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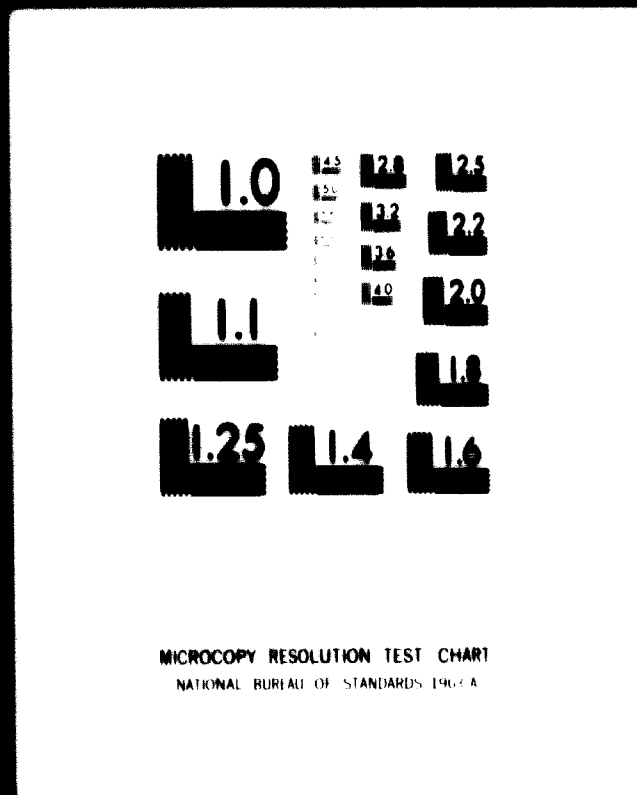
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Third Asian Meeting to Promote
Industrial Projects
Kuala Lumpur, Malaysia, 14-21 November 1973

Project Information Sheet

CORNER BEEF AND BY-PRODUCTS

COUNTRY

Pakistan

PROJECT

Production of Corned Beef,
Beef Extract and By-products
Capacity: 300 Heads daily
Total Investment: US\$4.3 million

FOREIGN CONTRIBUTION REQUIRED

Equity
Loan
Management

Sponsored by: The Economic Commission for Asia and the Far East (ECAFE) and
the United Nations Industrial Development Organization (UNIDO).

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IMPORTANT NOTICE

The basic purpose of this meeting is to provide an Exchange or Market Place for the initiation of contacts on specific industrial projects between their proponents from the Asian countries and potential suppliers of capital, finance, equipment or know-how, as the case may be, from the industrialized countries.

This Project Information Sheet has been prepared as a basis for such contacts. Its purpose is not to present detailed information about the project but to provide the recipient with an outline sufficient to determine tentative interest in principle. Any further available information on the project will be furnished on request to interested parties at the Meeting.

Experience has shown that industrialists frequently prefer to carry out their own further investigations in detail into projects in which they are interested, but assistance from UNIDO in these matters can be rendered to the Asian country concerned on request.

This Information Sheet contains only the information supplied to UNIDO by the proponent of the Project. UNIDO can therefore take no responsibility for its accuracy.

CORNERD BEEF AND BY-PRODUCTS

I. THE PROJECT

This is a phased project beginning with the production of corned beef, meat extract and other by-products by processing 300 heads of cattle and buffalo daily, later developing into the production of chilled quarters, frozen prime cuts and manufacturing boneless beef. The products are expected to be sold mainly in overseas markets.

For the present, this background information mainly deals with the first phase about which the proponent has already conducted an extensive survey. Further details will be made available by the proponent to any interested foreign party upon request.

II. COMMERCIAL ASPECTS

Export Marketing

The international price of corned beef has doubled in the last five years and is still rising.

Current Prices

(a) Corned Beef (II grade) per case of 24 x 12 oz. cans	(US\$) 9.75 FOB
(b) Meat extract per kg.	7.15 FOB
(c) All by-products average per kg.	0.083 ex-factory

The EEC countries alone are reportedly forecasting a probable meat deficit by 1980 of one million M/T per year.

Under the circumstances and subject to the achievement of acceptable health standards and competitive prices, it can be anticipated that there will be no difficulty in finding ready markets.

By-Products Distribution

Successful operation of a meat processing industry is largely dependant on the utmost economic distribution of by-products. The proponent is naturally deliberate in this respect and plans the following commercial distribution:

Hearts, Tongues, Liver, Spleen, Kidneys, Tails and Brains - sold to the meat market.

Bones, inedible tallow, inedible meat, blood and condemned livers - processed into bone and meat meals after pre-cooking bones and skimming off of tallow.

Hoofs and Horns - meats foot oil and glue, respectively.

Bile (concentrated to 82% and frozen), thyroid glands, renal glands, pancreas glands and other useful glands - sold to pharmaceutical industry.

Gall stones, casings, spinal cords, sold to the Hong Kong meat market for Chinese dishes.

Pituitary glands, tail hair and ears - not specified.

Hides - salted for marketing

Tripe and Beef Drippings - not specified

Tallow - sold to soap makers.

Achilles Tendons - partly for corned beef and the rest for meat meals.

III. PHYSICAL ASPECTS

Production Capacity

The plant is designed to reach full capacity in the fourth year, producing approximately 4,000 tons of corned beef, 1,000 tons of by-products and 175 tons of beef extract annually.

Phased Production Programme

	<u>1st year</u>	<u>2nd year</u>	<u>3rd year</u>	<u>4th year</u>
No. of animals	40,000	50,000	60,000	70,000
Corned beef (M/T)	2,218	2,773	3,327	4,159
By-products (M/T)	512	641	770	960
Beef extract (M/T)	93	117	140	175

(Production ratio of cattle/buffalo = 4 : 1)

Raw Material

(a) Bovines

Based on 1960 and 1965 censuses, it is estimated that the bovine population had increased to 34.78 million. As no later census is available, the project focuses on 1965 census figures and estimates that the projected plant will consume 2.17% of the buffaloes and 11.26% of the cattle available for slaughter in the country's abattoirs.

(b) Containers

Cans will have to be imported as the Hashmi Can Company in Karachi does not produce rectangular cans suitable for corned beef.

(c) Site

The proposed plant will be located in the Multan District, between Multan and Khanowal, subject to the availability of necessary facilities such as utilities, water and communications. The site will require 40 to 50 acres of land to be capable of handling 150,000 heads of bovines annually in the feed lot.

(d) Labour

<u>Category</u>	<u>No.</u>	(US\$) <u>Monthly Wages</u>
Management	8	4,525
Administrative	20	2,025
Production	387	19,500
Total		<u>26,050</u>

IV. FINANCIAL ASPECTS

(a) Total Estimated Investment for Start-Up (in thousand US\$)

<u>Fixed Assets</u>	<u>Local Currency</u>	<u>Foreign Exchange</u>	<u>Total</u>
Land	20	-	20
Building	562	-	562
Machinery + Equipment	858	1,700	2,558
Ancillaries	60	-	60

(b) Other Investments

Pre-operational expenses (wages, legal fees, training fees, consulting fees, etc.)	200	-	200
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(c) Working Capital

	<u>894</u>	<u>-</u>	<u>894</u>
	<u>2,525</u>	<u>1,700</u>	<u>4,224</u>

Proposed Financing Plan

(In thousand US\$)

	<u>Local Currency</u>	<u>Foreign Exchange</u>	<u>Total</u>
Equity	1,000	300	1,300
Long-term loan	-	1,400	1,400
Rupee debentures	700	-	700
Short-term loan	<u>894</u>	<u>-</u>	<u>894</u>
	<u>2,594</u>	<u>1,700</u>	<u>4,294</u>

The above figures are not definite and still open to negotiation.

V. FOREIGN CONTRIBUTION REQUIRED

Equity

Out of the proposed share capital of US\$1.3 million, US\$0.3 million is sought from the foreign participant.

Loans

Foreign currency component of US\$1.4 million to partly cover imports of necessary plant equipment is sought in the form of a long-term loan repayable in ten equal instalments beginning in the second year after the commencement of commercial operations.

Technical Know-how

Two foreign experts are invited to supervise the entire operation of the proposed enterprise.

VI. OTHER RELEVANT INFORMATION

Organisational Structure

As the promoter of the project, the proponent has already incorporated a new public limited liability company known as Protein Ltd.

Proponent

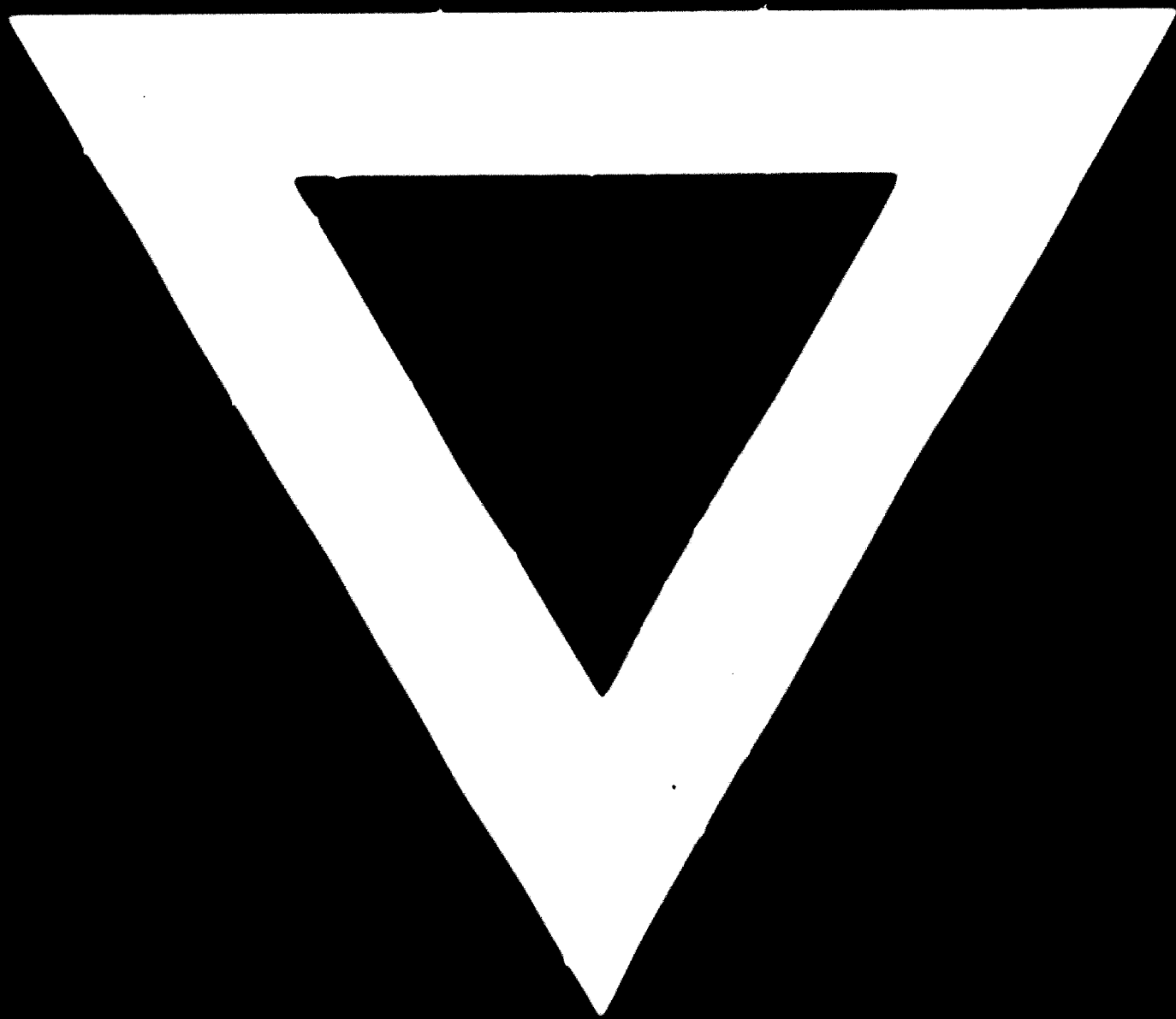
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Proteins Ltd., Shahra-I-Roomi (P.O. Amersidhu)
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Documents

An extensive study on the project has been conducted by the proponent and it could be made available by the proponent to interested foreign parties upon request.



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