

Full Length Research

A study on Removing VAT and Other Taxes Levied on Feed and Feed Ingredients and its impact on the Performance of the Livestock Sector in Ethiopia

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Abstract

Feed in terms of supply, quality and affordability is a critical bottleneck to transform the livestock sector. An important intervention to partly solve the challenges related to feed is the removal of value added tax (VAT) and other import taxes levied on feed ingredients and formulated feeds. This study was prepared with the objective of evaluating the impact of removal of VAT and import taxes on feed ingredients and formulated feeds. Price of feed ingredients has increased annually over the last five years. Due to the involvement of brokers and multiple taxation led to VAT imposed on feed ingredients to be up to 60% or more. Moreover, imported feed ingredients are generally taxed for duty, sur and withholding taxes accounting for 23%. These taxes resulted to increased feed prices with negative consequence on performance of the sector. Price of formulated feeds increased by 64, 56, 86, 87, 193, 66% over the last five years for layers, broilers, chicks, dairy, fattening cattle and shoats, respectively. Feed prices have been increasing annually by a range of 9 to 38% over the last five years. The current farm gate prices for an egg, a liter of milk, a kg live weight of broiler and a kg live weight of cattle are 4.50, 22.00, 150.00 and 100.10 Birr, respectively. Feed cost accounted 58, 64, 34 and 67% of the farm gate price, and the share of VAT and other taxes to feed cost were 26, 29, 26 and 40% for an egg, a liter of milk, a kg live weight of broiler and a kg live weight of cattle, respectively. The current analysis indicated that the removal of VAT and other taxes from feed ingredients and formulated feeds will reduce feed cost by an average of 30.3%, price of livestock products will decrease by a range of 9-27% and amount of feed produced will increase by about 35% for poultry and by 82% for dairy and fattening cattle. Such intervention will also improve the affordability of livestock products, and one can purchase 18, 10, 23 and 37% more egg, broiler meat, milk and beef, respectively for the same price paid with VAT. The analysis result also indicated that this intervention will create an enabling environment to achieve national targets set for livestock production in the ten years perspective plan (2012-22 EC). Therefore, removal of VAT and import taxes from all feed ingredients and formulated feeds used by all livestock species to produce food either for domestic consumption or for export is highly and urgently recommended. This action will definitely help in transforming the livestock sector to accrue better socio-economic benefits for society as well as for the nation.

Key words: Feed, VAT, Price

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INTRODUCTION

Ethiopia owns a huge livestock resource, which has significant contributions to the socio-economic development of the country. Livestock is a major livelihood for the pastoral and agro-pastoral communities and a source of nutrition and food security, and income for the majority households of the mixed crop livestock system. The sector has been estimated to contribute 28% to GDP (MoA, 10 years perspective plan), 10% to the export earnings, support livelihoods of 70% of the population and 31-48% to total household income (FAO, 2019). This contribution, however, is not proportionate to the immense livestock potential of the country. The main reason for this is the inadequate quantity and quality of feed supply partly due to the existing high prices of feeds and feed ingredients. Feed accounts 60-80% of the total cost of livestock production and as such greatly impacts the overall efficiency of the livestock sector both in terms of production volume and economic returns. High feed prices also challenge the affordable supply of livestock products to consumers. Thus, any intervention to reduce prices of feeds and feed ingredients will be directly reflected through enhanced production and commercialization of livestock with concomitant positive impact on household and national economy, and in food and nutritional security through affordable supply of livestock products to consumers.

The national feed balance showed a 21% deficit of feed supply on dry matter basis. This is aggravated by the limited availability of agro-industrial by-products and premix that are used to formulate quality feed. In addition to insufficient supply of such feeds, the ever increasing prices are becoming critical bottlenecks to commercialize and modernize the sector. High prices of feeds and feed ingredients are partly driven by the value added tax (VAT) imposed on agro-industrial by-products, and the VAT and other taxes (duty tax, sure tax and withholding taxes) levied on imported feed ingredients. Removal of such taxes is one key component to avail quality and affordable feed for livestock, with consequent positive impact on feed supply, livestock production, income generation, livestock product consumption and overall contribution of the livestock sector to the national economy (ATA, 2015). The government of Ethiopia has recently taken some positive measures of removing taxes and vat from certain feed ingredients. However, the vat removed was limited to poultry and did not include dairy and fattening. In the meantime the exemption did not even include all the items in poultry feed. This measure is partial and could not bring significant change on the price of poultry feed. Moreover, the dairy and meat sectors are suffering a lot from the escalating feed prices mainly due to the vat (FAO, 2018). Recently it has been observed that many dairy and feed lot farms are on the verge of closing since they could not afford the prices of feed.

The livestock sector goals have been set in the 10 years perspective plan of the Ministry of Agriculture (MoA, 2012 – 2022 EC). These goals are planned to be achieved through addressing critical bottlenecks in the sector including supply of adequate, quality and affordable feed. Achieving the target is possible only if the country can secure year-round sufficient, affordable and quality feed supply. To meet the goals the challenges associated with feed supply and escalating feed prices is the primary issue that needs to be addressed. Therefore, this study was conducted with the following objective:

- To evaluating the impact of VAT and import taxes on the supply of feed and feed ingredients
- To indicate and justify the need for the removal of VAT, and suggest policy directions for decision to catalyze feed supply and enhance performance of the livestock sector.

MATERIAL AND METHODS

Data Collection

Primary data were collected using questionnaire prepared for this purpose. Data were collected from private and union agro-processors (flour and oil extraction industries), farms (dairy, poultry and fattening farms), feed processors, feed input importers and suppliers, and Ethiopian Custom Authority. Both quantitative and qualitative data were gathered. Type of quantitative data collected include six years price data of formulated feeds for different livestock species (layers, broilers, chicks, dairy, cattle fattening and shoats fattening); price of different feed ingredients used to formulate rations; and price and taxes of imported feed ingredients (premix and other minor ingredients that is used in feed formulation). Moreover, data on the amount of feed required to produce a unit of livestock product (egg, broiler, milk, cattle body weight), and farm gate price of livestock products were gathered.

Qualitative data collected include information on the existing bottlenecks along the feed value chain, measures that should be taken to address the bottlenecks, the challenges related to sourcing of different feed ingredients, reasons for the high feed prices, marketing problems of feed ingredients and compound feeds, suggested impacts of removal of VAT and other taxes from feed ingredients and impact of processed feeds on farm productivity and the livestock sector in general.

Statistical Analysis

A Generalized linear model (Proc GLM) procedure of SAS (SAS, 2008) was used for the analysis of cereals and oil crops production and utilization from 2016-2020. The effects of year and crop type were included in the model. Then the analyzed data were organized using descriptive and inferential statistics.

RESULT and DISCUSSION

Commercial Animal feed and marketing

Feed value chain in Ethiopia is largely constrained by scarcity, quality and high price of raw materials and compound feeds. Shortage of foreign currency to import feed ingredients and lack of enabling environment to encourage investment in the feed sector are also noted by respondents as key challenges of the feed value chain. Increasing production of raw materials (feed ingredients), removing VAT and other taxes from feed ingredients, creating conducive environment for investment in the feed sub-sector, facilitating foreign currency for importation of feed inputs, and controlling the long marketing chain of feed ingredients and feeds are some recommended actions by respondents to help catalyze quality and affordable feed production and commercialization.

Compound feeds are the sole diet for semi-intensive and intensive poultry production systems. Compound feeds are also commonly used by dairy and fattening farms. The major ingredients used to formulate compound feed include maize, sorghum, flour processing by-products (wheat bran, wheat short, rice bran), different kind of oil seed cakes (soyabean meal, Nuog seed cake, linseed cake, groundnut cake, cotton seed cake, sesame seed cake, and others), molasses, and ingredients that are added in minute quantities to boost production (vitamins, minerals, amino acids and premixes). The supply of these ingredients is challenged by scarcity of production, rising prices and quality. These challenges are limiting the operation capacity of feed processing industries and consequently affect the supply and affordability of processed feeds to livestock producers. A main reason for the high prices of feed ingredients and processed feeds according to respondents is the VAT and other taxes (duty, sur and withholding taxes) imposed on the feed ingredients. Additionally, export of cereal and oil seeds without value addition plays a significant role for the scarcity of the agro-industrial by-products, which in turn increases the prices of these feed ingredients. The issue of VAT is aggravated by the lack of direct market linkage between agro-processors and feed processors leading to multiple taxation along the marketing chain (Figure 1). Multiple taxation can add the VAT imposed on feed ingredients up to 60% or more. The involvement of brokers along the marketing chain or marketing challenges on feed ingredients and compound feed does not only lead to multiple taxation but also elevate the price of ingredients and compound feed due to illegal hoarding and increasing prices of the ingredients, which in effect will have a consequence on the share of VAT. The lack of proper marketing chain also compromises quality of feed ingredients and compound feed.

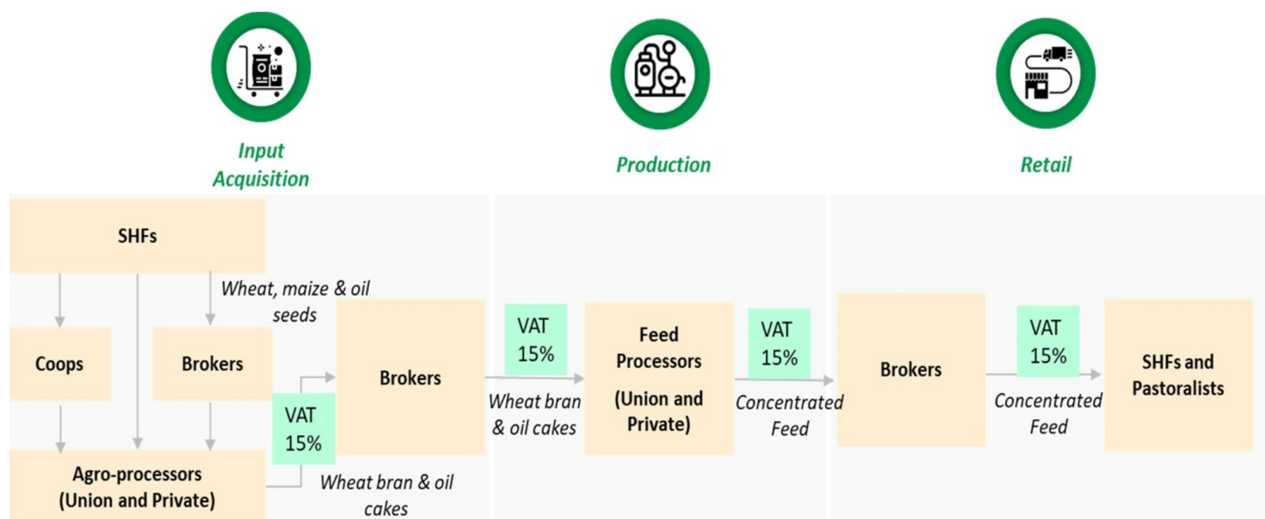


Figure 1. Industrial production of feed ingredients and formulated feeds is plagued by inefficient linkages between actors leading to decreased production quantities, multiple taxes and higher prices.

All respondents have recommended the removal of VAT and taxes from feed ingredients and processed Feeds. The presence of VAT and other tax on feeds negatively influence the productivity of farms by discouraging the use of formulated feeds, which increases the price per unit livestock product(s). The removal of VAT and taxes have been suggested to play great role in decreasing feed prices, in enhancing investment in the feed sector, in increased marketing of quality feed, in boosting livestock production and productivity, in increasing livestock product marketing, in decreasing cost per animal product and improving animal product consumption, and in increasing overall revenue to livestock producers. Feed processors suggested the removal of VAT from feed ingredients alone will improve their feed production capacity by about 20%.

The removal of VAT will decrease a minimum of 15% price from feed ingredients plus 15% from compound feeds. However, due to the involvement of brokers in the marketing of feed ingredients and compound feeds on the one hand (Figure 1) and the prevailing other taxes for imported feed ingredients on the other, the reduction in formulated feed prices due to VAT and tax exemption is apparently much higher.

Respondents from agro-industries noted that they sale their agro-industrial by-products to traders or brokers, and to some extent to feed processors and producer farms. A significant amount of by-products is produced from agro-industries. Up to 30% from wheat milling and up to 80% from oil extraction from oil seeds are by-products. According to respondents, agro-industries are however, challenged with shortage and rising cost of raw materials (e.g., wheat and oil seeds). This has limited the supply of agro-industrial by-products and consequently increased prices of these feed ingredients. The price increment on agro-industrial by-products is aggravated by the presence of VAT imposed on the by-products. As can be noted from Table 1 below, prices of agro-industrial by-products have been increasing over the last five years. Price of the feed ingredients in the current year grew by a range of 270 to 660% compared to the year 2008. Compared to last year, the prices of the ingredients have increased by a range of 63 to 250%. This is a significant price increment that impacts the performance of the livestock sector and the benefit that can be obtained from the sector. This indicates the need to decrease cost of the ingredients through various interventions, in which VAT removal would play a great role.

Table 1. Average price (Birr/Quintal) of ingredients used to formulate compound feed for the last five years and the current year

ingredient type	Years				
	2009	2010	2011	2012	2013
Wheat bran	421	448	582	624	1700
Wheat middling	523	656	689	772	1800
Noug seed cake	620	705	810	1033	3200
Ground nut cake	460	500	513	775	2500
Soya bean cake	550	650	720	850	4000
Linseed cake	1200	1500	1920	2400	2550
Maize	450	557	695	1025	1400

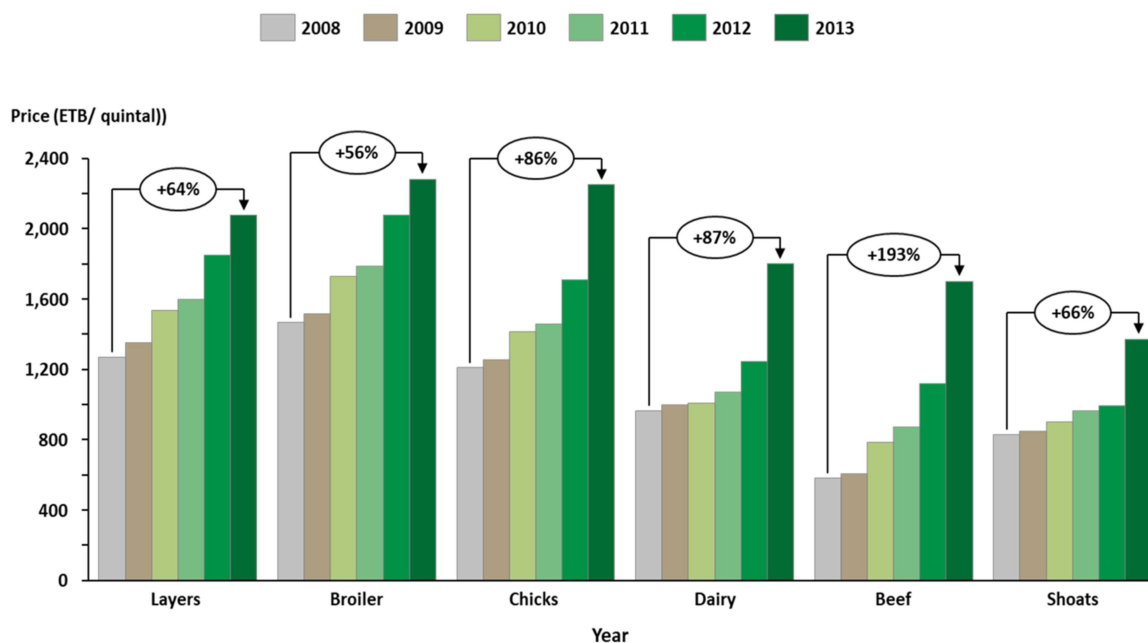
Average price and taxes impose on premix and other feed additives used to formulate compound feed are shown in Table 2. Prices of these ingredients have increased over the last five years. Although poultry premix happened to be VAT exempted currently, the VAT exemption is not comprehensive to all minor ingredients used in the formulation of poultry rations (e.g., amino acids and minerals). On the other hand, VAT is not exempted from imported ingredients used for other species of livestock other than poultry (e.g., cattle and fish). Moreover, all imported items are liable for duty, sur and withholding taxes accounting for 23%. These feed ingredients are mainly imported from Europe (e.g., Belgium and Netherlands) and South Africa. Respondents noted in addition to VAT and taxes, lack of foreign currency and delay in costumes clearance (e.g., store rent) and related bureaucratic procedures as challenges of marketing of these ingredients, which will also be reflected in the sale price and consequently in the share of VAT of the ingredients.

Table 2. Average price (Birr/kg) of premix and other feed additives used to formulate compound feed for the last five years and the current year and the differ taxes imposed on them.

Type of feed Ingredients	Year (EC)						VAT (%)	Tax (%)		
	2008	2009	2010	2011	2012	2013		Duty	Sur	Withholdin
Methionine	120	130	130	160	150	160	15	10	10	3
Lysine	131	154	140	196	170	170	15	10	10	3
Mono calcium phosphate (MCP)	65	59	68	71	124	124	15	10	10	3
Intraco layer premix 0.5%	29	50	37	36	48	48	-	10	10	3
Bestermine Vital	29	50	81	81	81	81	15	10	10	3
Fish & Tilapia Premix 1%	32	55	43	45	85	85	15	10	10	3
Broiler Starter Premix 1.67%	52	52	83	77	105	105	-	10	10	3
Broiler Finisher Premix 1.67%	92	125	116	91	153	153	-	10	10	3
Layer Premix 1.67%	79	110	112	112	112	112	-	10	10	3
Breeder Premix	61	90	83	70	70	70	-	10	10	3
Layer Premix 0.5%	54	78	68	55	103	103	-	10	10	3
Layer Premix 0.833%	11	14	44	51	51	51	-	10	10	3

3.2 Compound Animal Feed Price Trend

The price of compound feeds for different livestock species is reflection of the type of ingredients used and the cost of the ingredients. For all livestock species feed cost increased each year over the last five years (Figure 2 & 3). Feed prices increased by 64, 56, 86, 87, 193, 66% over the last five years for layers, broilers, chicks, dairy, fattening cattle and shoats, respectively (Figure 2). Feed prices have been increasing annually by a range of 9 to 38% over the last five years (Figure 3). The current formulated feed prices for layers, broilers, chicks, dairy, fattening cattle and shoats are 2075, 2283, 2250, 1800, 1700 and 1372 Birr/quintal, respectively. Compared to last year, increment in feed prices in the current year for layers, broilers, chicks, dairy, fattening cattle and shoats were 12, 10, 31, 44, 52 and 38%, respectively. The current greater rising feed prices will be reflected on livestock production, prices of livestock products and consequently on the economic contribution of the sector to household income, nutritional security and national economy.

**Figure 2.** Cost of feed for different livestock species during the current year and the last five years and percentage price increment of feed over the last five years period

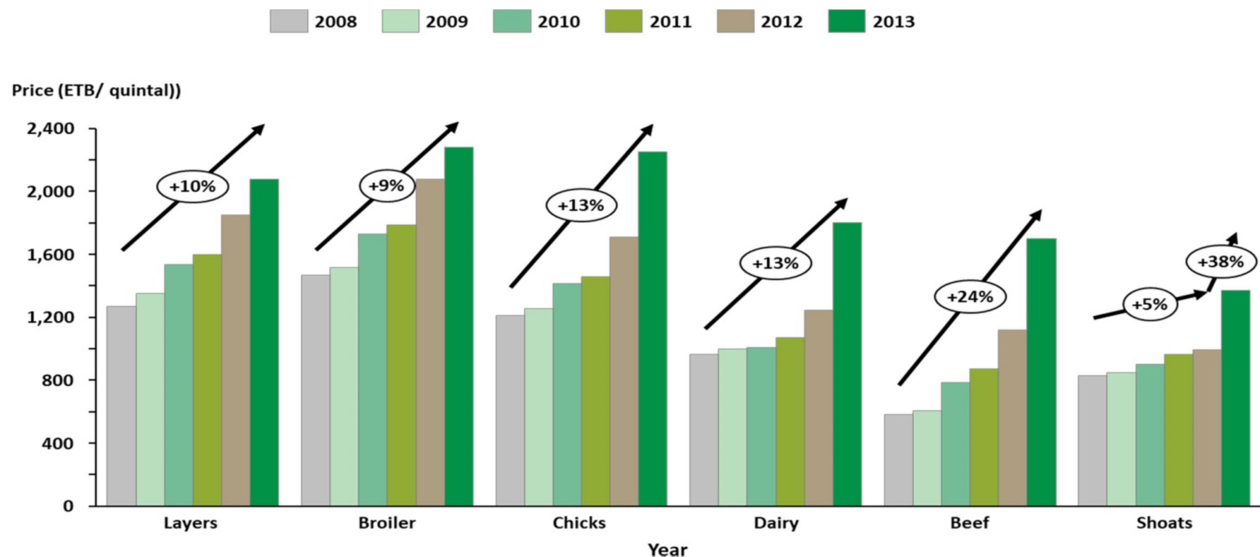


Figure 3. Cost of feed for different livestock species during the current year and the last five years and annual percentage price increment of feed during the last five years period

Outcome on Removal of VAT and Other Taxes from Feed Ingredients and Feeds

Development of commercial feed industry

Removal of VAT and other taxes is expected to benefit the commercial feed industry through significantly increasing volume of feed production. If all the VAT and other taxes removed is directly invested on feed production, it is estimated that about 35% more layer and broiler rations and 82% more dairy and fattening cattle formulated feed will be produced (Figure 4). This increased feed production will not only drive up supply, but also will drive down feed prices. The removal of feed VAT will also avoid the relative competitive position of informal feed producers that may operate without VAT, which may deter the existing formal feed producers that produce quality feed from entering the market. Thus, the removal of VAT is expected to encourage the commercial feed industry to invest more.

According to the survey result farm gate prices for an egg, a liter of milk, a kg live weight of broiler and a kg live weight of cattle are Birr 4.50, 22.00, 150.00 and 100.10, respectively (Table 3). Total feed cost associated with the production of these livestock products was calculated from the amount required to produce the product times the cost of feed obtained from feed processors (see Table 3). Additional assumptions are 40% of the ration of layers and broilers constitute maize which is VAT free. The remaining 60% is assumed to have been paid VAT at least twice (see Figure 1). Moreover, about 3% of the ration constitutes imported feed additives taxed at 23%. For dairy about 40% and for fattening about 70% of the ration is assumed to constitute concentrate in which VAT is paid at least thrice when reached the livestock producer.

Feed cost and cost of production

Animal feed industry play a strategic and a key role in livestock development. Animal feed largely drives the cost structure of livestock production accounting up to 80% production cost, suggesting feed prices to be the major determinant of the price of livestock products (egg, milk, and meat). The share of VAT and import taxes from the total feed cost to produce an egg, a liter of milk, a kg live weight of broiler and a kg live weight of cattle were 26, 26, 29 and 40%, respectively (Table 3) These values if removed highlight a significant contribution to the growth and transformation of the livestock sector.

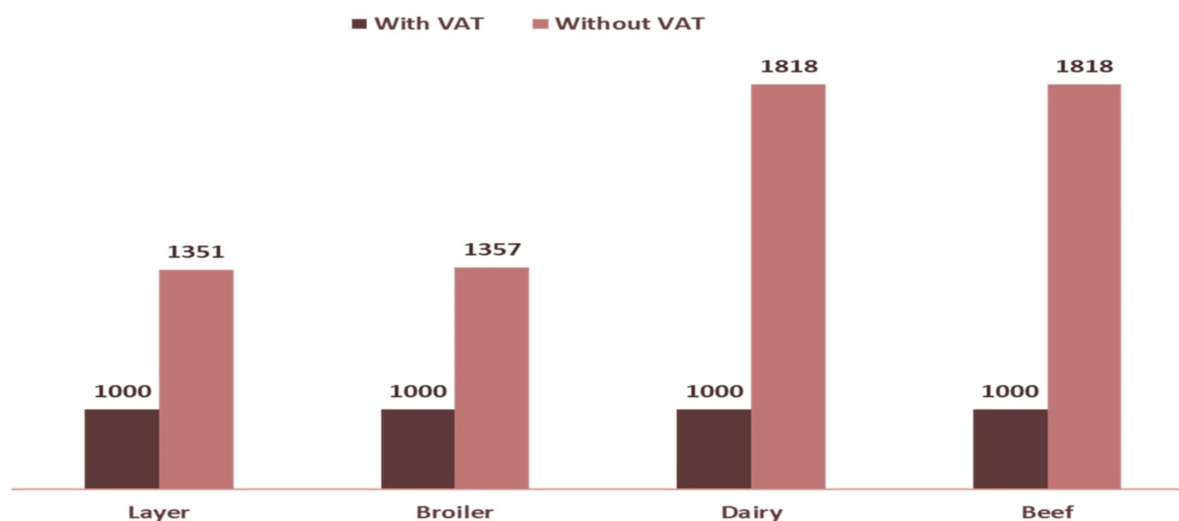
High feed cost due to VAT and other taxes exclude livestock producers from accessing quality feeds that force farmers to use low quality feed that negatively affect livestock production. The result of this study indicated that for the government aiming policy at advancing livestock industry has to ensure producers' access to quality and affordable feeds, and removal of VAT and other taxes from feed ingredients and formulated feeds plays a significant part in this regard.

Table 3 Feed cost and contribution of VAT and import taxes to feed cost per unit product

Animal product	Total feed cost contribution (%)	Contribution of VAT + tax from total feed cost (%)	Price reduction out of total feed cost (%)
Egg	57.64	26.0	55
Broilers (1 kg weight gain)	34.24	26.3	26.34
A Litter of milk	63.64	28.9	28.93
Beef (1 kg weight gain)	66.63	40.1	40.14

Table 4. Product prices, with and without VAT at farm Gate

Animal product	Product unit price with vat (Birr)	Unit price without vat (Birr)	Price reduction (%)
Egg	4.50	3.83	14.97
Broilers (1 kg weight gain)	150.00	136.47	9.02
A Litter of milk	22.00	17.95	18.41
Beef (1 kg weight gain)	100.10	73.33	26.75

**Figure 4.** Increment in the amount of thousand tons of concentrate feeds produced for different livestock species due to removal of VAT and other taxes

If removal of VAT and other taxes drives real rate of return on investment to about 20%, this could be sufficient to attract private investment in the feed industry. Consequently, feeds prices is expected to drop in the short and medium term due to increased feed supply. However, increased competition will soon stimulate quality feed supply. It is important to note that the GoE also benefits from this policy in different perspectives. Firstly, although it may seem that VAT exemption would reduce fiscal inflows to the GoE, increased investment and production with generate more income to the government making the potential foregone VAT revenues rather hypothetical. In addition, the quality of commercially-produced feeds is inspected on a regular basis, and increased availability of such feed would enhance overall productivity of the livestock sector. This intervention would also increase in domestic supply of the feed that will benefit the economy through foreign exchange savings since the imports of livestock products mainly powder milk would fall.

Livestock product consumption and food security

If VAT and import taxes are removed, price of livestock products will decrease by a range of 9-27% (see Table 3). This is translated to purchasing of 18, 10, 23 and 37% more egg, broiler meat, milk and beef, respectively for the same price paid with VAT. Thus, if VAT and other taxes are removed from feed ingredients and formulated feeds, one can purchase with the same price 14 egg, 1.1 kg broiler meat, 1.23 liter of milk and 1.4 kg of beef as compared to purchasing 12 eggs, 1 kg broiler meat, 1 liter milk and 1 kg beef when produced with feed VAT and other taxes (Figure 4). This apparently increases the affordability of livestock products by consumers and will enhance the consumption of animal source foods (ASF). This will also improve the current per capita consumption of livestock products in Ethiopia, which is one of the lowest in the World (9 kg meat, 56.2 liters milk, 4 eggs; FAO, 2019).

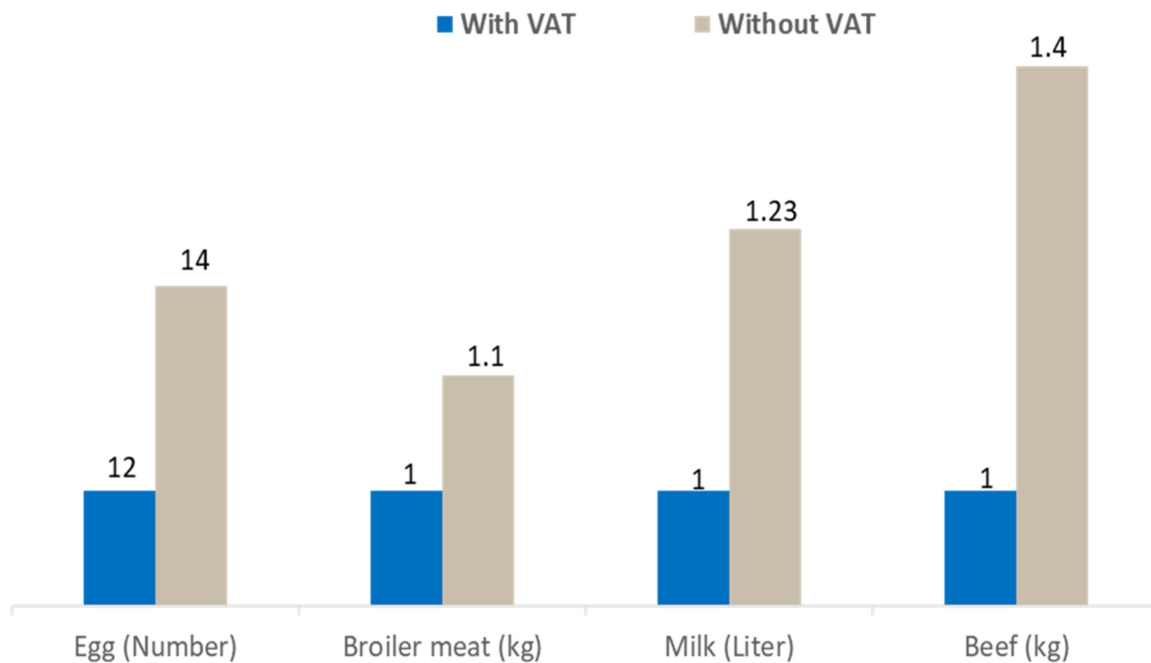


Figure 5. Increment in the amount of livestock products that can be purchased for the same price due to removal of VAT and other taxes

Ethiopia's GDP growing at 7-8%, the population growing at 3% annually and rising urbanization (ILRI, 2019) are proofs for the demand of livestock products to increase immensely in the future. More milk, eggs, poultry and red meat will be required to feed the growing middle class. This requires for a considerable effort to enhance the livestock sector, which is an opportunity for investment and domestic businesses. Thus, government's effort to address bottlenecks in the livestock sector should consider removal of feed VAT and other taxes that would discourage investment in the sector. Removal of VAT on feed and feed ingredient is expected to lead to a decrease in the selling price of the feeds, making them affordable to the farmers. This will lower production cost, enhance production and in turn increase affordability of ASFs.

Livestock improve food and nutrition security as ASF are rich in major and micro-nutrients. ASF are a major source of iron, zinc, calcium, riboflavin, vitamin A, vitamin B-12, and retinol, which have numerous benefits including linear growth, cognitive development and general health, leading to long term improvements in income and productivity. Milk in particular contains several critical micronutrients such as calcium, vitamin A, riboflavin and vitamin B12 that are essential for growth and development of children older than 12 months (Enahoro *et al.*, 2019). Children, pregnant and lactating mothers should be receiving ASF, whose consumption currently is quite low. However, to assure that this increased local demand can be met by local supply and not by imports, more attention will need to be paid to livestock-related investments, and the facilitation of an enabling environment that will allow for efficient livestock feed industry.

Transforming the livestock sector

The removal of feed VAT will strengthen the government's commitment of transforming the livestock sector by encouraging local manufacturers to produce high quality feeds at low cost, thereby making the business profitable. The removal of the tax is a huge relief to the industry at a time where the feed industry is struggling with the high cost of production. Thus, the removal of taxes on raw material for the manufacture of animal feeds will encourage private investment in the feed industry, thereby increasing the variety of feeds available and competition that could result in high quality products.

The sector is packed with poor quality feeds that may be affordable. Only few manufacturers are able to consistently manufacture feeds that meet quality standards. The removal of the VAT and import taxes from animal feed ingredients and formulated feeds is an indication that the government is committed to creating a conducive environment to attract investment in the feed industry. With quality investment and healthy competition, the quality of feeds supplied will grow and this will definitely improve value to farmers.

Attaining national targets

As outlined in the background section of this document (see also Table 3), Ethiopia has set targets for livestock production in the ten years perspective plan (2012-22 EC). This is possible if the country can secure year-round sufficient, affordable and quality feed supply. Considering the current base production level for egg, broiler meat, milk and red meat (10 years perspective plan) and decrease in product price due to removal of VAT and other taxes (estimate of this analysis), the percentage increment of the products that can be achieved due to removal of VAT and other taxes was calculated (Table 4). If the targets set for 2022 EC from the base year 2012 EC is equally divided for the 10 years period, expected annual growth for egg, broiler meat, milk and red meat are 15, 12, 17 and 49%, respectively. The current analysis indicated that the removal of VAT and other taxes from feed ingredients and feeds and associated reduced product prices if all invested on the production of the products, it would lead to the annual production growth rate of 35, 36, 41 and 67% for egg, broiler meat, milk and red meat, respectively (Table 4). This is well above the expected annual growth rate targets of the products set in the plan. Thus, removal of VAT and other taxes will enable the attainment of the national targets set in the ten years perspective plan.

Demand for feed is expected to increase associated with the 10 years perspective plan. Increasing demand for animal feed is driven by the obvious need to produce more livestock products. For example, the use of the cross-breed cattle population is expected to grow to nearly 3 million for more milk production, which will require enhanced feed and feeding services. Increased supply of feed is expected to be partly catalyzed by the removal of VAT and other taxes from feed ingredients and formulated feeds. Generally, the analysis showed that the removal of VAT and other taxes from feed ingredients and formulated feeds is expected to have the benefits of making feeds affordable to farmers, and to attract investment in the sector and thereby increasing supply of quality feed.

Table 5. Estimated production increment in livestock products due to removal of VAT and other taxes from feed ingredients and feeds compared to targets set in 10 years perspective plan of the MoA (ministry of Agriculture)

Livestock Product	Current Base production level	Goal set for 2022 EC	Estimated annual production from base year with VAT	Estimated annual production growth without VAT (%)
Egg (Billion)	2.2	5.5	2.97	35.1
Broiler meat (tons)	48,000	106,000	65,129	35.7
Milk (Billion liter)	4.3	11.6	6.05	40.6
Red meat (tons)	297,000	1,759,000	495,826	66.9

Conclusion and Recommendation

The current analysis indicated that the removal of VAT and other taxes from feed ingredients and formulated feeds:

- Will drive feed cost down by an average of 30.3%.
- Will reduce cost of livestock products by a mean of 17.3%.
- Will increase amount of feed produced by about 35% for layer and broiler and 82% for dairy and fattening cattle.
- Will improve the affordability of livestock products, which enable one to purchase 18, 10, 23 and 37% more egg, broiler meat, milk and beef, respectively for the same price paid with VAT.
- Will create an enabling environment to achieve national targets set for livestock production in the ten years perspective plan (2012-22 EC).

It is therefore, highly recommended and is timely to remove VAT and import taxes from all feed ingredients (locally produced and imported) that are used for feeding livestock and to make formulated feeds, as well as from formulated feeds. This action needs to include feed ingredients and feeds used for all livestock species that are used to produce food either for domestic consumption or for export. This action will definitely help in transforming the livestock sector to accrue better socio-economic benefits for society as well as for the nation. With greater investment, productivity and economic return from the sector due to this intervention, the government is expected to collect more revenue than that obtained from VAT and other taxes levied on feed and feed ingredients.

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