

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

Required Report - public distribution

Date: 3/5/2014

GAIN Report Number: IN4014

India

Livestock and Products Semi-annual

2014

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Report Highlights:

CY 2013 and 2014 buffalo (*carabeef*) production levels are up slightly to 3.85 and 4.1 million metric tons (MMT) carcass weight equivalent (CWE) on continued efficiency gains in the dairy sector.

Although no clear facts have emerged to confirm the veracity of the current foot-and-mouth disease (FMD) outbreak, expectations are that FMD will cause some losses in southern India.

Executive Summary:

CY 2014 projections for cattle beginning stocks and calf production are unchanged. Although no clear facts have emerged to confirm the veracity of the current foot-and-mouth disease (FMD) outbreak, expectations are that FMD will cause some losses in southern India. CY 2013 and 2014 buffalo (*carabeef*) production levels are up slightly to 3.85 and 4.1 million metric tons (MMT) carcass weight equivalent (CWE) on continued efficiency gains in the dairy sector. CY 2014 *carabeef* domestic consumption is projected to rise to 2.3 MMT CWE on higher population growth. CY 2014 *carabeef* exports are forecast at 1.8 MMT CWE on expectations of increased export demand from Southeast Asia.

Commodities:

Animal Numbers, Cattle

Meat, Beef and Veal

Production:

CY 2014 projections for cattle beginning stocks and calf production are unchanged. Although no clear facts have emerged to confirm the veracity of the current foot-and-mouth disease (FMD) outbreak, expectations are that FMD will cause some losses in southern India. CY 2013 and 2014 buffalo (*carabeef*) production levels are up slightly to 3.85 and 4.1 million metric tons (MMT) carcass weight equivalent (CWE) on continued efficiency gains in the dairy sector, such as the utilization of more nutritious feed. India has no organized beef industry. Spent dairy buffalo and water buffalo bulls are slaughtered to produce *carabeef*.

According to some experts, FMD is endemic in India, but this year the disease reportedly has spread throughout southern India despite intervention. No government officials or industry contacts provided solid information or commentary on the situation, but various media outlets offered points of analysis. Since Fall 2013, although Indian state officials stated to newspapers that FMD would be controlled through government vaccination programs and other interventions, the media have consistently reported escalations in Kerala, Tamil Nadu, and Karnataka. Most recently, in December 2013, because of continued difficulties, the government of Kerala stated in the *Indian Express* that it has banned interstate cattle trade and *carabeef* production for an indeterminate period, and said it would provide emergency care to infected cattle, vaccinations for healthy animals, and compensation to farmers for deceased livestock. Other states also have announced a similar emergency vaccination program via the media, but Post was unable to find official information on the Kerala or Tamil Nadu state websites. Karnataka posted a vaccination schedule that is available for download.

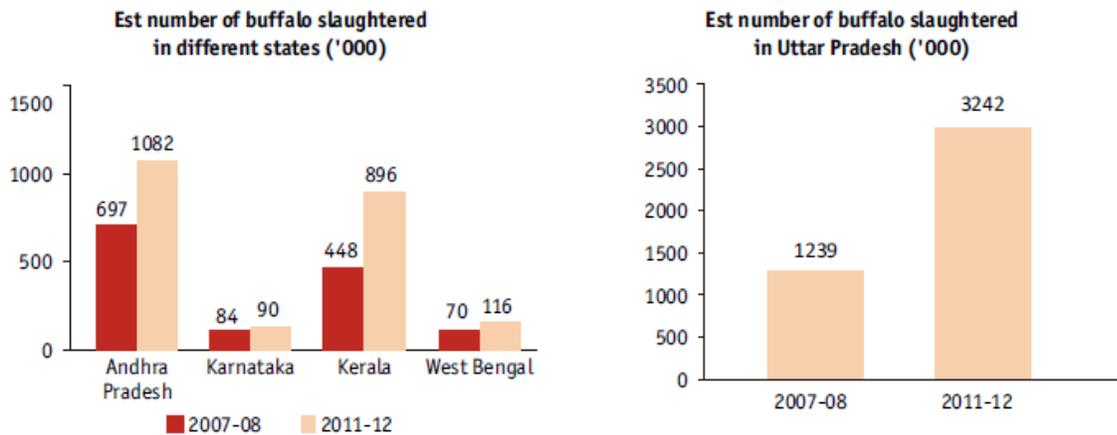
The current FMD outbreak may not affect exportable supplies. Most slaughterhouses authorized to export *carabeef* are located in northern India. For example, Kerala only has one authorized slaughterhouse; Uttar Pradesh has almost half of all registered units nationwide. Regarding other FMD

outbreaks in other parts of India, on February 9, 2014, the [Times of India](#) wrote there are limited vaccination supplies to treat a rising problem in Rajasthan.

Consumption:

CY 2014 *carabeef* domestic consumption is projected to rise to 2.3 MMT CWE on higher population growth. Major *carabeef* consuming states are Uttar Pradesh, Andhra Pradesh, Kerala, West Bengal, and Maharashtra (See Figure 1). *Carabeef* is mostly consumed by the Muslim community.

Figure 1. India: Carabeef Slaughter Increases on Higher Domestic Demand

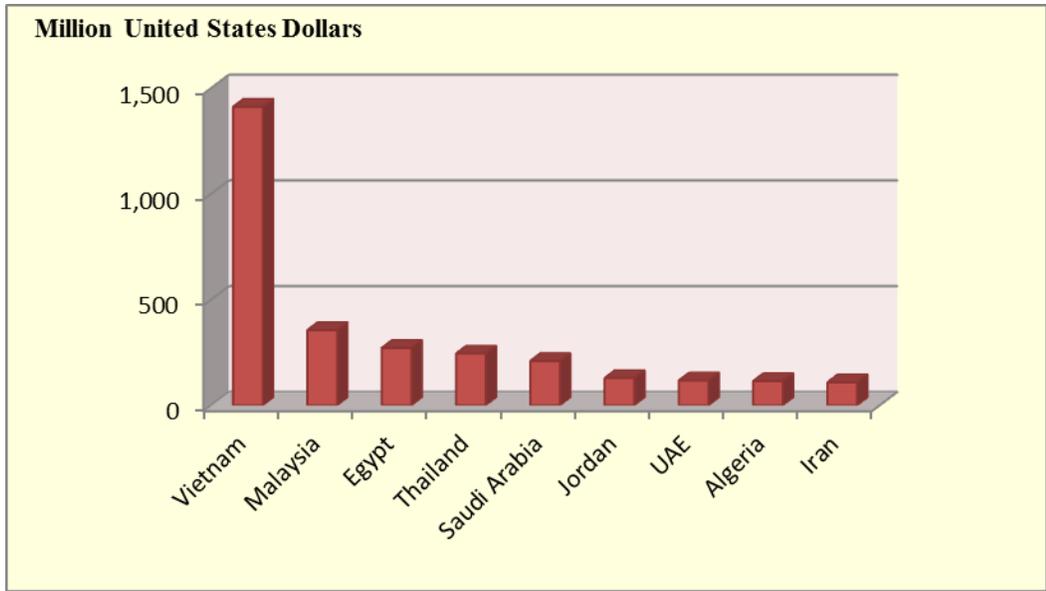


*Increasing trend of buffalo slaughter in municipal slaughter houses in mentioned states indicates increasing domestic consumption.
 Source: Basic Animal Husbandry Statistics (DADF), Ministry of Agriculture, Government of India

Trade:

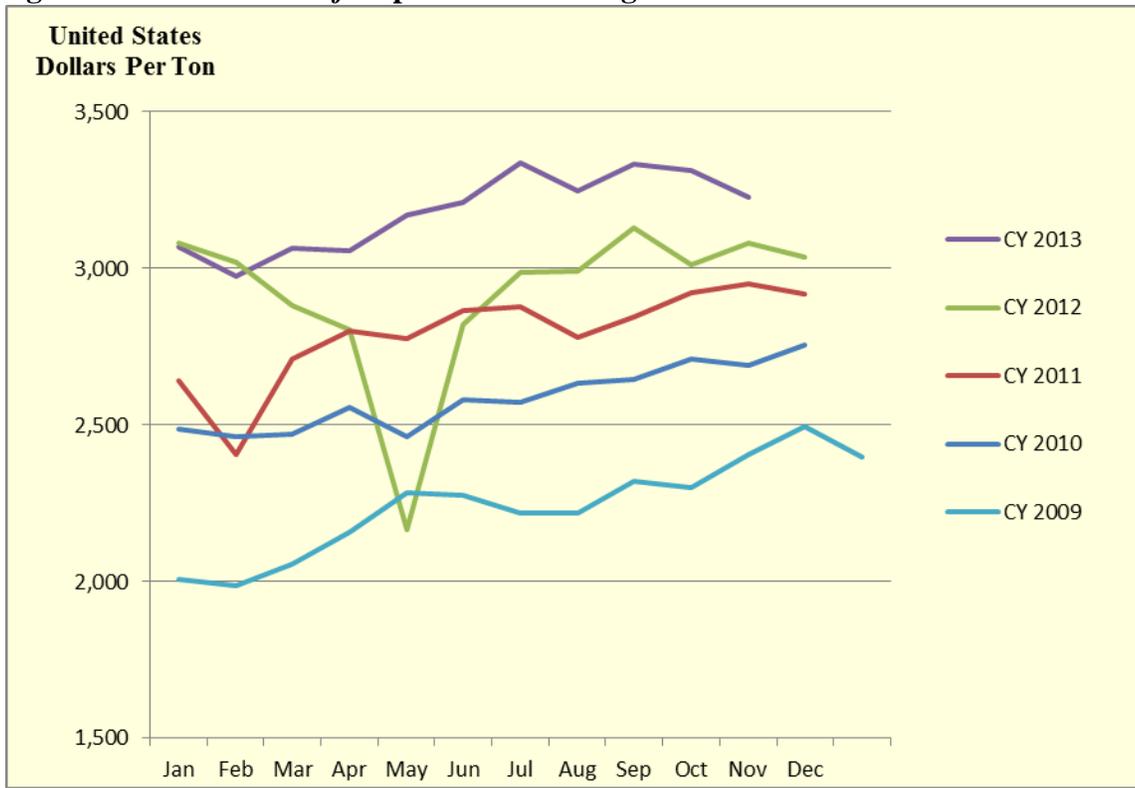
CY 2014 *carabeef* exports are forecast at 1.8 MMT CWE on expectations of increased export demand from Southeast Asia. In the last three years, Indian *carabeef* exports have more than doubled, primarily due to competitive pricing. For example, the November 2013 FOB price for Indian *carabeef* was \$3,189 per ton, while the Australian FOB price was \$4,848 per ton. Notwithstanding, Indian *carabeef* export prices continue to grow on higher production costs (See Figure 3).

Figure 2. India: CY 2012 Top 10 Carabeef Export Markets for India



Source: Global Trade Atlas

Figure 3. India: Carabeef Export Prices Rising



Source: Global Trade Atlas

Policy:

| | | | | | | | |
|---------------------------|----|----|----|----|----|----|-----------|
| Production Change | 2 | 2 | 2 | 2 | 2 | 2 | (PERCENT) |
| Production to Cows | 49 | 49 | 50 | 50 | 50 | 50 | (PERCENT) |
| Slaughter to Inventory | 11 | 11 | 12 | 12 | 12 | 12 | (PERCENT) |
| Slaughter to Total Supply | 9 | 9 | 10 | 10 | 10 | 10 | (PERCENT) |

Table 2. India: Commodity, Meat, Beef, and Veal, PSD

| Meat, Beef and, Veal India | 2012 | | 2013 | | 2014 | | |
|--------------------------------|--------------------------------|-------------------|--------------------------------|-------------------|--------------------------------|-------------------|------------------|
| | Market Year Begin: Jan 2012 | | Market Year Begin: Jan 2013 | | Market Year Begin: Jan 2014 | | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post | |
| Slaughter (Reference) | 35,225 | 35,225 | 37,875 | 37,900 | 40,000 | 40,000 | (1000 HEAD) |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| Production | 3,452 | 3,450 | 3,750 | 3,850 | 3,950 | 4,000 | (1000 MT CWE) |
| Total Imports | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| Total Supply | 3,452 | 3,450 | 3,750 | 3,850 | 3,950 | 4,000 | (1000 MT CWE) |
| Total Exports | 1,411 | 1,411 | 1,650 | 1,700 | 1,750 | 1,800 | (1000 MT CWE) |
| Human Dom. Consumption | 2,041 | 2,039 | 2,100 | 2,150 | 2,200 | 2,200 | (1000 MT CWE) |
| Other Use, Losses | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| Total Dom. Consumption | 2,041 | 2,039 | 2,100 | 2,150 | 2,200 | 2,200 | (1000 MT CWE) |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| Total Distribution | 3,452 | 3,450 | 3,750 | 3,850 | 3,950 | 4,000 | (1000 MT CWE) |
| CY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| CY. Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| Balance | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| Inventory Balance | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| Weights | 98 | 98 | 99 | 102 | 99 | 100 | (1000 MT CWE) |
| Production Change | 6 | 6 | 9 | 12 | 5 | 4 | (PERCENT) |
| Import Change | 0 | 0 | 0 | 0 | 0 | 0 | (PERCENT) |
| Export Change | 11 | 11 | 17 | 20 | 6 | 6 | (PERCENT) |
| Consumption Change | 3 | 3 | 3 | 5 | 5 | 2 | (PERCENT) |
| Imports Percent Consumption | 0 | 0 | 0 | 0 | 0 | 0 | (PERCENT) |
| Exports Percent Production | 41 | 41 | 44 | 44 | 44 | 45 | (PERCENT) |
| Population | 1,205,073,6 12 | 1,205,073,6 12 | 1,220,800,3 59 | 1,220,800,3 59 | 1,236,344,6 31 | 1,236,344,6 31 | (PEOPLE) |
| Per Capita Consumption | 2 | | 2 | | 2 | | (KG) |