INDUSTRIAL SERVICES BUREAU

Kurunegala & Puttalam Districts
North Western Province, Sri Lanka

GUIDELINES FOR DEVELOPING THE POULTRY INDUSTRY

In the North Western Province

Strategic Framework for Sustainable Growth & Competitiveness

July 2026

EXECUTIVE SUMMARY

The poultry industry represents a significant opportunity for agricultural diversification and employment generation in the North Western Province (NWP) of Sri Lanka. This industry sector has demonstrated consistent growth potential, driven by increasing domestic protein demand, growing middle-class consumption patterns, and emerging export opportunities.

These guidelines provide a comprehensive strategic framework for systematic development of the poultry industry across Kurunegala and Puttalam districts, integrating investment facilitation, production standardization, market development, and regulatory compliance within a sustainable growth model.

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1. STRATEGIC VISION & OBJECTIVES

1.1 Vision Statement

To establish the North Western Province as a hub for sustainable, competitive, and export-quality poultry production, generating employment, improving rural incomes, and enhancing food security through systematic industrial development.

1.2 Strategic Objectives

- Increase poultry production capacity by 150% over 5 years through farm consolidation, mechanization, and breeding programs
- Develop 50+ commercial poultry farms meeting international quality and biosecurity standards
- Create 2,500+ direct employment opportunities across production, processing, and marketing value chains
- Reduce import dependency for poultry products by 40% through domestic production growth
- Establish 3-5 processing facilities meeting export-quality standards

- Integrate smallholder farmers into commercial value chains through cooperative structures

2. INDUSTRY LANDSCAPE ANALYSIS

2.1 Current State of Poultry Production in NWP

The poultry sector in NWP comprises:

• Smallholder backyard production (estimated 60% of total output)
• Semi-commercial farms (20-25% of total output)
• Commercial operations (15-20% of total output)

2.2 Market Demand & Opportunities

Key growth drivers include:
• Rising domestic protein demand (per capita consumption increasing 8-10% annually)
• Growing quick-service restaurant (QSR) and processed food sectors
• Emerging export markets for processed poultry products and eggs
• Hotel, airline, and institutional catering demand

3. INVESTMENT OPPORTUNITIES & INCENTIVES

3.1 Target Investment Categories

Category A: Broiler Production Farms
Investment range: USD 50,000 - 250,000 | Farm size: 2,000 - 10,000 birds | Employment: 5-15 persons

Category B: Layer/Egg Production Farms
Investment range: USD 75,000 - 300,000 | Farm size: 3,000 - 15,000 birds | Employment: 8-20 persons

Category C: Poultry Processing Facilities
Investment range: USD 500,000 - 2,000,000 | Capacity: 500-2,000 birds/day | Employment: 50-150 persons

Category D: Integrated Feed Production
Investment range: USD 200,000 - 750,000 | Capacity: 10-30 MT/day | Employment: 15-40 persons

3.2 ISB Investment Facilitation Support

• Investor prospectus preparation and site identification services
• Technical feasibility assessments and financial modeling
• Facilitation with government agencies for approvals and licenses
• Connection with financial institutions for credit facilities
• Post-investment support and performance monitoring

4. PRODUCTION STANDARDS & BEST PRACTICES

4.1 Biosecurity Requirements

All commercial poultry farms shall implement:
• Perimeter fencing and controlled access protocols
• Quarantine facilities for new stock (minimum 14 days)
• Foot baths and sanitization stations at farm entry points
• Regular health monitoring and veterinary certification
• Vaccination programs compliant with Ministry of Agriculture guidelines

4.2 Production Quality Standards

Broiler Production:
• Feed conversion ratio: 1.8-2.0:1
• Mortality rate: <2% (industry standard)
• Average live weight at 42 days: 2.0-2.2 kg

Layer Production:
• Egg production rate: 85-95% (age 20-80 weeks)
• Feed conversion: 2.0-2.2 kg per dozen eggs
• Shell quality compliance with SLS standards

5. MARKET DEVELOPMENT STRATEGY

5.1 Value Chain Integration

Upstream:
• Establish breeder flocks and hatcheries for day-old chick production

• Develop local feed mill capacity to reduce input costs by 15-20%

Midstream:
• Support farm consolidation through production cooperatives
• Implement quality assurance and grading systems

Downstream:
• Develop processing facilities and cold chain infrastructure
• Establish brand positioning and direct consumer channels

5.2 Market Segmentation & Positioning

Segment 1: Domestic bulk supply (institutional buyers, processing companies)
Segment 2: Retail & organized trade (supermarkets, wet markets)
Segment 3: Premium/specialty (organic, antibiotic-free, welfare-certified)
Segment 4: Export markets (processed products, regional markets)

6. INFRASTRUCTURE REQUIREMENTS

6.1 Essential Farm Infrastructure

• Housing systems: Climate-controlled sheds with automated ventilation
• Water supply: Adequate wells/boreholes with storage capacity (500-1000 L/day per 1000 birds)
• Waste management: Litter composting facilities and wastewater treatment
• Feed storage: Secure, moisture-controlled storage (30-50 MT capacity)
• Equipment: Feeders, drinkers, lighting, heating/cooling systems

6.2 Industrial Park Infrastructure

• Land availability: Identified industrial zones in Kurunegala and Puttalam
• Electricity: Three-phase power supply with backup generators
• Road access: All-weather access roads for logistics
• Common facilities: Hatchery zones, feed mill clusters, cold chain centers

7. REGULATORY & COMPLIANCE FRAMEWORK

7.1 Legal Requirements

• Animal Production Act No. 22 of 2000 compliance
• Ministry of Agriculture veterinary registration and licensing
• Local government authority approvals (UDA/NPC)
• Environmental Impact Assessment (EIA) for farms >5,000 birds
• National Environmental Act compliance (waste management)

7.2 Food Safety Standards

• Sri Lanka Standards (SLS 1376:2008 for poultry meat quality)
• FSQS certification for processing facilities
• Residue testing protocols for antibiotics and chemicals
• Traceability systems from farm to retail

8. FINANCING & SUPPORT MECHANISMS

8.1 Credit Facilities & Incentives

The ISB facilitates access to:
• Central Bank concessional lending schemes for agribusiness (8-9% interest)
• SMIB Bank agricultural credit lines
• Commercial bank agriculture lending (competitive rates)
• Leasing options for equipment and machinery

8.2 Government Support Programs

• Technology transfer and capacity building training (free)
• Hatchery certification support and breeding stock subsidies
• Cooperative formation and management assistance

• Land lease/purchase support through ISB connections

9. IMPLEMENTATION ROADMAP

Timeline: 2026-2030

Phase	Timeline	Key Deliverables
Phase 1	H2 2026	• Stakeholder consultation & industry assess

		ment • Site identification for 3 farm clusters • First 10 investor appli

		cationsreceived
Phase2	2027	• First20commercialfarmsoperational • Cooperativ

		e/association formation (3-5 groups) • Feed mill feasibility study co

		mpleted
Phase 3	2028	• First processing facility commissioned • Production reache

		s 50,000 MT/year • First export shipments (processed products)
Phase 4	2029-	• Targe

	30	t of 50+ farms achieved • Production reaches 100,000 MT/year • Establis

		hedregionalexportpresence

10. MONITORING, EVALUATION & REVIEW

10.1 Performance Indicators

Production Metrics:
• Total production volume (MT/year)
• Number of active commercial farms
• Average farm productivity (kg/bird)

Economic Metrics:
• Employment generated (direct & indirect)
• Investment mobilized (LKR/USD)
• Export value (USD)

Market Metrics:
• Market share of NWP production (national)
• Import substitution rate

10.2 Review & Adjustment Framework

• Annual industry review meetings with stakeholders
• Mid-term strategy assessment (2028)
• Five-year comprehensive evaluation (2030)
• Adaptive management based on market feedback and performance data

CONCLUSION

The poultry industry offers substantial opportunities for sustainable economic development in the North Western Province. By implementing these guidelines through a systematic, investment-facilitated approach, the ISB aims to transform the sector from predominantly smallholder production to a competitive, export-oriented industry while maintaining smallholder integration and rural livelihood improvement.

Success requires coordinated action among government agencies, private investors, farmer organizations, and financial institutions. The ISB commits to providing comprehensive support through every phase of investment implementation and operational scaling.

For investment inquiries and technical assistance, contact:
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