

FrieslandCampina, HBL & SEDF partner for subsidized financing to empower dairy farmers



HBL, FrieslandCampina Engro Pakistan Limited (FCEPL), and Sindh Enterprise Development Fund (SEDF) collaborate to provide easily accessible, subsidized financing to dairy farmers in Pakistan with a long-term commitment of five years. The agreement was signed by Ali Khan, Managing Director- FCEPL (sitting 3rd from left), Muhammad Aurangzeb, President & CEO – HBL (sitting 2nd from left), and Mehboob Ul Haq, Managing Director- SEDF (sitting 1st from left). Senior members from both organizations were also present at the occasion.

KARACHI, 15 June, 2022: FrieslandCampina Engro Pakistan Limited (FCEPL), HBL and Sindh Enterprise Development Fund (SEDF) have collaborated to provide easily accessible, subsidized financing to dairy farmers in Pakistan with a long-term commitment of five years.

Dairy farmers require financial support to upscale their operations, enhance milk yield and improve herd size. Committed to Nourishing Pakistan with better nutrition and better living for farmers, FCEPL aims to provide a long-term sustainable financing solution for the dairy farmers in partnership with HBL and SEDF. This one-of-a-kind partnership will facilitate upscaling operations for sustainable dairy farming and the purchase of exotic animals, benefitting the overall milk supply value chain.

Ali Khan, Managing Director - FCEPL, said: “This is the first time such an initiative is being undertaken for dairy farmers. Our partnership with HBL and SEDF will enable farmers to upscale their operations, enhance milk supply within Pakistan and benefit the economy. *Farmers will be able to make independent decisions to grow their operations.* The idea behind the tripartite agreement is to work with farmers on herd improvement, mechanization and infrastructure development.”

Muhammad Aurangzeb, President & CEO - HBL stated: “Livestock and dairy alone contributes more than 14% to the national GDP. Pakistani dairy farmers produced

more than 60 Billion Liters of milk during 2021-22 making it the fourth largest milk producer globally. Despite these impressive statistics, milk yields and animal productivity are amongst the lowest. This necessitates policy intervention and collaboration. HBL is the leading farmer financing provider in the country and is committed to enhancing financial inclusion in rural Pakistan. The Bank has been actively lending for dairy partnering with farmers for the purchase of quality animals and ensuring funds for feed, vaccine and animal well being. HBL's dairy value chain partnership with FCEPL will facilitate dairy farmers in improving their farm practices and timely availability of credit. This will increase milk yield resulting in sustained and higher profits for our hardworking dairy farmers."

Mehboob Ul Haq, Managing Director - SEDF said: "The Sindh Enterprise Development Fund is proud to team up with FCEPL and HBL in this new venture. We hope to provide dairy farmers with solutions to grow their business and strengthen the country's dairy industry and economy. "

Leveraging the Prime Minister's Kamyab Jawan Program (PMKJ) the total fund allocation for this tripartite arrangement for FCEPL recommended farmers is PKR 10 Billion. This partnership promises to strengthen the dairy farmer community where farmers between the ages of 21-45 are eligible to apply for a loan between PKR 1million to 10million with faster case processing and turnaround times i.e., within two weeks. The mark-up cost is as low as 4% with further subsidization by SEDF for farmers based in Sindh.

FCEPL has taken various initiatives over time for creating value for its farmer community such as extending advances at zero mark-up, cow subsidy programs, incentivizing hygienic practices, and investing in capability building of farmers with trainings on best practices and robust processes, thus improving the livelihoods of farmers and transforming the dairy sector of Pakistan.