Red Meat Production Project

**Introduction:-**
Khartoum state is characterized by its important location in the heart of the country, bursting with economic activity and huge social resources in addition to its security, political stability and generally well-developed infrastructure.

**Location:-**
Khartoum State's strategic location with its high population density and strength of purchasing power has made it an important center to set up such projects which straddle animal wealth-rich cities such as the River Nile State and the Northern State, State of North Kordofan, Kassala and Gedaref and Gezira State and White Nile State.

**Area:-**
The estimated State area is approximately 22,736 square kilometers, with an urban area of almost 5,000 square kilometers.

**Population:-**
State's current population is approximately eight million people.

**Climate:-**
Most of Khartoum State is located in the semi-desert climate region, while the northern regions are located in desert areas, characterized by a hot climate with very hot and rainy summers, warm to cool and dry in winter, and the level of rainfall is about 150mm.

**Introduction of the project:**
Sudan is characterized by virtue of its location, large area and huge animal wealth (estimated at about 104 million head with annual growth rate of 2.5%). This is considered one of the most important pillars of food security for Sudan in general and Khartoum State in particular.

1. **Number of Livestock In Khartoum State**

<table>
<thead>
<tr>
<th>Type</th>
<th>Number (million head)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheep</td>
<td>38</td>
</tr>
<tr>
<td>Cattle</td>
<td>30</td>
</tr>
<tr>
<td>Goats</td>
<td>33</td>
</tr>
</tbody>
</table>
Red Meat is considered among the most basic consumer goods to the State's population, and is at the forefront of investment areas, through the increasing demand for its products and regionally and internationally; a feature which will enable the State to rise amongst the leading exporters of meat in the world. This steady increase in demand for different red meat products, has led to increasing the available investment opportunities and improving associated processes in this area.

Khartoum State is replete with many sources of red meat such as "lamb, beef and goats, camels, ostriches, deer," which were estimated at 1,380,500 head in 2013, (the General Secretariat of Khartoum State).

There are 17 factories for the production of meat and its derivatives in Khartoum State, and the estimated total investments stand at about 30 million dollars, (source: the Union of Chambers of Industry -Food Sector Report for 2012). There are also 4 modern slaughterhouses and several markets for cattle coming from other States.

**Annual available meat resources:-**

According to the above-mentioned numbers and taking into account that studies have shown the offtake could be equivalent to 20% or about 20.8 million head per year, we can therefore produce about 830 thousand tons of meat per year to cover the local need and provide a large surplus for export.

**Feasibility features for the establishment of Red Meat project:**

- Gap in red meat and its derivatives.
- Benefiting from livestock as a natural resource.
- The presence of banks and other financial institutions.
- Having a modern and sophisticated telecommunications network.
- The presence of all types of transport; internal and external
- High population density and good purchasing power
- Benefits from Khartoum State's strategic location and access to the meat-producing areas, with easy worldwide export potential.

<table>
<thead>
<tr>
<th>Camels</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>104</td>
</tr>
</tbody>
</table>

Source: Ministry of Livestock Statistics
- Benefits from the changes in the global market and increased demand for red meat and its derivatives.
- The existence of real legislative and judicial safeguards to protect the investors and investments.
- The presence of an Investment Commission to facilitate all procedures for the investor.
- Provision of an Administration for Industry and regulate industrial affairs
- The presence of established industrial zones.
- Having a widely diverse industrial base.
- Many opportunities for investment in the meat and its derivatives sector.
- Business profits tax rate annually on investment projects in the industrial sector is 10%.
- Well developed and ready markets in the nearby Gulf and Egypt
- The export of meat and its derivatives to take advantage of the added value.

**Marketing aspects of the project:**

**Item:**
- Red meat and its derivatives.

**Current Production:**
Estimated current production of red meat in the State of Khartoum is estimated at about 128,400 tons in 2013, as domestic consumption reached Khartoum State daily about 400 tons per day (Source: The Economics of livestock in food security projects report).

**Gap:**
The required addition to red meat production is estimated at about 95,060 tons in 2016-2014 (according to figures from food security projects). This is considered a real gap in the demand for the production of red meat. This is an indication that the investment in this area is required and multiple investment opportunities are open with the availability of privileges and facilities.

**Marketing Possibilities:-**

In light of the above data chances of success are available, seeing that there is a steady increase in demand for Red Meat of various kinds and taking into account the following:
- A number of seven slaughterhouses in the State working at very high quality systems and standards (HACCP ISO 220 / 2008).
- Attention to manufacturing and packing and maintaining health and safety standards and this allows for modern meat factories.
- The existence of all regulations and laws for production and trading and extending facilities, especially regarding export facilitation and regulation.
- Easy to export meat and meat products to the global and regional market (such as the Gulf markets, China and Asian countries), using the organic reputation of Sudanese meat and engaging in Halal products markets.
- The existence of ports and distribution centers and easy marketing of meat and its derivatives within the State and outside.
- The existence of Khartoum International Airport, which plays a role in both the marketing process and the Export Village of refrigerators to chill the processed meat for export.
- The need for new factories for meat production to intervene to bridge the gap in meat and meat products.

**Strategy for the development of Red Meat:**
The State Government has developed a strategy and a clear plan to raise the production of red meat and export at a studied cost and quality assurance specifications to enhance competitiveness, according to the requirements of the global market covering all required fields, including the following:
- Animal Husbandry scientific foundations.
- Assembly and marketing.
- Model farms.
- Complementarity of breeding and manufacturing.
- Slaughterhouses should match HACCAP standards.
- Packing according to the specifications and to maintain health and safety.
- Provide specialized refrigerated transportation
- Enhancing competitiveness and the invasion of the global market.
- Benefit from bilateral agreements with neighboring countries
- Regional organizations to promote Sudanese meat.
- Introduction of High-Capacity Breeds production in order to solve the problem of fluctuating availability of meat, reduce the cost of production and cover the large increase in demand.
Projects and opportunities in the Red Meat Sector:
• Slaughterhouses
• Veterinary Services
• Cross-breeding.
• Factories for meat and its derivatives.
• Gelatin and glue factories.
• Tanneries and leather products factories.
• Refrigerated transport.
• Marketing Units
• Markets for livestock highly technical standards.
• Small pastoral farms for breeding and fattening calves and lambs
• Cultivation of improved seeds for feed production.
• Contemporary oils Competence Increase productivity of production Alampaz.
• Factories for packing and packaging.
• Feedstuff and concentrates industry