

POLICY BRIEF - KP's Livestock Sector – Current Status, Policy Gaps and Way Forward

1. Context and Strategic Importance

Livestock remains a vital pillar of Khyber Pakhtunkhwa's rural economy, contributing significantly to household incomes, food security, and employment generation. Despite its importance, the sector continues to suffer from fragmented governance, low productivity, and limited value addition. Existing institutional arrangements have not kept pace with emerging challenges such as climate stress, population growth, market volatility, and biosecurity risks. The time is ripe for a governance-led reform model that integrates policy, institutional coordination, market linkages, and technology-driven solutions for sustainable livestock development.

2. Current Status

- Predominance of smallholder farming with low productivity per animal
- Weak integration between producers, processors, and markets
- Limited value addition and poor cold-chain infrastructure
- Fragmented extension and veterinary services
- Inadequate disease surveillance and preventive health systems
- Poor investment climate for private-sector engagement

These challenges collectively restrict the sector's capacity to achieve competitiveness, resilience, and export readiness.

3. Major Policy Gaps

The public sector — particularly the Livestock Extension Directorate General — plays a central coordinating role in the management of veterinary hospitals, artificial insemination centres, livestock breeding farms, and the implementation of development programmes. While this structure has ensured operational continuity, it has also led to a concentration of financial and administrative control within a limited institutional framework.

Consequently, the research wing of the department, universities, and farmers' associations have comparatively limited participation in fund allocation processes and policy development forums. This has unintentionally constrained the growth of knowledge-based institutions and reduced opportunities for stronger research–extension–farmer collaboration. A more inclusive and participatory governance model, involving all stakeholders in planning and resource mobilisation, would enhance innovation, shared ownership, and sustainable sectoral progress.

a) Productivity Deficit: Low-quality genetics, insufficient fodder resources, and limited adoption of modern management practices restrict output and profitability.

b) Treatment-Oriented Livestock Health Policy vs Preventive Health: The prevailing focus of the provincial government on disease treatment rather than disease prevention creates systemic hurdles for farm productivity and profitability. Farmers desire disease-free herds to ensure stable production and income, while veterinary practitioners in both public and private sectors remain largely incentivised to respond to sickness rather than prevent it. This misalignment creates a conflict of interest, allowing infectious diseases to persist and potentially become endemic, thereby undermining long-term sector sustainability.

c) Market Distortion through Price Capping: Price capping policies in meat and dairy markets discourage young entrepreneurs and quality-driven producers by compressing profit margins and disincentivising investment in hygienic production, value addition, and quality assurance. Conversely, such controls inadvertently promote low-priced, low-quality products, weakening consumer confidence and compromising food safety standards.

4. Strategic Way Forward

a. Strengthening Animal Health Systems: Integration of One Health principles. Preventive medicine concept to be prioritised over therapeutics.

b. Productivity Enhancement Programmes: Promotion of improved breeds, fodder innovation, AI services, and mechanised feed systems to enhance per-animal output.

c. Market & Value Chain Development: Development of collection centres, cold storage facilities, dairy processing hubs and traceability systems to assure quality and price transparency.

d. Establishment of Livestock Technoparks (LTPs): Creation of autonomous Livestock Technoparks as integrated governance platforms to facilitate regulation, quality control, enterprise development, and public-private coordination as envisioned under Dairy Science Park. Such models may be established under technoparks as autonomous bodies with full regulatory, financial and administrative powers and managed by a Board of Governors comprising members from the constituent institutions. Endowment Funds may be utilized for this purpose through business incubators.

6. Expected Outcomes

- Improved productivity and farmer income
- Strengthened governance and accountability mechanisms
- Enhanced food safety and quality assurance
- Increased youth employment and rural entrepreneurship
- Sustainable growth in livestock exports