NEPAL IS AMONG THE POOREST COUNTRIES IN THE WORLD WITH A MALNUTRITION RATE OF NEARLY 40%. POULTRY IS THE LARGEST SOURCE OF PROTEIN IN NEPAL AND IS ESPECIALLY IMPORTANT FOR THE POOR.

IFC and GAFSP are investing together $3.8 million in feed manufacturer Probiotech Industries to enhance poultry farm productivity, and boost incomes in rural Nepal.

Probiotech will use the funding to finance manufacturing capacity for value-added products like soy flour, nuggets and refined oil. It will help the company to increase sourcing from local farmers and food suppliers, and improve food security by introducing affordable, good quality soy-based protein “nuggets” which will increase access to protein for the vegetarian population.

Probiotech Industries is one of the first organized sector poultry feed manufacturers in Nepal. For several years Probiotech has been working with local poultry farmers and IFC’s GAFSP Advisory Services to strengthen the poultry supply chain in Nepal, with a particular focus on training women farmers on biosecurity and farm management. In an ongoing effort, Probiotech continues to train farmers in techniques and practices and aims to reach around 4,000 farmers through seminars annually. With a network of more than one hundred dealers and over five hundred sub-dealers, Probiotech farmers with inputs, feed, and technical advice from veterinarians.

EXPECTED RESULTS:

It is estimated that every year 1,200 young people leave Nepal to look for jobs elsewhere. This drain from a productive workforce has an opportunity cost which can be reduced as more jobs are created within Nepal. The proposed investment will create additional direct jobs at the factory and a large number of indirect jobs through forward and backward linkages with farmers and small/medium size businesses.

Feed represents over 80 percent of live broiler production costs. Improvement in feed quality and feed mill production efficiencies will help in reducing these costs for farmers. Probiotech will also begin production of affordable, good quality, soy-based protein “nuggets”, improving access to protein. Production value-added products like these will help substitute imports and improve food security.

95 percent of Probiotech’s purchases are from small and medium enterprises which also source from small farmers. The project will strengthen linkages with these enterprises, creating new opportunities for the farmers who supply them to raise their incomes.