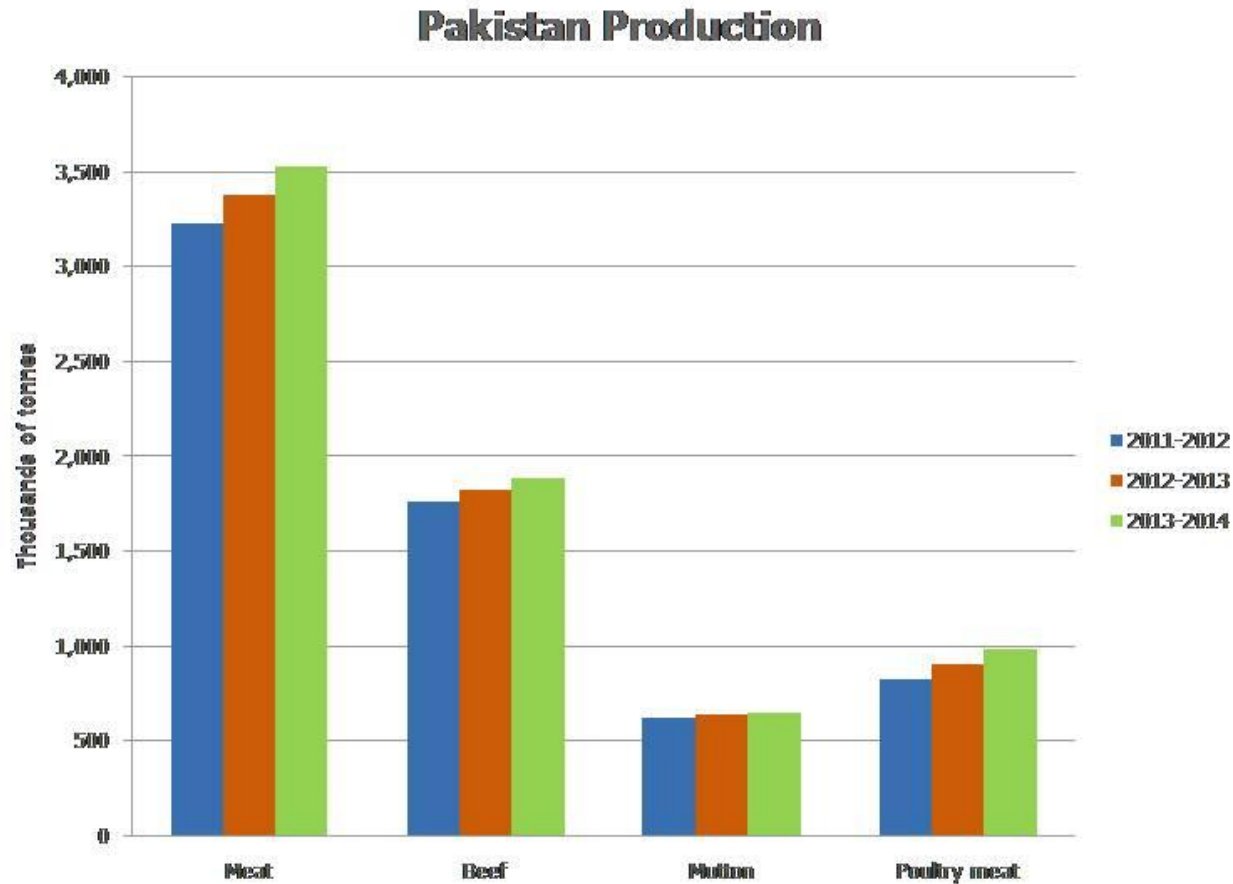
**Conclusion:** The issue is how to economically convert carcass meat, both domestically and for export, into higher value fresh or frozen branded products that meet consumers’ needs and acceptance through quality control, packaging and branding. A packaged beef product can then

be branded and certified, whether it is in a 20 kg carton packed for export or a 0.5 kg consumer packaged product in the supermarket.

Figure 7 – Pakistan Production Export Market Charts



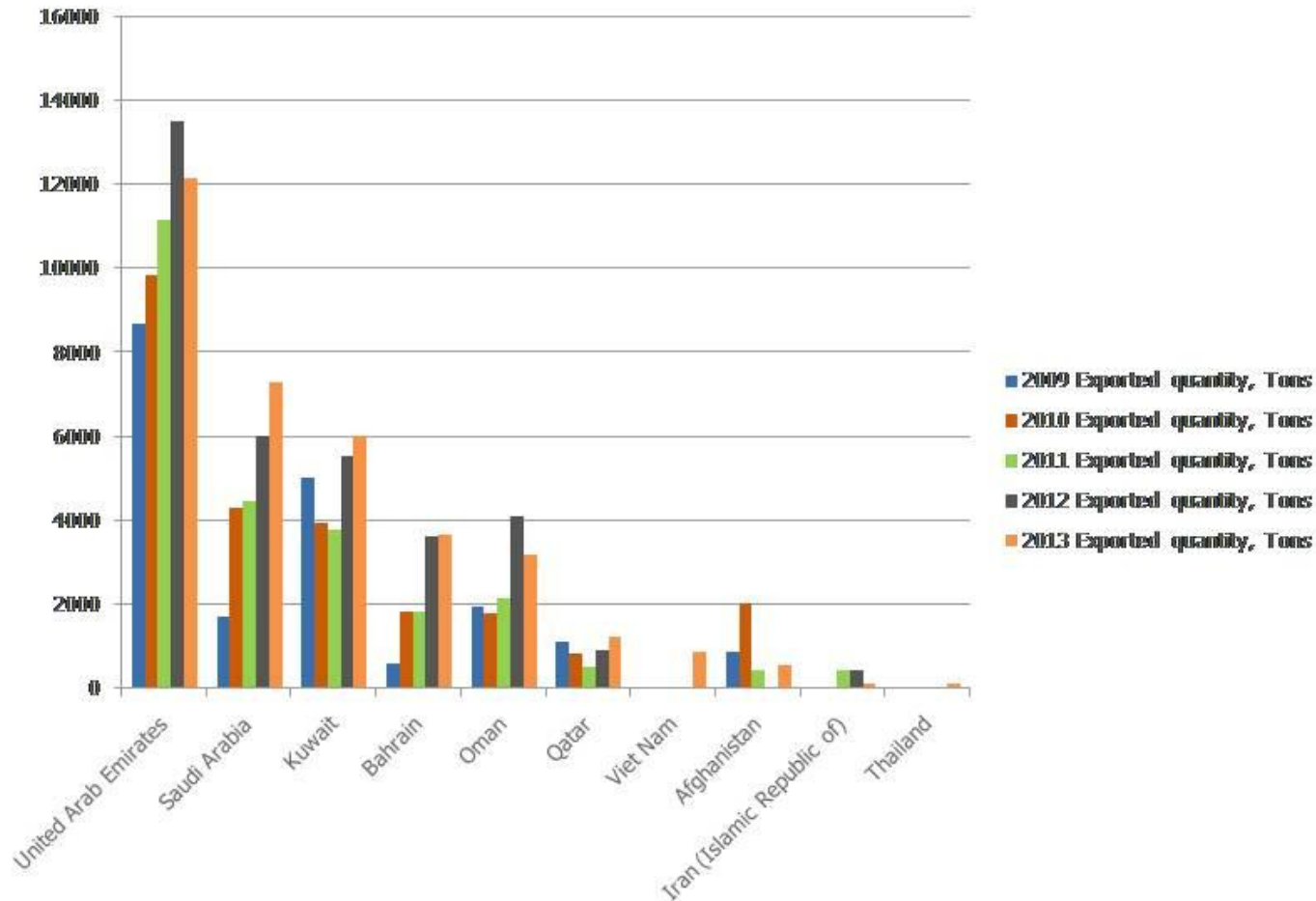
# Markets Pakistan Meat Production and Export



Source: Ministry of National Food Security and Research

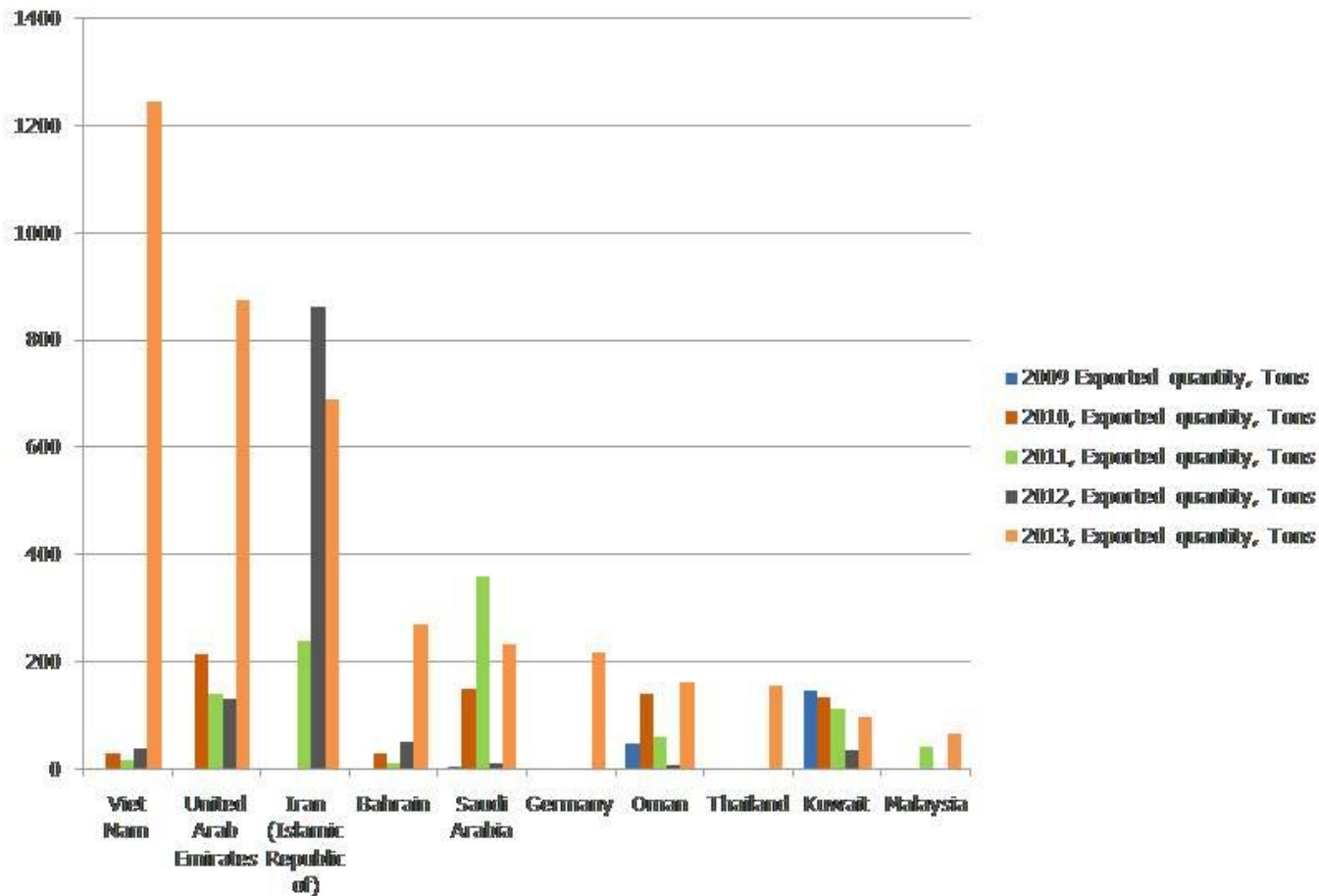


# Markets Beef Exports by Pakistan (Fresh/Chilled)





# Markets-Beef Exports by Pakistan (Frozen)





The principal value added beef products that lend themselves to packaging and branding are:

- Vacuum packed refrigerated primal cuts
- Vacuum packed frozen lower value cuts, offal and ground meat
- Prepared ready to cook frozen meat products
- Pre-cooked ready to eat frozen meat products
- Pink veal primarily for hotel and restaurants

It must be noted that the success and viability of these products is dependent on a reliable cold chain between processor and retail.

## 5.0 Status Report: Branding in the Meat Sector

Branding of Pakistan consumer products is well established and expanding. Modern supermarkets, hypermarkets and retail chains can be seen in the major urban markets. The CEO of the global giant consumer products company, **Unilever**, was recently in Pakistan and said, “*Pakistan subsidies’ are the best performing business units in (our) global operations*”. He went on to say that they see considerable growth in the market. Such a comment underscores the overall gradual trend to branded consumer products.

The branding of products such as meat and fresh fruit/vegetables has lagged, as it historically has in most markets, due to a combination of production by many small producers, variable quality, perishability and the lack of packaging to carry the brand. Still, branding for these products is increasing in the retail sector.

### 5.1 Urban Markets

The branding of meat divides into the domestic retail and export sectors. Retail further divides into beef or lamb fresh meat cuts and processed products.

#### 5.1.1 Retail Sector

The traditional retail meat sector involves small shops in which the butcher likely purchases a carcass or portion of a carcass from a local/municipal abattoir. Most often the shop is open air and the objective is to sell the meat quickly as refrigeration is likely not available. The local butcher does not rely on a brand but most likely has established customers who trust and have a personal relationship with him.

Yet, the meat market is in transition with a segment of the population shopping at supermarkets and specialized and hygienic butcher shops. As the economy expands, a slow transition to branded and more formal and hygienic meat retailing can be expected.

##### 5.1.1.1. Hypermarkets/Supermarkets

The two main large volume food chain stores are **Metro**, with five stores in Pakistan and **Hyperstar**, a subsidiary of Carrefour, with two stores in the three major urban markets (Islamabad, Lahore & Karachi). Both stores have fresh meat counters, deli counters and extensive frozen food, including frozen meat products. **Metro’s** profile is of a warehouse type

outlet while **Hyperstar** is the feel of a larger supermarket focused on the consumer seeking convenience, a wide assortment and an enjoyable experience. Branded meat products are important in both stores. There are other locally based supermarkets that have slowly grown from a small shop to a supermarket. Examples are **Green Valley** in Lahore and **Naheed** in Karachi, and there are many others, particularly in shopping centers.

Figure 9 – A frozen food display case with branded meat and food products



Key branded frozen meat products to be found in these stores include the following:

Figure 10 – PK, a leading band in the frozen food consumer market



Figure 11 – Farmer's Beef frankfurters





Figure 12 – Euro Frankfurters in consumer package



Figure 13 – King's Beef and Chicken Sausage



**PK brand** is a major brand for frozen ready to cook or cooked beef and lamb products, and **K&N brand** is a major integrated poultry producer with branded prepared ready to eat or ready to cook products. Both brands utilize TV advertising from time to time. Distribution is nationwide, with concentrated outlets in major cities. For example K&N lists over 20 stores in Lahore to purchase their products.

#### **5.1.1.2 Free Standing Meat Shop Chains**

The past two or three years have seen the emergence of several chains of free standing meat shops in the major cities. The largest chain, **Zenith** has 19 stores and an active advertising campaign, even indicating on Facebook when deliveries of fresh meat occur at individual stores. **MeatOne** is another newer chain, with a strong marketing effort. The use of branding is different between the two chains.

Figure 14 – Zenith Shop and Advertisement



Figure 15 – Zenith Mutton in Display Case





Figure 16 – Zenith Shop Consumer Packages



Figure 17 – MeatOne Prime Beef Tray and MeatOne Mix Boti Tray Pack



Note the Zenith meat tray pack does not carry a brand while the MeatOne meat tray carries the brand and logo of the store on to the package. Similarly look below how the MeatOne signage contains the name of the store, *MeatOne*, the logo, and the tag line (store theme)...“*Nothing Beats Meat*” all featured on the sign of each store, and on each package of meat.



Figure 18 – MeatOne Store and Logo



Figure 19 – Handout in MeatOne shops indicating restaurants purchasing their meat



As an added market branding tool, note how MeatOne displays in their stores a list of well known restaurants that the Company serves. This poster gives added emphasis to the MeatOne brand and places in the consumer's mind that "if these well-known restaurants buy their product from MeatOne, it must be good!"

### **5.1.2 Export Sector Carcass**

The traditional export of beef has been refrigerated carcass, shipped by air, to Dubai and the Gulf region. Fresh beef is normally preferred over frozen beef, and this trend continues. As indicated in this report, market data indicates that the regional carcass beef market is likely close to saturation. Shipment of carcass beef is generally not branded, although there are reports of the use of a Halal stamp or designation being used. The buyer (usually a wholesaler) is relying on his relationship with the shipper to insure he obtains the desired quality.

There are a limited number of abattoirs (7-9) meeting export standards and several abattoirs provide custom slaughter facilities to trader/exporters that have clients in the Gulf region. One company has a master contract with the PANCO Punjab government meat processing plant in Lahore to operate it. Approximately 120-150 head per day are processed.

The export of refrigerated carcasses to distant markets such as Southeast Asia and Russia is likely not practical or economical.

### **Frozen cuts and deboned meat (20kg carton)**

Frozen cuts of beef, made to specifications of the buyer, is the predominate method of exporting to global markets utilizing refrigerated/frozen shipping sea containers. It is only in the past two years that frozen exports have been initiated in volume by Pakistan exporters, and predominantly by one processor/exporter. Participation in the frozen beef market does require specific deboning and freezing technology and monitoring systems in order to produce a uniform, hygienic product that meets the phytosanitary requirements of buyers.

## **6.0 Market Development**

As previously discussed, the global beef export market, particularly frozen beef cuts, is very large and expanding, and it is also competitive. It is important to have a consistent quality product that is produced under hygienic conditions and meets international standards. Several countries are particularly important in the import of frozen meat products are Russia and China.

### **6.1 Russia**

Russia's ban on certain Western countries food exports created a significant demand for meat from other countries. More than 50% of Russian food is imported. Due to meat shortages this year, Russia reached out to Brazil, with the Russian Federal Service for Veterinary and Phytosanitary Control Agency (The Rosselkhoznadzor), which controls the import of meat, inspected slaughter facilities in Brazil. The sanitary requirements of abettors were reduced, and the number of eligible exporters to Russia tripled to a total of 87 slaughterhouses.

To export meat to Russia, several sanitary prerequisites have to be met. The exporting company has to attest that the animals were inspected before slaughter and the respective carcasses and offal were re-inspected by a veterinarian after slaughter.

The exporter must attest that the meat was obtained from the slaughter of animals that were not fed on feed made with animal products, composed of offal and tissues of ruminant animals nor were the animal ration made from grain produced by genetic engineering. Also the chemical-toxicological indicators, as well as the microbiological, radiological, veterinary and sanitary requirements of the meat are to be compliant with those in force in the Russian Federation.

In summary, the meat must not have:

- Presence of blood clots
- Presence of abscesses
- Presence of fly larvae
- Presence of mechanical damage
- Contain preservatives
- In addition the meat should not:
  - Be contaminated by Salmonella spp. agents or other bacterial infections
  - Have been treated with colorants, ultraviolet light or ionizers
  - Have not been defrosted during storage and shipment, maintaining the temperature of muscle mass not less than 8C for frozen meat and not over 4C for chilled beef

On the supply side of exporting from Brazil, The Ministry of Agriculture, Livestock and Supply, known as MAPA is the principal government agency controlling meat exports. A company wishing to export products must first obtain a registration from the Federal Inspection Service (SIF) of MAPA. After the registration is granted, the Company must be inspected by the Department of Inspection of Animal Products which is managed by the Secretariat of Agricultural Protection in MAPA. An International Health Certificate, the CSI, is also required as an international document attesting to the health and proper vaccination of the animals and conditions of the facilities where the animals are handled.

## **6.2 China/Vietnam**

China is projected to become the largest importer of beef in the world as the economy continues to grow and the middle class expands, seeking to increase their meat consumption. Currently the easiest way into China is informally through Vietnam. Already, several Pakistan meat exporters are actively increasing exports of frozen beef to Vietnam.

A formal entry into China requires considerable bureaucratic obstacles and it would be best to negotiate entry of Pakistan beef as part of a trade negotiation. Secondly, Pakistan needs to further expand frozen beef exports to higher volumes in order to gain the attention of the Chinese, who are looking for a steady supply of beef at significant volumes.

One company in China, COFCO, is reported to handle 30% of the beef imports into China. COFCO is a state owned enterprise and has a wide variety of subsidiary business enterprises, and can import into China through Hong Kong offices.

### **6.3 Other Markets**

Other important markets for frozen beef are Malaysia, Egypt, Kazakhstan, and Uzbekistan.

## **7.0 Recommendations**

As previously indicated, Branding, is only one part of a total production and marketing program for specific products. The following recommendations place emphasis on branding and how to utilize brands to expand domestic meat consumption and expand exports.

### **7.1 Pakistan’s Cuisine as a “National Brand”**

It is important to develop and use the Pakistan brand name built around food products. To gain attention for Pakistani food products, including meat, it is suggested that products should be promoted under a *Pakistani cuisine theme*. This would be particularly useful and call attention to a Pakistan pavilion in a food oriented trade fair. In this context meat export products can be promoted, and even one or two cooked dishes of beef stroganoff or beef kabobs can be given as samples. The purpose is to attract persons to the Pakistan pavilion, by hunger, sight and smell.

### **7.2 Trade Fairs**

Trade fairs are already utilized for promotion by the Pakistan agriculture and food sector. The issue is how to make them as effective as possible. A trade fair is a natural location to promote the Pakistan brand, as well as branded meat products and the Halal certification. There is discussion within ASF of organizing a “**Meat Fair**” in Lahore in order to bring importers from the larger meat importing countries of Vietnam/China, Russia, Egypt, Malaysia, etc. together with the meat processors and traders. The particular focus should be on frozen meat products. Such a “Meat Fair” could be held in conjunction with a broader Pakistan trade fair in order to obtain national government publicity and financial support.

Another opportunity for promotion is the “**Meat Tech Asia**” commercial trade fair scheduled for June 9-11, 2015 in Karachi. This is an annual event and different products are emphasized, and next year is Meat and related products. It is understood that the complete meat value chain will be the focus including cattle fattening, feed mills, integrate meat production and processing, convenience and packaged meat products and other related products including equipment utilized within the sector. The fair is organized by a trade consulting group who work to attract foreign buyers and suppliers to such an event. Contact should be made with the organizers and determine how to participate and how to work toward getting potential customers to attend. Even a side event to visit several processing facilities could be arranged and scheduled ahead of time.

#### **7.2.1. Pre-Trade Fair Market Research**

It is recommended that pre-trade fair market research be carried out in target countries such as Russia and China, as it will be very valuable to the Pakistan meat processors and traders.

### **7.3 The All Pakistan Meat Exporters and Processors Association (APMEPA)**

The APMEPA is young and it is difficult to develop beneficial industry program when there are many voices from different parts of the export value chain. One approach is for the Association to establish an “*Industry Strategy Group*” of 5 or 6 key members that can meet from time to time and develop a vision of where the industry should be in 4 to 5 years and determine key elements that need to occur that will help make the vision come true. Recommendations can then be taken to the Association members. It is noted that this worked well in the marble industry, a Pakistan industry seeking to significantly increase exports.

### **7.4 Pakistan National Halal Certification**

Halal certification can be useful in export markets, particularly since it originates from an Islamic country (major Halal meat exporters, such as Australia, Brazil and India are not predominantly Islamic in the management of meat animals and there is the suspicion that meat could be tainted by animal feeds, swine processing, etc. that would not happen in Pakistan).

Carcass and boneless cuts of beef can benefit in export markets when stamped with a seal indicating the beef followed Halal procedures throughout the production and processing. It is recommended that the role could easily be provided by the Animal Husbandry Commission, Ministry of Livestock and Dairy as part of the quarantine inspection procedures or by the Veterinary Department of a University.

### **7.5 Standardization of Cuts and Export Packs**

An industry standard for an export product becomes a type of “brand.” It is a statement about how the product was prepared, packaged and exported.

There are various meat phytosanitary regulations, standards and meat cuts that have evolved within major meat exporting countries and become international standards. Australia’s standards are often referenced as being a good international standard (see Annex B). It will be useful to have general standards for Pakistan meat export in order to avoid confusion between buyers and sellers. Such standards should be prepared with participation of the industry and government facilitated by veterinary faculty at a leading university.

### **7.6 In-Store Tasting of Branded Meat Products**

For domestic sales, in store promotion of branded meat products can be very useful in increasing consumer interest and sales. A most useful tangential purpose is the informal market research of obtaining consumer response to meat products.

### **7.7 Prepare Market Opportunity and Pre-feasibility Meat Processing Study**

The export of frozen, vacuum-packed, (and also fresh) de-boned meat has become the primary product in the international meat trade. Pakistan is only just starting to participate in frozen product and indications are that it can be very profitable if the proper slaughter, preparation and frozen facilities that meet international standards are available and the appropriate markets are researched and targeted. Presentation of such a study to the local industry as well as to other investors and joint venture partners in receiving countries can stimulate private sector investment.

It is noted that the “*Meat Value Chain Assessment of the Livestock Sector in Pakistan Report*”, November, 2012, recommended additional investment in this sector in order to take advantage of an expanding global demand for meat. Expansion of the processing industry is taking place. An interview with a new abattoir **Hala Meat Processing (Pvt) Ltd** near Islamabad as well as indications that both established Pakistan corporations, **Engro** and **Fauji Fertilizer** plan to establish meat processing operations.

Developing the “all Pakistan” brand for Halal and quality specifications becomes even more important as new investment and companies enter the market.

## **7.8 Next Steps**

It is understood that in December-mid February meat industry consultancies will take place within the project focused on improved feeding programs for beef cattle, grading specifications and the definition/standardization of beef cuts along with targeted export marketing efforts that will be important elements in improving the meat value chain. These current actions and past reports on the meat value chain should be combined in an overview report that indicates how progress has been made in improving the meat value chain, identify critical bottlenecks within the value chain. The bottlenecks are likely to be the supply of good quality animals and the development of international markets for Pakistan frozen meat product. Such a document can be used to publicize the opportunities for local producers and international importer/buyers to participate in the Pakistan meat value chain.

## **ANNEXES**

- Annex A Meat Branding Power Point Presentation, November 2014
- Annex B Comparative Study Between Halal International Models, Mariam Abdul Latif, Assoc. Professor, University Malaysia Sabah, Malaysia
- Annex C List of Contacts