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India

Livestock and Products Annual

2014

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Report Highlights:

For calendar year (CY) 2014 and CY 2015, the total cattle population is estimated to grow from 300.6 to 301.1 million head. The cattle population is revised based on [2012 livestock census data] from the Government of India (GOI). CY 2014 and CY 2015 carabeef exports are forecast at 2 and 2.2 million tons carcass weight equivalent (CWE) on export pace and expectations of increased demand from the Middle East, Africa, and Southeast Asia.

Executive Summary:

For CY 2014 and CY 2015, the total cattle population is estimated to grow from 300.6 to 301.1 million head. The cattle population is revised based on 2012 livestock census data from the GOI. From approximately September 2013 to January/February 2014, there was a foot-and-mouth disease (FMD) outbreak in southern India, which restricted the interstate trade of livestock, particularly to the state of Kerala. CY 2014 and CY 2015 carabeef meat production is projected at 4.1 and 4.3 million tons CWE on improved weights due to better farm management and nutrition. CY 2014 and CY 2015 carabeef exports are forecast at 2 and 2.2 million tons CWE on export pace and expectations of increased demand from the Middle East, Africa, and Southeast Asia.

Commodities:

Animal Numbers, Cattle

Meat, Beef and Veal

Production:

For CY 2014 and CY 2015, the total cattle population is estimated to grow from 300.6 to 301.1 million head. The cattle population is revised based on 2012 livestock census data from the GOI. According to this data, more cattle are being raised in the rural areas, with overall further declines in the urban cattle population. From approximately September 2013 to January/February 2014, there was a FMD outbreak in southern India, which restricted the interstate trade of livestock, particularly to the state of Kerala. According to official sources, vaccination campaigns helped stem the FMD outbreak, which they state is now under control. Livestock losses due to FMD eased the drop in total losses from CY 2013 to CY 2014.

CY 2014 and CY 2015 carabeef meat production is projected at 4.1 and 4.3 million tons CWE on improved weights due to better farm management and nutrition. Strong export demand from the Middle East, Africa and Southeast Asia is also expected to rise. For more details on the rising export demand for carabeef products, please refer to the Trade section of this report.

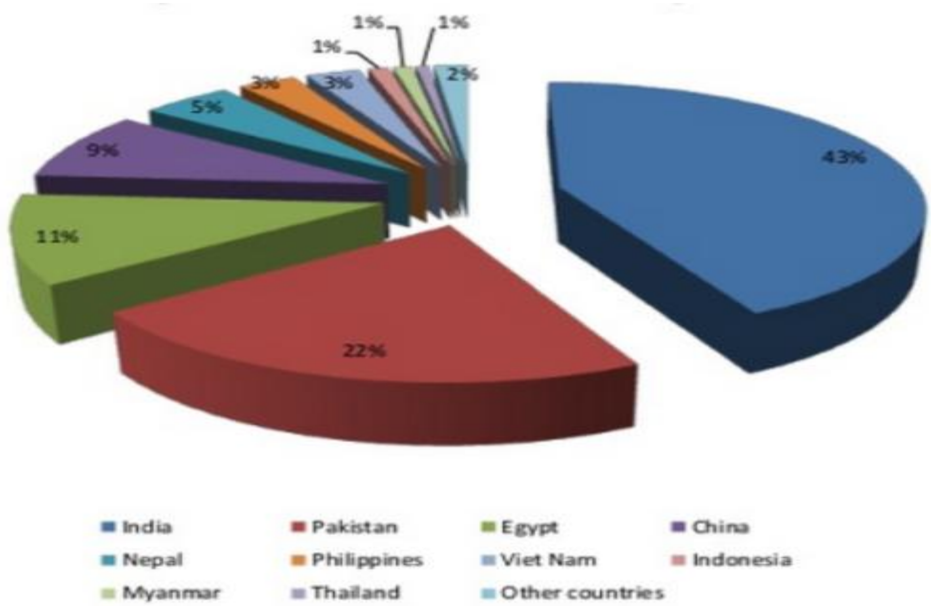
Industry and government sources believe that the overall cattle population will remain robust over the next decade on continued growth in the dairy sector. According to contacts, private sector investment has led to improvements in dairy management practices, including extension services, veterinary care, and improved genetics. However, challenges still remain, including a declining water table and limited feed supplies.

Buffalo livestock are raised throughout India on dairy farms; however, most dairies are located in northern and western India. Spent dairy water buffalo cattle are driven to municipal or private slaughter facilities for domestic production or export. Although most states have restrictions on buffalo slaughter, states such as Uttar Pradesh, Andhra Pradesh, Maharashtra, and Punjab have high carabeef production due to higher Muslim populations (Figure 2).

Fig 1: India Produces 43 Percent of Global Carabeef Production

Buffalo Meat Producing Countries

(% share)

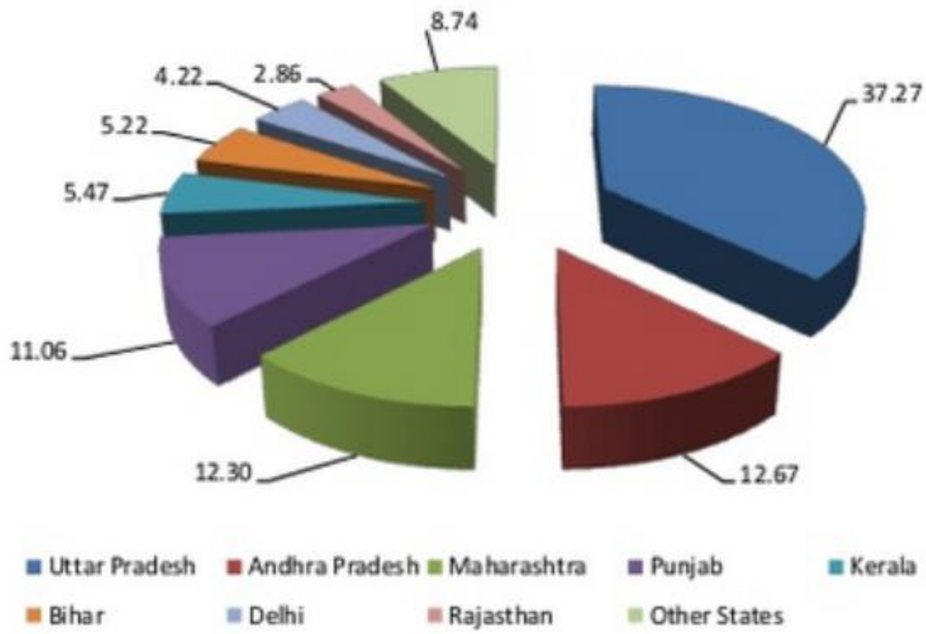


Source: FAO

Fig 2: Uttar Pradesh is the Highest Domestic Producer of Carabeef

Buffalo Meat Producing Indian States

(% share)



Source: Animal Husbandry Department

Consumption:

CY 2014 and CY 2015 consumption estimates are forecast to rise 3.1 and 3.5 percent to 2.1 and 2.175 million tons CWE on population growth, particularly for the Muslim population in India. Reportedly, more young consumers are willing to explore new foods, including carabeef, which may eventually drive future demand. Chilled and frozen carabeef is very limited due to a lack of cold chain operations; likewise, most consumers prefer fresh over frozen meat products. Overall meat consumption is expected to continue to rise on a growing middle class and stronger demand for high quality, competitively priced meat products. Chicken meat is the most widely consumed meat product (by volume), followed by carabeef.

Processing

Slaughter and meat processing are regulated by the Food Safety and Standards Authority of India (FSSAI) through the Food Safety and Standards Rules and Regulation, 2011 (FSSR). The FSSR, 2011 contains standards and regulations for domestic and imported meat and meat products, and requires registration and licensing of meat processors and other food operators in the meat product value chain. For further details, please refer to FSSR notifications which are available on FSSAI's website and FAS GAIN Report IN3098.

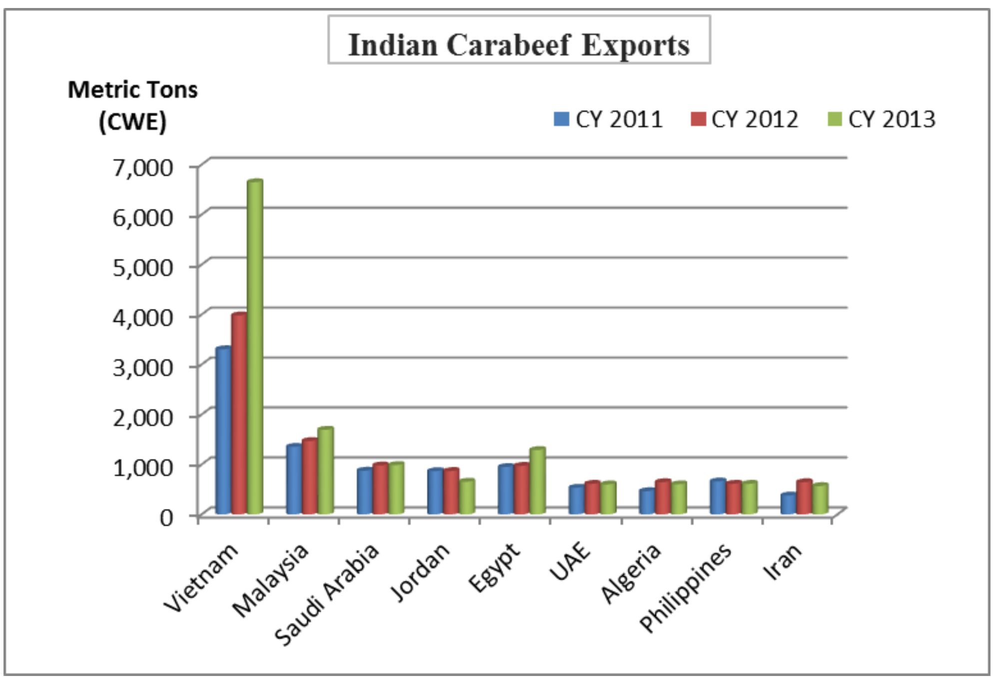
The program entitled Modernization of Existing Abattoirs/establishment of Modern Abattoirs currently focuses on promoting private capital to introduce modern technologies and create stronger backward and forward linkages. During the 12th Five Year Plan (2012-17), this initiative will be implemented by state governments through the National Mission on Food Processing. For more information, please see FAS GAIN Report IN3098.

There are 53 approved Indian abattoirs-cum- meat processing plants serving the export market (for more details, please refer to [List of Indian Integrated Abattoirs and Meat Processing Plants approved by Agricultural and Processed Food Products Export Development Authority (APEDA).]

Trade:

CY 2014 and CY 2015 carabeef exports are forecast at 2 and 2.2 million tons CWE on export pace and expectations of increased demand from the Middle East, Africa, and Southeast Asia. Vietnam and Malaysia are the largest export markets for India (See Figure below). Most importers prefer Indian carabeef due to price competiveness and because it is halal. Carabeef exports to India are heavily restricted for all sources.

Fig 3: Vietnam and Malaysia are India's Largest Export Markets for Carabeef



Source: Global Trade Atlas

According to the current Export and Import Policy of the Government of India, each export consignment is subject to compulsory laboratory testing. If passed, the product receives a pre- shipment health inspection certificate (one certificate is issued per consignment). For more details, please see GAIN report IN3098.

The Government of India has given the following agencies authority to issue health certificates.

1. All State Directorates of Animal Husbandry
2. Export Inspection Agencies (EIAs)
3. Directorate of Marketing and Inspection (DMI)
4. Deonar abattoir, Mumbai (for chilled sheep and goat meat only)
5. Ghazipur abattoir, Delhi (for buffalo, sheep and goats)
6. Perumbur abattoir, Chennai (for buffalo, sheep and goats)

Policy:

Carabeef Meat Production Programs and Policy

The Department of Animal Husbandry (DAHD) in the Ministry of Agriculture (MOA) supports state governments on issues such as animal diseases, genetic resources, feed and fodder research, processing and marketing facilities, and livestock production. The MOA also continues to support national level programs for major diseases such as FMD, peste des petits (PPR), and brucellosis. The FMD control program, which administers vaccines to livestock, is expected to occur in stages during the 12^{th} Five Year Plan (2012-17). For more details on these various programs, please see the Livestock and Products Annual 2013 (GAIN report number IN3098).

The Rashtriya Gokul Mission, which is under the National Program for Bovine Breeding and Dairy Development (NPBBDD), was recently launched to enhance the productivity of indigenous breeds through professional farm management. The goal is to increase milk production and genetic improvement using elite indigenous breeds. The project will be implemented through state agencies such as the livestock development boards, and include other institutions and partners such as the Central Frozen Semen Production and Training Institute, central cattle breeding farms, the Indian Council of Agricultural Research, universities, colleges, non-governmental organizations, and cooperative societies. The project is expected to receive $28.58 million, which is 35 percent of NPBBDD's budget.

DAHD manages 18 central livestock organizations and other institutions that produce and distribute germplasm to state governments for crossbreeding and genetic enhancement. According to the MOA, in the last 13 years, semen production has increased from 22 million to 81 million straws; moreover, over 62 million livestock have been serviced using artificial insemination, which rose over 200 percent. Reportedly, conception rates rose from 20 percent to 35 percent, which have increased the livestock population by 18 million. Furthermore, government funding has been made available to participating state governments for procuring quality bulls for natural service, developing bull production programs, and establishing Open Nucleus Breeding System (ONBS) farms, which breed indigenous livestock for further crossbreeding and research.

India has limited cultivable land for growing crops, which is mostly devoted to producing food grains, oilseeds, and pulses. Likewise, grazing pasture has degraded due to overuse or urban sprawl. Government programs falling under the Ration Balancing Program and Accelerated Fodder Development initiative strive to improve animal nutrition by distributing information on nutrient requirements and local production of fodder. More information can be found at http://www.nddb.org/ and http://nfsm.gov.in/guidelines/acceler150311.pdf

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 the DAHD and are available at: http://dahd.nic.in/order/livestockimport.doc, which also issues guidelines for germplasm imports. Tariffs for selected livestock products are shown in Table 3.

Information on import procedures are provided below:

Procedure for import of Livestock products into India
Procedure for Import of Livestock notified under clause (b) of Section 2 of Livestock Importation Act, 1898
Sanitary conditions/Health Protocols for various products
Guideline for Import/Export of Bovine Germplasm
Proforma for submitting proposals for introduction of live Aquatic Organisms
Import Health certificate for import of Dog into India
Animal health certificate for import of in vivo bovine embryo in to India
Veterinary certificate for import of skin/hides into India
Procedure for import of Dairy Items
Veterinary certificate for import of milk and milk products
Veterinary Certificate for Import of Canine Semen into India
Veterinary Certificate for Import of Equine Semen into India
Veterinary Certificate for Import of Ovine / Caprine Semen into India
Animal Health Certificate for Import of Porcine Semen into India

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

Production, Supply and Demand Data Statistics:

Table 1. India: Commodity, Animal Numbers, Cattle, PSD

Animal Numbers, Cattle India	2013		2014		2015	
	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks	327,100	299,606	329,700	300,606		301,106
Dairy Cows Beg. Stocks	129,700	118,598	130,100	123,000		125,000
Beef Cows Beg. Stocks	0	0	0	0		0
Production (Calf Crop)	64,500	65,000	65,500	66,000		67,000
Total Imports	0	0	0	0		0

Total Supply	391,600	364,606	395,200	366,606		368,106
Total Exports	0	0	0	0		0
Cow Slaughter	0	0	0	0		0
Calf Slaughter	0	0	0	0		0
Other Slaughter	31,000	34,500	32,500	37,000		39,500
Total Slaughter	37,900	34,500	40,000	37,000		39,500
Loss	24,000	29,500	24,500	28,500		27,000
Ending Inventories	329,700	300,606	330,700	301,106		301,606
Total Distribution	391,600	364,606	395,200	366,606		368,106
CY Imp. from U.S.	0	0	0	0		0
CY. Exp. to U.S.	0	0	0	0		0
Balance	0	0	0	0		0
Inventory Balance	2,600	1,000	1,000	500		500
Inventory Change	1	1	1	0		0
Cow Change	0	0	0	0		0
Production Change	2	2	2	2		2
Production to Cows	50	55	50	54		54
Slaughter to Inventory	12	12	12	12		13
Slaughter to Total Supply	10	9	10	10		11

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

Meat, Beef and Veal India	2013		2014		2015	
	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	37,900	34,500	40,000	37,000		39,500
Beginning Stocks	0	0	0	0		0
Production	3,850	3,800	4,000	4,100		4,375
Total Imports	0	0	0	0		0
Total Supply	3,850	3,800	4,000	4,100		4,375
Total Exports	1,765	1,765	1,875	2,000		2,200
Human Dom. Consumption	2,085	2,035	2,125	2,100		2,175
Other Use, Losses	0	0	0	0		0

Total Dom. Consumption	2,085	2,035	2,125	2,100		2,175
Ending Stocks	0	0	0	0		0
Total Distribution	3,850	3,800	4,000	4,100		4,375
CY Imp. from U.S.	0	0	0	0		0
CY. Exp. to U.S.	0	0	0	0		0
Balance	0	0	0	0		0
Inventory Balance	0	0	0	0		0
Weights	102	110	100	111		111
Production Change	12	12	4	8		7
Import Change	0	0	0	0		0
Export Change	25	25	6	13		10
Consumption Change	2	2	2	3		4
Imports Percent Consumption	0	0	0	0		0
Exports Percent Production	46	46	47	49		50
Population	1,220,800,359	1,220,800,359	1,236,344,631	1,236,344,631		
Per Capita Consumption	2		2			

Table 3. India: Tariffs for Selected Livestock Products, 2014

HS CODE	ITEM DESCRIPTION	BASIC	CVD	SPL CVD	TOTAL DUTY WITH	IMPORT POLICY

					2+1%EC	
01012100-01019090	LIVE HORSES, ASSES, MULES & HINNIES	30	0	4	36.136	Restd
01022100 - 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	0	30.90	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	0	30.90	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, MULES OR HINNES, FRESH, CHILLED OR FROZEN	30	0	4	36.136	R SanP
02071100	MEAT, & EDIBLE OFFAL, OF THE POULTRY OF HEADING 0105, NOT CUT IN PIECES, FRESH OR CHILLED	30	0	0	30.90	Fr SanP
02071200	MEAT, & EDIBLE OFFAL, OF THE POULTRY OF HEADING 0105, NOT CUT IN PIECES, FROZEN	30	0	4	36.136	FrSanP
02071300	CUTS & OFFAL, FRESH OR CHILLED	100	0	0	100.00	Fr SanP
02071400	CUTS & OFFAL, FROZEN	100	0	4	108.00	Fr SanP