USAID Firms Project

Value Chain Analysis Study for Meat Sector

Study at a glance:
USAID Firms Project is seeking a team of consultants to undertake a value chain analysis study for the meat sector in Pakistan. The study will collect and analyze data from different stakeholders in the value chain and provide USAID with a list of factors that affect meat production in Pakistan. This analysis will also help USAID understand the change in sales by volume and the change in the number of jobs that can be created throughout the selected value chain by implementing planned interventions. This study is expected to commence in November 2013 and will be completed by February 2014.

1. Studies Titles:
Value Chain Analysis Study for Meat Sector

2. Sector Background:
Meat production in Pakistan exceeded 2.2 million metric tons in 2009-2010 and the domestic market for beef is growing at a rate of about 2.73 percent and about 2.9 percent for meat. The total size of the market for chilled and frozen halal meat in Middle Eastern region is approximately USD 3 billion which shows that the sector holds high potential for growth. Inspite of the huge potential, meat industry in Pakistan faces many challenges. Some of these problems include lack of infrastructure and services for meat processing, lack of exposure to premium markets and their quality and certification requirements, absence of quality meat breeds for higher yields per animal, over regulated meat prices, livestock markets / “Mandis” are inefficient and quality and health standards are either non-existent or loosely defined.

Value chain analysis refers to the mapping of the full range of activities that are required to bring a product (or a service) from conception, through different phases of production, to delivery to final consumers and disposal after use. Furthermore, a value chain exists when all the stakeholders in the chain operate in the way to maximize the generation of value along the chain. Value chain analysis seeks to understand the various factors that drive the incentives, growth and competitiveness within a particular industry and to identify opportunities and constraints for increasing the benefits of stakeholders operating throughout the industry. The figure below illustrates some of the key elements of value chain studies.

![Value Chain Analysis Diagram](image-url)
A value chain analysis is important to judge the current performance of an industry or sub-sector by examining various activities in the production chain and comparing these with national or international benchmarks; identifying gaps in performance; and probing into the underlying policies, institutions, and infrastructure-related inefficiencies that directly affect productivity and competitiveness.

3. Study Background:
The USAID Firms project recently completed a labor multiplier assessment for the Mango Value Chain. This assessment assessed the number for Full-Time Equivalent jobs (FTE) created within the entire value chain for an increase in sales/volume above a current baseline. The creation of employment opportunities is one of the main indicators that USAID/Pakistan is tracking to determine the success and progress of its economic investments. For direct employment each individual implementing mechanism is tracking the number of jobs created (in FTEs) by its investments. However, as value chain investments have numerous spill-over possibilities into linked areas not necessary receiving direct investment or assistance, USAID/Pakistan has determined that a methodology or estimating indirect labor creation is required. The rate of indirect employment creation will be reported separately and will be reported with necessary assumptions and qualifiers that provide USAID/Pakistan a level of confidence for attribution to its investments.

The USAID Firms Project has been requested to complete a value chain study to determine the constraints and opportunities in the meat sector and to map the results of the planned and completed interventions by USAID’s implementing partners.

4. Objective of the Study:
The purpose of the assignment is to build a good understanding of the constraints and opportunities of the meat value chain by mapping planned and completed interventions within the selected districts. The Consultants shall be expected to analyze the flow of trade within the country for the relevant subsectors to establish specific value chain constraints and opportunities. These should be mapped to USAID interventions in the sector. The value chain analysis should make an attempt to assess the levels of intervention in the selected districts supported by the implementing partners. It will identify major gaps and constraints within the districts and will help understand the current and/or potential change in sales by volume and the change in the number of jobs created throughout the selected value chain in Pakistan.

The assessment will consider the following key sub-objectives. For each sub-objective, the project has defined the minimum activities that consultants are expected to complete.

Sub-Objective 1: Analyze the market system by compiling a comprehensive profile of the subsectors in the meat value chain
Sub-Objective 2: Systematically document the planned intervention in the value chain by the implementing partners.
Sub-Objective 3: Acquire information on the distribution of economic gains across the selected value chain by various players.

5. Scope of the Study
The consultant(s) will focus on the meat production within the province of Sindh and Punjab. The consultant(s) will work from field offices of existing USAID project located in the province but may require frequent travel to other cities in order to interact with a wide range of project beneficiaries, transporters, processors, and marketing agents to analyze the complete value chain.

6. Details of Specific Tasks:
General Activities:

a. In collaboration with the USAID Firms Project M&E and technical assistance teams, develop and finalize the detailed methodologies to use for the sector, including the conceptual frameworks, assumptions and coefficients/ratios, protocols, quantification of impacts, attribution, instruments, and detailed analyses plans.

b. Seek approval from USAID Firms Project M&E Advisor on study design, methodologies, time frame and any instruments to be used during the study.
c. Where possible and required; coordinate with relevant sector assistance programs, national and local governmental officials, community elders and other stakeholders for the smooth implementation of the study.

d. Develop analysis plans for the study and seek USAID Firms approval.

e. Provide a draft report to the USAID Firms Project in English for the meat sector for review and comment. The report should be in the prescribed format as detailed in Annex 1.

f. Conduct any supplemental analyses based on feedback from the USAID Firms Project, including results in the final report.

g. Work closely with the designated USAID Firms Project focal points throughout the contract period.

h. Adhere to all relevant policies and procedures of the USAID Firms Project as detailed in Section 8.

**Specific Activities by Sub-Objective:**

**Sub-Objective 1: Analyze the market system by compiling a comprehensive profile of the subsectors in the meat value chain**

**Key Questions:**

a) Present a brief product and industry profile of the meat sector that should include (but not be limited to) the following items:

   a. Global, regional, and national market, production, and trade data to assess the structure of global, regional, and local demand, production, output, trade volume and values, consumption patterns, input and output prices, and so on.

   b. A discussion of the regional or national external shocks that are likely to influence the productive and marketability of the products.

   c. An analysis of global, regional, and national product and industry trends, including key export and import markets, market shares; changes in sourcing, production, and supply chain management practices; standards and technological practices; and so on.

   d. Identification of key drivers of the demand for the selected value chain, and specific factors required for local producers to compete in each of these markets, including product quality or required processing standards.

   e. An assessment of the relationship between meat sector contributions and broader macroeconomic indicators (e.g., national and provincial GDP, inflation, employment, foreign exchange, tax revenues, and so on). This should include a review and synthesis of the policy and administrative framework governing meat value chain and specific products.

   f. A brief discussion of the existing market structure (competition policy) and entry barriers, if any. It should also include competitive dynamics of core service providers linked to the value chain including profiles of economic agents (e.g., input suppliers or producers, core producers and intermediaries, transporters and freight forwarders, and so on).

   g. This phase should also include a good stocktaking of all previous relevant studies or projects (both completed and ongoing) and a gap analysis to clearly identify the added value of any completed, on-going and planned interventions in the sector.

   h. Conduct a gender analysis to find out the possible areas of interventions for increasing participation on women in the sector.

**Proposed Methodology:**

a) Conduct meetings with relevant members of the project teams and management and other relevant stakeholders of the meat value chains.

b) Conduct desk review of related documents and other secondary sources.

c) Based on the information gathered from discussions with project teams, management and other stakeholders along with secondary research conducted (study findings); describe the different actors and their functions in the value chain. This may include: input suppliers, nursery developers, producers, transporters, traders, wholesalers, retailers, processors, exporters and other stakeholders such as government, academia and Civil Society Organizations (CSO).

d) Using the study findings, identify the different critical factors and explain how they influence the meat value chains. These could be government policies, role of different stakeholders, market dynamics, climatic conduction, etc.

e) Detail the market structure for meat sector by using the study findings to show a logistical function, an informational function, and a distributional function. The logistical function includes
not only the transformation of goods over time (storage), but also embraces place (transportation), and form (processing) activities.

f) A measurement of the meat value chain performance, which includes the following steps:
   a. Provide estimates of cost, time, and added value of sourcing, transforming, and delivering raw materials within one segment (or process) of the chain to another.
   b. Benchmark the indicators in the point against those of competing countries involved in the production and delivery of similar products.
   c. Identify key segments and activities within the chain where performance lags behind those of competing countries/industries. Find out the areas where participation from women can lead to better results.
   d. Prioritize segments and activities in the chain where poor performance or inefficiencies severely undermine the competitiveness of the entire value chain.

**Sub-Objective 2: Systematically document the intervention in the value chain by the implementing partners.**

**Key Questions:**

a) Who were/are the major players or implementing partners conducting any interventions in the meat value chain?

b) What were the different components of the meat value chain development program/s?

c) What were the achievements of meat sector development program/s?

d) What were the major challenges that the program/s faced or are facing since inception and how were they addressed or are planned to be addressed?

**Proposed Methodology:**

a) Conduct meetings with sector teams, senior management, M&E staff and other members of the project/s to collect the historical perspective on the inception, development and implementation of the meat value chain program/s

b) Conduct meetings with partner SMEs

c) Conduct desk review of M&E related documents.

e) Analyze the change in sales and jobs of partner SMEs for meat sectors, relative to their baselines.

f) Document the inception, evolution, and implementation of different components of meat program. More specifically, summarize the best practices adopted during the implementation of the program.

g) Document the achievements of meat program.

h) Document the major challenges that the meat program has faced since its inception and how they were addressed

**Sub-Objective 3: Acquire information on the distribution of economic gains across the selected value chain by various players.**

a) Drawing on the value chain and benchmarking analysis in objective 1 and 2, the consultant team should identify key policy and market factors that will improve the competitiveness of the meat value chains as well as those that undermine it. These tasks might include the following:

   a. Identifying cross-cutting/economy-wide bottlenecks that affect the capacity of the private sector to compete (e.g., a lack of infrastructure, cumbersome customs procedures and facilities, technical barriers to trade, etc.).

   b. Identifying underlying sector-specific factors that are causing poor performance along the value chain (e.g., standards for product quality and testing, certification processes, sector policy distortions, administrative procedures, skills, access to capital equipment, access to capital, tax structure, and licensing).

   c. Establishing monetary costs of policy interventions/regulations (i.e., the costs of compliance and hidden/formal costs of compliance such as the cost of internal resources used by each company to comply).

   d. Identifying good practice cases to support the recommendations to address the issues.

   e. Analyzing the institutional and policy linkages between the performance of the value chain and specific policies, regulations, and institutions originating from either the public
or private sectors. Consultants may identify which specific institutional and policy measures would help to enhance the private sector’s ability to improve the performance of the value chain. Implications of these policy measures should be discussed and supported by evidence drawn from the value chain analysis and from international good practices. A summary of these issues and their implications could be presented in a matrix that highlights their effects on supply-chain competitiveness.

f. To the extent possible, the consultant (or team) should also provide some sensitivity analysis of the effect these constraints have on key economic development objectives (e.g., how can the amount of local added value and income generation be increased; what are the prevailing attitudes toward investment and risk-taking, safety and security, and working conditions?). Finally, based on the findings of the study, the consultant should offer recommendations for USAID that would improve productivity and performance along the value chain in the selected districts.

Proposed Methodology:

a) Gather price and sales related information of all stakeholders in the meat value chain. Information will be collected from: input suppliers, nursery developers, producers, transporters, traders, wholesalers, retailers, processors, exporters, and other relevant stakeholders such as government, academia and Civil Society Organizations (CSOs)

b) Gather information on the factors that affect the costs of production including production, wastage, and sales.

c) Carry out analysis on the difference between farm gate and retail price for meat value chain

d) Determine the market share – costs and margins – for market participants(wholesalers, traders and middlemen) in meat value chain;

e) Determine the marketing channels of meat value chain and geographic location;

f) Conduct separate profit analyses, with specific focus on market margins for different meat sales channels for all stakeholders such as: input suppliers; nursery developers, producer, traders, wholesalers, retailers, and processors;

g) Determine the price structures, cost drivers and labor requirements of local retailers, supermarket chains and other retailers for meat value chain;

h) Identify the increment in the price of a metric ton from sales at farmer level to intermediaries and to local market and also from intermediaries to exporters for meat value chain.

7. Deliverables:

I. **Deliverable 1: Value Chain Study methodology presentation.** The consultant(s) will present the proposed methodology for meat sector with the aid of PowerPoint presentations in English to the USAID Firms Project management and relevant staff after the first introductory meeting.

II. **Deliverable 2: Work plan and time frame.** The consultant(s) will submit a detailed work plan and time frame including the itineraries of meetings, data collection approach, analyses, reporting and presentations before the start of the field work.

III. **Deliverable 3: Regular updates on study status.** The consultant(s) are required to regularly provide brief written updates on the study process for the study. The frequency of the updates would be decided upon start of employment. The updates should cover the tasks for that period; whether they were completed or not and if not then why.

IV. **Deliverable 4: Presentation on the preliminary findings.** Present the preliminary findings with the aid of a PowerPoint presentation in English to the USAID Firms Project management and relevant staff after the completion of the field work.

V. **Deliverable 5: Draft study report.** The Consultant(s) will submit the soft copy of the draft report for the entire study of a maximum of 25 pages excluding annexes, in English as per the format provided by the USAID Firms Project after the completion of the field work.

VI. **Deliverable 6: Final study report.** The Consultant(s) will submit a final Value Chain Study Report of maximum 25-30 pages excluding annexures, in English language after receiving the feedback from the USAID Firms Project on the draft report.

VII. **Deliverable 7: Final study presentation.** Present the findings for meat sector with the aid of a PowerPoint presentation in English to the USAID Firms Project management and relevant staff with the final study report.

VIII. **Deliverable 8: Hard copies of questionnaires.** Properly filed/archived hard copies of filled-in
questionnaires, transcripts of any discussions and interviews, photos etc. used for the study.

8. Ethical Guidelines:
It is expected that the team will adhere to ethical guidelines as outlined in the American Evaluation Association’s Guiding Principles for Evaluators. A summary of these guidelines is provided below, and a more detailed description can be found at www.eval.org/Publications/GuidingPrinciplesPrintable.asp.

1) Informed Consent: All participants are expected to provide informed consent following standard and pre-agreed upon consent protocols.
2) Systematic Inquiry: Evaluation team/ Evaluator conduct systematic, data-based inquiries.
3) Competence: Evaluation team/ Evaluator provide competent performance to stakeholders.
4) Integrity/Honesty: Evaluation team display honesty and integrity in their behavior, and attempt to ensure the honesty and integrity of the entire evaluation process.
5) Respect for People: Evaluation team/ Evaluator respect the security, dignity and self-worth of respondents, program participants, clients, and other stakeholders. It is expected that the evaluation team/ evaluator will obtain the informed consent of participants to ensure that they can decide in a conscious, deliberate way whether they want to participate.
6) Responsibilities for General and Public Welfare: Evaluation team/ Evaluator articulate and take into account the diversity of general and public interests and values that may be related to the evaluation.

9. Key Personal/Management & Team Composition:
The study will be outsourced to a team of consultants who will work closely with the Firms Project M&E team (including Firms Project M&E Advisor and relevant staff). The USAID Firms Project will select individual consultants through a competitive selection process.

The Firms Project M&E Advisor will be responsible for approving the study methodology, instruments and the final deliverables. He will work closely with the focal person for the meat sector program and other relevant members of the team.

Team Requirements:
External consultants with the following portfolio will be sought to undertake the study:

Team Composition:
The study team will include:
1. One Team Leader (Masters in Agriculture Economics, PhD Preferred)
2. One Team Member (Masters in Economics/MBA, Business Development/Financial Accounting or related field)

A. Team Leader: One team leader will be required for at least 39 days. A team leader experienced in impact assessment methodology and relevant fieldwork will be needed to facilitate the study. Specifically, the team leader will be required to:
- Design the study;
- Supervise execution and implementation;
- Supervise study protocols;
- Conduct spot checks
- Undertake data analysis; and
- Draft the final report, presentations etc.

Team Leader must meet the following qualification and experience requirement.
- Minimum Education/Experience: Masters in Agriculture Economics with 7 years of experience or PhD in Agricultural Economics with 5 years of experience preferred.
- Demonstrated experience of conducting impact assessment or economic analysis related to agriculture.
- Must possess excellent communication and interpersonal skills
- MUST be able to write and speak English.
B. Team Member: One will be required for at least 39 days. S/he will be responsible for accurate data collection, photography and supporting documents.

**Team Member must meet the following qualification and experience requirement.**
- Minimum Education: Master’s in Economics/MBA, Business Development/Financial Accounting or related field
- Minimum Experience: At least three years of relevant experience
- Good understanding of impact assessment or economic analysis.
- Must possess good communications and interpersonal skills
- MUST be able to write and speak English

10. Reporting Line:
The consultant (s) will report to the M&E Advisor / Team Lead or his designated staff. He will work closely with the meat sector team and the relevant M&E staff.

11. Working Conditions and Duty Station:
The consultant(s) will be required to visit the primary project sites for the meat sector. Visits to the regional and national markets in Islamabad, Lahore, Karachi, Sukkur and other relevant areas will also be required.

12. Period of Performance and Schedule of Deliverables¹:
The consultancy is expected to commence in November 2013 and be completed by February 28, 2014. The Team Lead and Team Member both will have an LOE of at least 38.5 days each.

<table>
<thead>
<tr>
<th>Description of tasks</th>
<th>No. of days per Consultant</th>
<th>Total LOE (Days) for two Consultants</th>
</tr>
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<tbody>
<tr>
<td>Introductory Meetings</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Document review and develop study instruments</td>
<td>1.5</td>
<td>3</td>
</tr>
<tr>
<td>Presentation on methodology</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Meeting with Project staff (Swat, Islamabad, Lahore, Karachi), and submission of work plan and time frame</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Field work (meeting with beneficiaries, transporters, retailers, and other market players including travel).</td>
<td>16</td>
<td>32</td>
</tr>
<tr>
<td>Analyses of the study findings (Including meeting with Firms and associated travel).</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Preparation and Presentation of the preliminary findings in PPT</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Prepare first draft of report</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Prepare final report</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Preparation and Presentation of the Final findings in PPT</td>
<td>1</td>
<td>2</td>
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</tbody>
</table>

**Total LoE Days for Study**  
38.5 Days  
77 Days

Estimated due dates of the deliverables are given below:

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Value chain analysis methodology presentations for meat sector</td>
<td>Day 4 of LOE</td>
</tr>
<tr>
<td>2. Work plan and time frame</td>
<td>Day 6 of LOE</td>
</tr>
</tbody>
</table>

¹Assessment schedules and deadlines are flexible to some extent and will be finalized in coordination with the successful consultant.
<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Due Date</th>
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<tbody>
<tr>
<td>3. Regular updates on study status</td>
<td>As decided after award</td>
</tr>
<tr>
<td>4. Presentation on the preliminary findings</td>
<td>Day 20 of LOE</td>
</tr>
<tr>
<td>5. Draft study report</td>
<td>Day 28 of LOE</td>
</tr>
<tr>
<td>6. Final study report</td>
<td>Day 35 of LOE</td>
</tr>
<tr>
<td>7. Final study presentation</td>
<td>Day 36 of LOE</td>
</tr>
<tr>
<td>8. Hard copies of questionnaires/photos etc.</td>
<td>Day 39 of LOE</td>
</tr>
</tbody>
</table>

13. **Client & Audience:**
USAID Economic Growth & Agriculture Office is the primary audience of this study.
Annex-1: Reporting Template:

Title Page
Table of Contents
List of Acronyms

Executive Summary:
- A self-contained paper of 1-4 pages that summarizes essential information on the subject being studied, the purpose and objectives of the study, methods applied and major limitations, the key findings, conclusions and recommendations in priority order.

Introduction:
- Describe the project/program/theme being studied. This includes the problems that the interventions are addressing; the goal, strategies, scope, and cost of the intervention; its key stakeholders and their roles in implementing the intervention.
- Summarize the study purpose, objectives, and research questions. Explain the rationale for selection/non-selection of study criteria.

Methodology:
- Describe the methodology employed to conduct the study.
- Detail who was involved in conducting the study and what their roles were.
- Describe the structure of the study report

Bias/Limitations:
- Detail any bias or limitations for the study and analysis.

Findings and Conclusions
- Presentation of findings and conclusions will be based on the study objectives and purpose (above) as well as a format best suited to the actual findings.
- State findings based on the evidence derived from the information collected.
- Conclusions should be substantiated by the findings and be consistent with the data collected.
- They must relate to the study objectives and provide answers to the key questions. They should also include a discussion of the factors contributing to program outcomes, including both enabling factors and constraints.

Recommendations
- Formulate relevant, specific and realistic recommendations that are based on the evidence gathered, conclusions made and lessons learned. Discuss their anticipated implications. Consult key stakeholders when developing the recommendations.
- List proposals for action to be taken (short and long-term) by the person(s), unit or organization (e.g. Govt. etc.) responsible for follow-up in priority order.

Annexes
- Attach SoW (for the assignment).
- List persons interviewed, sites visited.
- List documents reviewed (reports, publications).
- Attach data collection instruments (e.g. copies of questionnaires).

References
- Provide all reference in APA Style

NOTE: Detailed template and style guide will be shared later and will be discussed with the study team before report writing starts.