

In six months, the Baharak unit generated income of 200,000 AFN (US\$ 4,032) and the Jurm unit made 194,000 AFN (US\$ 3,911) from the sale of day-old chicks and eggs. With their earnings, the farmers have been able to buy locally manufactured incubators to further increase productivity.



Development Partners

Kabul Poultry Association
Ministry of Agriculture Irrigation and Livestock
Community Development Councils
Natural Resource Management
Department for International Development
US Agency for International Development
Education, Dairy and Nutrition Programme
Winrock International

are meeting local market demand and will eventually wholesale to supermarkets. It is projected that by the end of 2007, Baharak and Jurm will export eggs to other districts.

Both hatching units in Baharak and Jurm are busy producing and supplying day-old chicks. The Baharak unit generated income of 200,000 AFN (US\$ 4,032) in six months and the Jurm unit made 194,000 AFN (US\$ 3,911) in six months from the sale of day-old chicks and eggs. In addition, two new hatching units have opened in these two districts.

In 2007, EDP will carry out an impact analysis with entrepreneurs and BDSPs. However, tangential evidence shows

that four villagers from Baharak and two from Jurm have taken the initiative to start their own poultry farming businesses. They have constructed poultry sheds, purchased feeders, drinkers and other required tools, and purchased chicks from hatching units without support from any organisation.

EDP will now provide technical support including poultry management training, feed manufacturing training and linkages to input suppliers. This entrepreneurial behavior reflects the success of EDP's efforts to develop the poultry sector as a sustainable, alternative livelihood in Badakhshan and shows that subsidies need only be provided for a short time to simply demonstrate market potential.

For further information

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Useful Principles

- focus on increasing and improving the participation of micro-small enterprises and the poor in the private sector through building their capacity and creating market linkages
- avoid distorting the market by intervening directly through setting up businesses or buying/selling goods
- structure relationships with providers of market solutions in a businesslike manner, providing time-bound subsidies only when needed to demonstrate market potential

The Aga Khan Development Network (AKDN) is a group of private development agencies working to empower communities and individuals, often in disadvantaged circumstances, to improve living conditions and opportunities, especially in Africa and Asia. Its agencies work in over 30 countries for the common good of all citizens, regardless of their gender, origin or religion. Its underlying impulse is the ethic of compassion for the vulnerable in society.

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AFGHANISTAN



The Poultry Sector: Creating Alternative Livelihoods in Rural Afghanistan

Like many other food items, eggs are still imported into Afghanistan, mainly from Pakistan -- despite high demand.

The Aga Khan Foundation's Enterprise Development Programme (EDP) believed that commercial poultry had great potential as a sustainable alternative livelihood for a large number of people.

In 2005, AKF launched a pilot project in the poultry sector in Badakhshan. Using a market development approach, EDP conducted a value chain analysis and designed appropriate interventions. By early 2007, the success of the EDP efforts was marked by the complete substitution of imported eggs by local production.

Moreover, EDP subsidies have been greatly reduced and, in some cases, eliminated. Overall, the poultry sector now offers increasing income opportunities to farmers in Badakhshan.

The Poultry Sector

Poultry and poultry products are in high demand in Badakhshan. Most chickens and eggs are imported yet supply is insufficient to meet consumer demand. Recognising commercial poultry production as an opportunity for licit and sustainable livelihoods, EDP carried out a value chain analysis of the sector in 2005. Six key actors were identified:

- Parent stock farms (breeding of livestock)
- Hatching units
- Rearing centres
- Poultry farmers
- Feed producers/suppliers
- Poultry extension services (vaccines and medication)

The analysis revealed a lack of parent stock farms and hatching units; outdated rearing practices; a need for trained poultry farmers; and a shortage of balanced feed, which is indispensable for commercial

scale poultry farming to increase egg production and chick growth.

Enabling Poultry Production

Before EDP intervened, there were no commercial scale poultry farms or rearing centres in Badakhshan. The only poultry farming that existed were "backyard farms" averaging 5-10 chicks per household and using traditional rearing practices. This resulted in a high incidence of disease and low quality chicks. District centres thus imported eggs and chicks from Kabul or Pakistan to meet local market demand. EDP introduced commercial scale poultry farming in Badakhshan through the following interventions.

Parent Stock Farms and Hatching Units

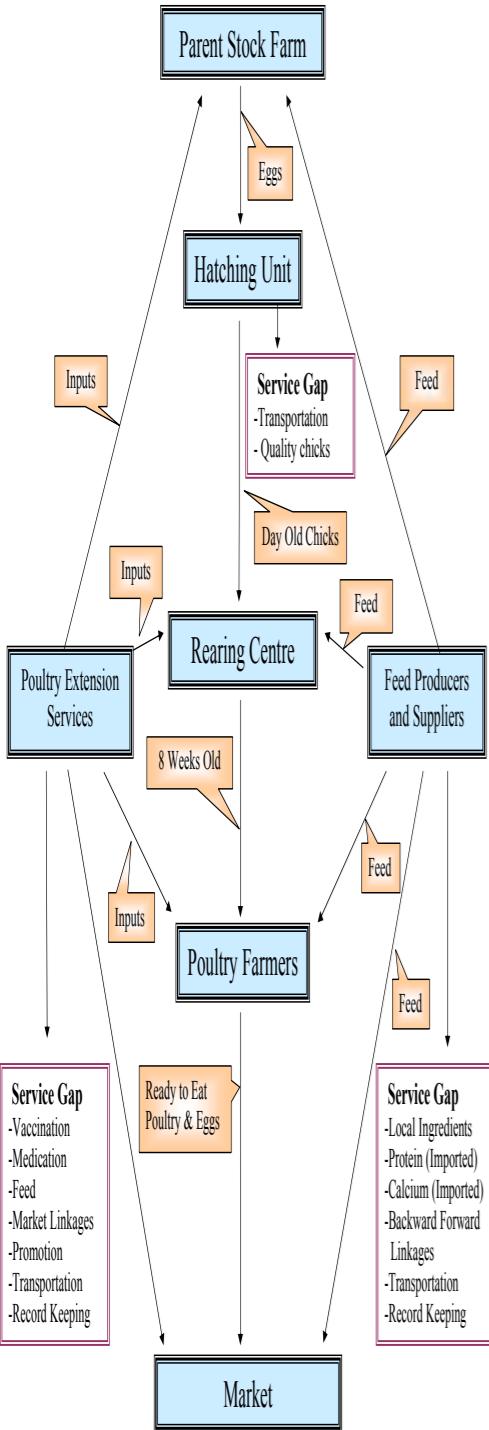
To ensure sustainability of hatching units, fresh and fertile eggs of superior species must be used. As quality chicken breeds were not available in Badakhshan, eggs were commonly imported from Pakistan at very high costs. To determine whether



By early 2007, the success of the EDP poultry initiative was marked by the complete substitution of imported eggs by local production. In Jurm and Baharak, consumers are now demanding locally produced eggs.



Poultry Sector Value Chain



transporting eggs from Kabul would be a feasible and less costly alternative, EDP purchased 300 eggs from Kabul for incubation in Baharak. However, the results showed that the transport greatly reduced the fertility of the eggs.

As a solution, EDP proposed to bring parent stock to Badakhshan. With the assistance of the Kabul Poultry Association, EDP purchased 200 three-month old "Golden Layers" – a breed principally used for egg production – at 135 AFN (US\$ 2.70) per chicken from Kabul. These layers were transported to Badakhshan and given to two hatching unit farmers, also trained in parent stock farming.

EDP also purchased two incubators, each with the capacity of 400 eggs per hatch, and provided them to the farmers.

Since the flock of layers would not reach peak egg production until approximately seven to eight months of age, in order to demonstrate the benefit and profitability of the poultry sector, EDP subsidised the first two batches of production by providing eggs and feed.

Approximately 10 months later, both farmers began to purchase their own parent stock from Kabul, without further need for EDP subsidies. After the first year and further investigation of market demand, the farmers purchased a second, locally manufactured incubator with their own funds, again eliminating the need for EDP subsidies.

Rearing Centres

Rearing centres purchase day-old chicks from hatching units and rear them for seven weeks before they are sold to poultry farmers. Rearing centres greatly

reduce the mortality rate of transporting day-old chicks. EDP provided technical assistance regarding temperature control, feeding, vaccination/medication and shed cleaning.

Poultry Farmers

EDP's primary efforts have been with the poultry farmers. Once it completed its analysis, EDP worked with the Natural Resource Management and Community Development units of AKF to identify 10 entrepreneurs to help develop and support the poultry sector in Badakhshan.

EDP then organised and funded exposure visits to Kabul for the entrepreneurs, with the aim of widening their knowledge and understanding of commercial scale poultry farming. They visited micro- and small-scale poultry hatching units, feed manufacturers, input suppliers, and medicine and vaccine stores. They were also introduced to the Kabul Poultry Association, which provided them with training in parent stock farms (livestock breeding), hatching units, rearing centres and poultry farms.

After the exposure visits, EDP hired a poultry specialist from Kabul to be based in Badakhshan, to help build and strengthen local business development service providers (BDSPs) and to ensure that all required poultry related services including poultry management training, vaccinations, feed manufacturing, technology dissemination and business management services, were available in Badakhshan. Given the shortage of supply in the market, there was no need to provide marketing assistance or training.

Linkages have been established between the BDSPs and the Kabul Poultry

Association, hatching units, microfinance agencies, and providers of medicine and vaccinations. Poultry management training for new entrepreneurs/farmers was organised in Jurm and Baharak.

During the first year, EDP paid the BDSPs to train the entrepreneurs – now poultry farmers. By the second year, several of the farmers no longer needed subsidies, and paid either in cash or in kind (poultry) to continue their training. In 2006, AKF identified another 15 entrepreneurs, who subsequently benefited from the same exposure trips and training.

Feed Producers/Suppliers

Productivity in the poultry sector depends on balanced feed, which increases egg production and chick growth. All farmers in the programme have been trained in feed production using local ingredients and indigenous technology. Barley, wheat, maize, fish powder, blood powder (for protein) and bone pieces (for calcium) are ground together to make high quality feed. This reduces dependency on feed from Kabul and makes feed available locally at a reasonable price.

As production levels increase, private sector feed mills become necessary to meet demand. To address this, EDP encouraged the poultry farmers to create an association to establish proper feed manufacturing facilities. Through the association, EDP hopes the farmers will: i) benefit from reduced input costs and economies of scale on feed, vaccinations and medication; ii) collect membership fees and voluntary savings; iii) facilitate better access to microcredit through group collateral, and better access to government facilities and resources; and iv) acquire membership in the Chamber

of Commerce. EDP has helped develop the association through the provision of association management training.

Poultry Extension Services

Extension services are needed to support poultry production at all stages. The Natural Resource Management unit of AKF established 10 veterinary field units (VFUs) in Badakhshan, staffed by trained paraveterinarians and basic veterinary workers, who provide medicine and vaccines, and diagnose disease. While the farmers pay for inputs and services, the Foundation continues to cover basic operating costs including the staff's food and accommodation. Given the high level of subsidy required, AKF is working to encourage the Government to provide veterinary care as a public service.

In addition, AKF supported nine veterinarians to set up livestock input/ supply stores. Support included linking them with vaccination and medicine suppliers and other poultry input suppliers in Kabul (funding their transport, food and accommodation), providing business management training, and introducing them to microfinance providers for purchasing refrigerators, medicine, etc.

Sustainability and Growth

By early 2007, 25 poultry farmers had been trained in poultry management and had access to all the necessary inputs and services.

In Jurm and Baharak, consumers are now demanding locally produced eggs. Egg production is increasing daily and three poultry farms from Jurm and three poultry farms from Baharak have started selling eggs in the market. The poultry farmers

The avian influenza epidemic in 2005 - 2006 caused huge setbacks, as hatching units and poultry farmers were forced to abandon all activities. Although in early 2006 all poultry farms were empty, by June 2006, hatching units had resumed incubation and eight new poultry farms had joined the market. They were promptly linked to hatching units, rearing centres and input suppliers in Baharak, Khash and Jurm, Ishkashim and Hazrat Sayed. This quick recovery is a testament to the effectiveness of the market development approach, as entrepreneurs and BDSPs worked together to protect the market from external factors with the capacity to eliminate vulnerable actors from the value chain.



Productivity in the poultry sector depends on balanced, high quality feed, which increases egg production and chick growth. All the farmers in the initiative have been trained by EDP in feed production, using local ingredients and indigenous technology.