

# Suncrop bursts onto Multan's animal feed scene

*Suncrop's feedmill tower. The plant operates on two separate lines.*



**With its roots in Pakistan's pesticides market, Multan-based Suncrop Group recently ventured into feed, writes ZAHRAH IMTIAZ.**



*Suncrop's CEO, Dr Muhammad Shafique Pitafi*



**A**fter more than 20 years as one of Pakistan's leading pesticide producers, Suncrop Group's decision to open an oil and ghee mill three years ago through an offshoot proved to be serendipitous.

The move coincided with an expansion in poultry production across Pakistan that had led many edible oil producers to add feed to their repertoire.

Recognizing its close relationships with farmers who had bought its pesticides for more than two decades, Suncrop decided to capitalize by opening its own feedmill in 2018.

The facility now operates on two separate lines for cattle and poultry feed. Imported from China and with American and Turkish silos, the cattle line has a capacity of 15 tons per hour, while the poultry feed can double this level of production.

### **Building a feedmill**

Though the Punjabi city of Multan was not traditionally a center for commercial feedmills, the industry has grown since Asian Feeds entered the local market two decades ago.





**Dr Abdullah Ahmad Tatari.**

**Suncrop's laboratory for feed quality testing.**



"As a new company, we figured that the best way to break into the market is to focus on consistent quality," said animal nutritionist Abdullah Ahmad Tatari, who has been Production Manager at Suncrop Feed Mills since its inception.

The new feedmill began by looking at ways farmers could improve their FCR. Competition for the best FCR is huge in Punjab, where it usually ranges from 1.4-1.6 for 2.2kg of body weight. "We were able to get the FCR to 1.4-1.5, allowing us to break into the market," said Dr Tatari.

The company also invested in state-of-the-art hygienizers for its pellet mills to ensure that there would be no feed contamination.

Early on Suncrop Feed Mills adopted a policy of paying raw material brokers weekly to ensure it would become a preferred buyer in the area.

Together, these factors have helped the company achieve its initial sales target of selling 100,000 sacks of 50kg in under four months.

"Usually companies take one or two years to achieve this. But we were able to do it within months," he said.

### **Innovating**

All feed additives and ingredients



**The group has built its foundation with strong human resource management.**

that go into the formula are tested at r&d farms prior to being sold commercially. The sheds house 30,000 birds each, while a separate shed rears 150 cattle for cattle feed testing.

"In Pakistan we use a number of different ingredients in our formulation like canola meal, sunflower meal, fish meal and soy bean meal, so all these have to be first tested," he said.

In 2019, the cost of raw materials and imported feed additives rose sharply in Pakistan due to the rapid depreciation of the Pakistani rupee to the dollar. Hence experiments were also carried out to find enzymes which would increase digestibility of the feed.

Another challenge Dr Tatari is facing is the movement to remove AGPs in animal feed. "We are experimenting with plant extracts to find alternatives to AGPs but it has been difficult," Dr Tatari said.

While the Pakistan government is yet to issue a complete ban on AGPs, he is conscious that this might well happen.

"Those in the industry complain that when we remove AGPs from feed, the birds get weaker and their immunity drops. This means they use more antibiotics at a farm level. This is a challenge for us," he explained.

### **Combating heat stress**

Dr Tatari has succeeded in combating heat stress, one of the most frequent causes of animal mortality locally.

Feed producers have commonly

added betaine to their formulations as the amino acid can increase water retention, causing less dehydration. Given its success with poultry, Dr Tatari is now trialing betaine's use in cattle feed.

"I have had good results for this. It will be used soon in our commercial cattle feed," he said.

Doing so will help Suncrop increase the feedmill's foothold in the cattle feed market, which has been expanding quickly over the last two years, as farmers who used home mixes and cakes increasingly switch to compound feed.

### **Challenges ahead**

Market forces mean Suncrop has not been able to overcome rising raw material prices that have seen the cost of corn jump from USD 0.158/kg in 2018 to 0.197 late last year. Soybean meal has also risen to USD 0.442/kg kilo from USD 0.316/kg in 2018. The depreciation of the rupee has also caused a rise in the price of feed additives.

"The farmer is greatly affected by increasing production costs. We have to increase poultry feed prices because of high raw material prices," said Dr Tatari.

As the rupee recovers and the poultry market bounces back, Suncrop Feed Mills hopes to expand its sales to other parts of Punjab and Sindh province.

"At current capacity, we can easily increase production up to 400,000 bags per month. Thereafter we will decide whether we need another feedmill or not," said Dr Tatari. **AF**