

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## India

### Livestock and Products Annual

**2012**

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**Report Highlights:**

Indian buffalo meat exports have grown to record levels in the last two years, making India the fourth country in the world to export more than 1 million tons of bovine meat annually. As a result, CY 2013 buffalo meat exports are forecast at 2.15 million tons (on a carcass weight equivalent basis), around 30 percent over 1.66 million tons in CY 2012. CY 2011 buffalo meat exports are revised up to a record 1.29 million tons. India's bovine herd continues to grow in response to strong demand for dairy products, with calendar year 2013 combined stocks forecast at 327 million head and CY2012 combined stocks estimated at 323.74 million head. Indian per capita consumption remains at 2 kilograms per person, reflecting a preference for pulses, dairy, and poultry.

**Commodities:**

Animal Numbers, Cattle

Meat, Beef and Veal

**Production:**

India's bovine herd continues to grow in response to strong demand for dairy products. Private sector investment has led to notable improvements in dairy management practices, including extension services, veterinary care, and improved genetics. Recently, rain deficit situations in parts of India (Karnataka, Gujarat, Maharashtra, and Rajasthan) have led farmers to focus on dairying when crop production failed. Thus, herd growth is expected to continue in the short-term, with calendar year (CY) 2013 combined stocks forecast more than 1 percent over 2012 at 327 million head. CY2012 combined stocks for cattle (*Bos indicus/taurus*) and buffalo (*Bubalus bubalis*) are estimated at 323.74 million head, and CY2011 stocks have been revised upwards to 320.80 million head.

Indian buffalo meat production is growing significantly. Although no official production statistics are available, industry sources and export data indicate that continued strong export demand is triggering expansion in buffalo meat supplies in India. As a result, new slaughterhouses are emerging, providing farmers with a new market for non-productive buffalo heifers, bulls and bull calves. CY 2013 Indian buffalo meat production is thus forecast to rise to a record 4.16 million tons (on a carcass weight equivalent basis), up 14 percent from CY 2012. CY 2012 buffalo meat production is estimated at 3.64 million tons (up 12% from CY 2011), and CY 2011 production has been slightly revised up to 3.24 million tons. Industry and government sources have indicated that cattle supplies will remain robust over the next decade, but will level off as more productive dairying technology is adopted and inefficient dairy producers exit the market.

Indian federal and state laws prohibit the slaughter of cattle for religious concerns. Buffalo slaughter is allowed, although it is restricted to bulls and unproductive heifers. Due to the profitability of meat production in India, farmers now have an incentive to salvage and sell buffalo bull calves which were previously unused. Given this option, some farmers are fattening calves for slaughter, although the practice is still uncommon and Indian slaughter yields remain low.

**Production Policy**

The Government of India (GOI) launched The Salvaging and Rearing of Male Buffalo Calves Scheme (SRMBC) and The Utilization of Fallen Animals Scheme (UFA) under the 11th Five Year Plan (2007-2012). The projects are funded by the National Bank for Agricultural and Rural Development and are being launched in a bid to achieve a growth rate of 10 percent for the meat sector in the 11th Five Year Plan period. The SRMBC promotes the rearing of buffalo bull calves for meat production and develops linkages with export-oriented slaughterhouses. The states of Andhra Pradesh, Bihar, Chhattisgarh,

Jharkhand, Kerala, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Uttar Pradesh, Punjab, and West Bengal are targeted as priorities. The salvaging component of the program is expected to generate a substantial quantity of hides and other byproducts as well as provide employment in feed, fodder, meat, leather, and various input services. The UFA was developed to address high mortality rates in the Indian livestock sector. The Central Leather Research Institute has reported annual mortality of 24 million large animals and 17 million small ruminants in India. To address this, the UFA proposes to establish carcass utilization centers in order to prevent environmental pollution, control the spread of livestock diseases, provide employment to the rural poor, and produce better quality hides and skins through timely recovery.

In addition to the SRMBC and the UFA, the GOI initiated a major program with a focus on genetic improvement entitled The National Project on Cattle and Buffalo Breeding (NPCBB) in October 2000. Given the success of this project, the GOI decided to continue this program through the 11th Five Year Plan. Government sources indicate that the project has helped to increase both the number of crossbred animals and in-milk animals over the last decade.

A major pillar of the GOI's livestock development strategy has been the subsidized public delivery of veterinary services. To improve the quality of these services, the Ministry of Agriculture's Department of Animal Husbandry, Dairying and Fisheries (DAHD) is implementing the Livestock Health and Disease Control program on a nation-wide basis, which aims to improve the diagnosis of a series of common diseases. The various components of the program are: (a) Assistance to States for Control of Animal Diseases; (b) Professional Efficiency Development; (c) National Project on Rinderpest Eradication; (d) Foot & Mouth Disease Control Program; (e) The National Control Program of Peste des Petits Ruminants; (f) The National Animal Disease Reporting System; (g) Establishment and strengthening of existing veterinary hospitals/dispensaries; and (h) National Control Program of Brucellosis.

The National Dairy Development Board (NDDB), in partnership with the Government of India and the World Bank, has developed a National Dairy Plan (NDP) in order to increase productivity of dairy animals and to provide rural milk producers with greater access to the organized milk-processing sector. The first phase of the plan, NDP 1, has a financial outlay of 416 million dollars (more than 20 billion rupees) and will be carried out between 2012 and 2017. NDP 1 will increase dairy production through improved breeding and feeding practices as well as improved extension and management services. It will also emphasize expansion of India's dairy cooperatives, with development of community marketing systems and a formal, organized dairy economy/sector as a top priority. For more information on NDP refer to GAIN IN2031.

The Government of India launched the National Mission for Protein Supplements in the 2011-12 Indian fiscal year, with an allocation of more than \$65 million. This mission will take up activities to promote animal-based protein production through livestock development, dairy farming, pig farming, goat rearing, and fisheries in selected blocks of the country.

### **Consumption:**

India's per capita buffalo meat consumption is estimated at approximately two kilograms per year. Increases in local consumption are marginal, reflecting population growth and India's preference for vegetarian and dairy-based protein sources. For non-vegetarian Indians, poultry, fish, and mutton are

the most preferred meats. As incomes grow, meat consumption increases will likely occur primarily in the poultry segment. However, as previously stated, this increase will be overshadowed by the general preference for dairy and pulses. The rise of quick service restaurants in India is also a driver for meat consumption. However, these types of restaurants primarily focus on poultry products. For these reasons, CY 2013 buffalo meat consumption in India is forecast at 2 million tons (on a carcass weight equivalent basis), CY 2012 buffalo meat consumption is estimated at 1.98 million tons, and CY 2011 buffalo meat consumption is kept unchanged at 1.95 million tons. Note that despite an increase in overall consumption, per capita consumption may not rise due to India's growing population.

## **Processing**

Slaughter and meat processing are now regulated by the Food Safety and Standards Authority of India (FSSAI) through The Food Safety and Standards Rules and Regulation, 2011 (FSSR). On August 5, 2011, FSSR replaced the Meat and Meat Products Order, 1973. The FSSR contains standards and regulations for meat and meat products and requires registration and licensing of meat processors and other food operators in the meat value chain (please refer to GAIN IN2104). FSSR also enforces sanitary maintenance and controls at all stages of meat product (including fish and poultry) production. These standards apply to domestic and imported meat and meat products equally. For details please refer to the notifications on FSSR available at [FSSAI's website](#).

There are 33 integrated slaughter/processing facilities and 58 meat processing facilities serving the export market in India. According to the GOI, there were 3 new export-oriented slaughter units created in 2011, (see [Agricultural and Processed Food Products Export Development Authority \(APEDA\) approved abattoirs cum meat processing plants](#)). Industry sources indicate that 12 new export-oriented slaughter and processing facilities will be built by the end of 2012. Additionally, there are approximately 4000 municipal slaughter houses in India which serve the domestic market. While slaughter capacity continues to increase in India, a regulatory change in 2011 resulted in the number of APEDA-registered meat processing plants to decline from 74 to 58. The regulation change stipulated that the "export of meat and meat products will be allowed, subject to the exporter furnishing a declaration, attached with copies of valid APEDA Plant Registration Certificate(s) to customs at the time of export that the above items (meat and meat products) have been obtained/ sourced from an APEDA-registered integrated abattoir or from APEDA-registered meat processing plant which sources raw material exclusively from APEDA registered integrated abattoir/abattoir." It is important to note that while exporters remain optimistic, they do not expect either new or existing slaughter facilities to produce at full capacity, primarily due to operational inefficiencies and demand limitations.

**Existing supply chain and value chain:** Supply chains for domestic and exported buffalo meat are separate. Only 100 percent export-oriented facilities, registered with APEDA, are eligible to produce and process meat for export purposes. Export-oriented processed meat is transported in refrigerated containers from processing units to cold storage near port locations, from where the product is shipped. Municipal slaughter houses sell to the domestic market only. Most domestic market meat typically does not benefit from cold storage and is consumed in the locality where it is produced.

Buffalo meat production growth is being led by the export market, while domestic demand is keeping pace with the population growth rate. Further expansion into the domestic market appears unlikely

because Indian meat retailing lacks cold chain facilities and Indian consumers prefer non-bovine proteins such as chicken, goat, dairy products, and pulses.

The Ministry of Food Processing Industries (MOFPI) launched the comprehensive financial scheme, [Modernization of Existing Abattoirs](#), under the 11<sup>th</sup> Five Year Plan. The program is expected to continue in the 12<sup>th</sup> Five Year Plan period (2012-2017). MOFPI is also administering another scheme for technology upgrading, establishment and modernization of processing plants. For details see <http://www.mofpi.nic.in/images/ar10-11.pdf>.

**Trade:**

India is a net exporter of buffalo meat (deboned frozen buffalo meat). In the last two years, exports have grown to record levels, making India the fourth country in the world to export more than 1 million tons of bovine meat annually. India’s growing exports are the result of its low cost of production (relative to international competitors). Production costs are low due to herd growth from strong dairy demand and new incentives from slaughter facilities to salvage previously underutilized animals. As a result, CY 2013 buffalo meat exports are forecast at 2.15 million tons (on a carcass weight equivalent basis), around 30 percent over 1.66 million tons in CY 2012. CY 2011 buffalo meat exports are also revised up to a record 1.29 million tons, based on trade data. Year-on-year export growth for 2011 is 41 percent, while 2012 growth is 28 percent. Given its tremendous export growth, India is likely to become the world’s largest beef (buffalo meat) exporter by 2013, if not sooner. Import of beef from all sources is restricted and as such imports are set at nil.

As a price-based competitor, India has seen export increases in the previous two years to Middle Eastern, African and Southeast Asian countries. Referring to Table 1, (India: Beef Exports), the majority of export growth in 2011 was to Middle Eastern and North African Countries, although significant volumes are sold in Asia, with Vietnam as India’s largest export destination. Industry sources have stated that a similar trend is expected in 2012.

While Indian buffalo meat competes on a cost basis, there are several other factors influencing trade. For example, all Indian buffalo meat is produced according to halal standards. It is also characterized as a lean meat with positive blending characteristics. Industry sources place significant weight on India’s disease status, which includes World Organisation for Animal Health (OIE) ‘negligible risk’ classification for Bovine Spongiform Encephalopathy (BSE), and OIE ‘free’ recognition for rinderpest and Contagious Bovine Pleuropneumonia (CBP) (source: [OIE](#)). While this disease status has helped open new key markets (such as Algeria in 2010), India’s Foot and Mouth Disease (FMD) status poses issues for new market access in some countries. Indian exporters are operating voluntary vaccination programs to combat FMD, and the GOI has launched a Rs 4,000 crore (U.S. \$800 million) program to tackle the disease. While these programs are positive steps, FMD remains a significant hurdle for expanding market access.

**Table 1: India: Beef Exports (Metric Tons)**

	Partner Country	2007	2008	2009	2010	2011
	<b>World Total</b>	<b>484499</b>	<b>480339</b>	<b>434704</b>	<b>654985</b>	<b>924177</b>
<b>1</b>	Vietnam	39151	92258	111166	90773	254959

2	Malaysia	52325	50553	48214	79865	96646
3	Egypt	26560	43567	28590	69779	67804
4	Saudi Arabia	35310	25599	24274	47634	62553
5	Jordan	20835	15465	12503	41742	61883
6	Philippines	51365	53036	41479	43828	47196
7	United Arab Emirates	26887	18416	16594	31757	38184
8	Algeria	30	0	0	18158	33381
9	Iran	12238	12112	5391	18023	27131
10	Iraq	5370	2982	7436	17652	23902
11	Thailand	99	77	0	3855	22996
12	Angola	47863	29870	17082	19916	21287
13	Kuwait	40315	31203	28363	36234	20619
14	Syria	0	1702	6496	13929	18838
15	Georgia	11214	8189	6563	9427	16704
16	Oman	11962	11501	8027	11351	12564
17	Congo	10576	13997	12148	12377	12472
18	Myanmar	12	0	286	19800	7684
19	Gabon	7653	6234	5837	7857	7459
20	Lebanon	5068	6448	6830	8823	7308
21	Qatar	2904	4076	4116	4624	7011
22	Azerbaijan	3271	4241	2823	3819	4974
23	Armenia	4346	5570	3717	2793	4780
24	Senegal	7825	5119	4814	5054	4262
25	Pakistan	13049	3701	2939	2967	3822
26	Ghana	9489	6425	3674	4492	3416
27	Mauritius	3361	4001	2974	3189	3348
28	Equatorial Guinea	1366	1266	1098	2056	3016
29	Bahrain	2692	2322	1932	2849	2551
30	Cote d Ivoire	5025	4176	3783	2430	2477
31	Brunei Darussalam	1641	1972	954	1231	1804
32	Yemen	3163	1368	1314	2450	1769
33	Comoros	1702	2007	1786	1945	1677
34	Tajikistan	2790	1762	2196	1681	1644
35	Uzbekistan	897	624	196	577	1608
36	Liberia	449	452	254	655	1594
37	South Africa	1	0	1	598	1539
38	Canada	0	0	0	280	1445
39	Namibia	393	1181	281	813	1291
40	Turkey	943	306	158	836	1153
41	Maldives	548	311	186	530	938
42	Afghanistan	3390	1745	464	405	838
43	Hong Kong	572	83	4063	360	802
44	China	948	630	363	27	709
45	Sierra Leone	838	503	255	263	581
46	Benin	0	58	29	316	309
47	Seychelles	53	333	219	336	266
48	Singapore	0	0	0	525	210

49	Albania	1110	1425	726	141	84
50	United States	0	121	67	193	2
51	Greece	1560	512	0	0	0
52	Mozambique	1237	57	0	252	0
53	Germany	37	12	7	450	0
54	United Kingdom	1	0	0	433	0
55	Indonesia	0	0	0	683	0
	<b>Others</b>	<b>4065</b>	<b>771</b>	<b>2036</b>	<b>1952</b>	<b>2687</b>
<b>Source: Global Trade Atlas</b>						

## Policy:

### Trade Policy

The GOI has established procedures for the importation of livestock and related products to India through the [Livestock Importation Act, 1898](#). These procedures are implemented by DAHD and are available at: <http://dahd.nic.in/order/livestockimport.doc>. Tariffs for selected livestock products are shown in table 4.

DAHD is also responsible for outlining import procedures and sanitary conditions for various livestock products, and issues guidelines for the import/export of animal germplasm. The procedures for import can be accessed at the links below:

1. [Procedure for import of Livestock products into India](#)
2. [Sanitary conditions/Health Protocols for various products](#)
3. [Guideline for Import/Export of Bovine Germplasm](#)
4. [Proforma for submitting proposals for introduction of live Aquatic Organisms](#)
5. [Import Health certificate for import of Dog into India](#)
6. [Animal health certificate for import of in vivo bovine embryo in to India](#)
7. [Veterinary certificate for import of skin/hides into India](#)
8. [Procedure for import of Dairy Items](#)
9. [Veterinary certificate for import of milk and milk products](#)
10. [Veterinary Certificate for Import of Canine Semen into India](#)
11. [Veterinary Certificate for Import of Equine Semen into India](#)
12. [Veterinary Certificate for Import of Ovine / Caprine Semen into India](#)
13. [Animal Health Certificate for Import of Porcine Semen into India](#)

**(Note:** As per the Foreign Trade Policy of the Government of India, meat aimed for export should be sourced from abattoirs and meat processing plants registered under APEDA).

### Production, Supply and Demand Data Statistics:

**Table 2: Commodity, Animal Numbers, Cattle, PSD**

Animal Numbers, Cattle India	2011		2012		2013		
	Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Total Cattle Beg. Stks	320,800	320,800	324,490	323,740		327,340	(1000 HEAD)
Dairy Cows Beg. Stocks	129,000	129,000	129,350	129,350		129,710	(1000 HEAD)
Beef Cows Beg. Stocks	0	0	0	0		0	(1000 HEAD)
Production (Calf Crop)	62,500	62,500	63,400	63,400		64,400	(1000 HEAD)
Total Imports	0	0	0	0		0	(1000 HEAD)
Total Supply	383,300	383,300	387,890	387,140		391,740	(1000 HEAD)
Total Exports	0	0	0	0		0	(1000 HEAD)
Cow Slaughter	1,250	1,270	1,250	1,290		1,310	(1000 HEAD)
Calf Slaughter	4,660	4,900	4,750	5,100		5,290	(1000 HEAD)
Other Slaughter	26,090	26,590	29,400	30,410		35,500	(1000 HEAD)
Total Slaughter	32,000	32,760	35,400	36,800		42,100	(1000 HEAD)
Loss	26,810	26,800	25,250	23,000		20,000	(1000 HEAD)
Ending Inventories	324,490	323,740	327,240	327,340		329,640	(1000 HEAD)
Total Distribution	383,300	383,300	387,890	387,140		391,740	(1000 HEAD)
CY Imp. from U.S.	0	0	0	0		0	(1000 HEAD)
CY. Exp. to U.S.	0	0	0	0		0	(1000 HEAD)
Balance	0	0	0	0		0	(1000 HEAD)
Inventory Balance	3,690	2,940	2,750	3,600		2,300	(1000 HEAD)
Inventory Change	1	1	1	1		1	(PERCENT)
Cow Change	0	0	0	0		0	(PERCENT)
Production Change	1	1	1	1		2	(PERCENT)
Production to Cows	48	48	49	49		50	(PERCENT)
Slaughter to Inventory	10	10	11	11		13	(PERCENT)

Slaughter to Total Supply	8	9	9	10		11	(PERCENT)
TS=TD		0		0		0	

**Table 3: Commodity, Meat, Beef and Veal, PSD**

Meat, Beef and Veal India	2011		2012		2013		
	Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Slaughter (Reference)	32,000	32,760	35,400	36,800		42,100	(1000 HEAD)
Beginning Stocks	0	0	0	0		0	(1000 MT CWE)
Production	3,170	3,244	3,505	3,643		4,168	(1000 MT CWE)
Total Imports	0	0	0	0		0	(1000 MT CWE)
Total Supply	3,170	3,244	3,505	3,643		4,168	(1000 MT CWE)
Total Exports	1,220	1,294	1,525	1,660		2,158	(1000 MT CWE)
Human Dom. Consumption	1,950	1,950	1,980	1,983		2,010	(1000 MT CWE)
Other Use, Losses	0	0	0	0		0	(1000 MT CWE)
Total Dom. Consumption	1,950	1,950	1,980	1,983		2,010	(1000 MT CWE)
Ending Stocks	0	0	0	0		0	(1000 MT CWE)
Total Distribution	3,170	3,244	3,505	3,643		4,168	(1000 MT CWE)
CY Imp. from U.S.	0	0	0	0		0	(1000 MT CWE)
CY. Exp. to U.S.	0	0	0	0		0	(1000 MT CWE)
Balance	0	0	0	0		0	(1000 MT CWE)
Inventory Balance	0	0	0	0		0	(1000 MT CWE)
Weights	99	99	99	99		99	(1000 MT CWE)
Production Change	12	12	11	12		14	(PERCENT)
Import Change	0	0	0	0		0	(PERCENT)
Export Change	33	33	25	28		30	(PERCENT)
Consumption	1	1	2	2		1	(PERCENT)

Change							
Imports Percent Consumption	0	0	0	0		0	(PERCENT)
Exports Percent Production	38	40	44	46		52	(PERCENT)
Population	1,189,172,906	1,189,172,906	1,205,073,612	1,205,073,612		1,205,073,612	(PEOPLE)
Per Capita Consumption	2	0	2	0		0	(KG)
TS=TD		0		0		0	

**Author Defined:**

**Table 4: Tariffs for selected Livestock Products, 2012**

HS CODE	ITEM DESCRIPTION	BASIC	CVD	SPL CVD	TOTAL DUTY WITH 2+1%EC	IMPORT POLICY
01011010-01019090	LIVE HORSES, ASSES, MULES & HINNIES	30	0	4	36.136	Restd
01021010 - 01029090	LIVE BOVINE ANIMALS	30	0	4	36.136	Restd
01031000-01039200	LIVE SWINE	30	0	4	36.136	Restd
01041010 - 01042000	LIVE SHEEP & GOATS	30	0	4	36.136	Restd
01051100 - 01059900	LIVE POULTRY I.E. FOWLS OF THE SPECIES GALLUS DOMESTICUS, DUCKS, GEESE, TURKEYS AND GUINEA FOWLS	30	0	4	36.136	Restd
02011000 - 02013000	MEAT OF BOVINE ANIMALS, FRESH AND CHILLED	30	0	4	36.136	R SanP
02021000 - 02023000	MEAT OF BOVINE ANIMALS, FROZEN	30	0	4	36.136	R SanP
02031100-02031900	MEAT OF SWINE, FRESH, OR CHILLED	30	0	0	30.90	Fr SanP
02032100-02032900	MEAT OF SWINE, FROZEN	30	0	4	36.136	Fr SanP
02041000 - 02045000	MEAT OF SHEEP OR GOATS, FRESH CHILLED OR FROZEN	30	0	4	36.136	Fr SanP
02061000	EDIBLE OFFAL OF BOVINE ANIMALS, FRESH OR CHILLED	30	0	0	30.90	R SanP
02062100 - 02069090	EDIBLE OFFAL OF BOVINE ANIMALS, SWINE, GOATS, HORSES, ASSES,	30	0	4	36.136	**

	MULES OR HINNES, FRESH, CHILLED OR FROZEN					
<b>02071100- 02071200</b>	MEAT, & EDIBLE OFFAL, OF THE POULTRY OF HEADING 0105, NOT CUT IN PIECES, FRESH OR CHILLED OR FROZEN	30	0	4	36.136	Fr SanP
<b>02071300</b>	CUTS & OFFAL, FRESH OR CHILLED	100	0	0	103.00	Fr SanP
<b>02071400</b>	CUTS & OFFAL, FROZEN	100	0	4	111.12	Fr SanP

Source: Directorate General of Foreign Trade, Government of India

\*\* HS Code 02061000-02063000- R SanP, HS Code 02064100-02069090- Fr SanP

**Note:** CVD – Countervailing Duty, EC – Education Cess, Restd – Restricted, R SanP- Restricted Sanitary Permit, Fr SanP- Free Sanitary Permit