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**Livestock**

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**Report Highlights:**

**Moovooe-Over: India Enters Ranks of World's Top 10 Exporters of Bovine Meat.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
New Delhi [IN1], IN

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## Summary

Post's forecast of beef (water buffalo) exports in year 2000 (250,000 tons), places India among the world's top exporters of bovine meat. Moreover, India has the resources to meet the anticipated increase in demand arising from expected access to the Russian market and economic recovery in southeast Asia. Exports of beefalo have enhanced the value of the male buffalo at a time when its draft value is declining, creating a new economic opportunity for millions of small-scale farmers. Continued expansion of exports likely will occur at the expense of Australian and EU beef.

## Production

A strong recovery in crop production and the absence of major disease outbreaks have supported a 1 percent increase in Indian cattle numbers in 1999. While increasing mechanization has led to a significant decline in demand for draft animals, commercialization of the dairy sector and expanding beef exports are expected to encourage marginally higher growth in the near term. The driving force is growing numbers of water buffalo (*bos bubalus*), which now account for about one-third of India's cattle population of more than 300 million. Strong growth in buffalo numbers is attributed to the animal's higher milk yield (compared with *bos indicus*), higher milk fat (the pricing norm) and fewer restrictions on slaughter. Access to the Russian beef market, coupled with economic recovery in southeast Asia, are expected to significantly expand demand for Indian beefalo in the near future. Even marginal improvement in utilization of the male buffalo will enable India to meet any significant increase in demand. Continued capitalization of the dairy and meat-export sectors is expected to lead to a marked increase in demand for commercial feed, some of which will likely be sourced from imports.

Goat and sheep populations also are expected to grow by about 1 percent this year. Goats remains largely a backyard venture, while sheep are raised in flocks of 10 to 50 animals. Commercialization of sheep and goat production is far less advanced than in the dairy and poultry sectors and even lags buffalo.

## Consumption

Slaughter of livestock remains largely a small-scale operation, generally run by Muslims (India is home to the world's second largest Muslim population). There are thousands of street-shop slaughter houses which cater to the consumers' preference for freshly slaughtered meat. Lack of adequate disposal for inedible offal, however, has led many cities to restrict the establishment of slaughter houses to outside the city limits.

Religious sensitivities severely limit demand for beef and the slaughter of cows is banned in nearly all Indian states. However, beef is consumed by about 25 percent of the population (250 million people), largely lower-caste Hindus and members of religious minorities. Interestingly, per capita consumption of beef (1.7 kg) is higher than that for mutton (800 grams) or poultry (740 grams), largely because of its lower cost. Poultry is the preferred meat among Indians, followed by sheep/goat. Beef is the poor man's meat. Demand for sheep/goat continues to outpace supply, leading to its relatively high retail price of about rs.100/kg (US\$2.33) compared with rs. 80/kg (US\$1.86) for poultry meat and rs. 60/kg (US\$1.40) for beef.

## Policy

Government animal husbandry programs focus on increasing milk production. Development of the meat industry is led by the private sector. There are about five export-oriented plants which have incorporated ISO 9000 standards, including HACCP. A company in Uttar Pradesh is supporting contract production to ensure adequate numbers of high quality, disease-free animals. More than 100,000 families in 1300 villages have registered under this program, which includes a contractual buy-back agreement and the support of a team of veterinarians. A disease-free zone has been established in the surrounding area. Perhaps in recognition of the economic benefits derived from commercialization of the beef sector, the government recently reduced the service tax on mechanized bovine slaughter houses from rs. 1,000 (\$23.25) per animal to rs. 100 (\$2.33).

## Trade

Trade in cattle is banned by a government licensing requirement, though an illegal trade flourishes along the Bangladeshi border. Since September 1998 the government has banned imports of live cattle, buffalo, sheep and goats: bovine, ovine and caprine embryos/ova; fresh meat, meat products, tissue/organ (other than milk and semen), meat and bone meal originating in: the United States, Belgium, Belarus, Canada, Cyprus, France, Germany, Israel, Italy, Ireland, Japan, Luxembourg, the Netherlands, Norway, Portugal, Switzerland, and the United Kingdom because of concerns over TSE diseases.

India's beefalo exports increased to an estimated 185,000 tons in 1998. A decline in exports to the traditional Middle East markets was offset by higher demand from emerging markets such as Philippines and Mauritius. Trade sources estimate 1999 exports will reach 220,000 tons, and increase to 250,000 tons in 2000. Growth is expected to be supported by economic recovery in southeast Asian markets and probable access to the Russian market. In May 1999, a team of Russian veterinarians visited India and are expected to give their approval to imports of beefalo soon. Exports to Russia would be greatly facilitated by moving it under the Rupee-Ruble Repayment Arrangement, which facilitates the repayment of India's debts to Russia. Over the next few years India is expected to emerge as a major player in the international beef trade, challenging traditional suppliers such as Australia and New Zealand in southeast Asian markets, and the EU in Russia.

Trade in live ovine animals also is effectively banned by a government licensing requirement. However, illegal border trade in live goats with Nepal is common. The government imports a small number of sheep, mostly Rambouillet and Merino, in an effort to improve the wool of local breeds. No major imports, however, have occurred since 1995. Imports of goat/sheep meat are also barred by an import licensing requirement. However, sheep/goat meat may be freely exported. Despite high domestic demand and prices, India exported 7,547 tons of sheep/goat meat in 1997, valued at rs. 675 million (\$16 million). Exports are estimated by the trade to have increased to 10,000 tons in 1998 due to increased demand from traditional markets in the Middle East. With continued strong demand in the domestic market (and consequent higher prices), exports are expected to decline in 1999 to 8,500 tons. Year 2000 exports are expected to recover to 10,000 tons. Despite its higher price in Middle East markets, Indian lamb/sheep meat is reportedly preferred over Australia and New Zealand mutton due the large South Asian ethnic communities in those markets.

## **Market Opportunities**

India prohibits imports of beef. However, limited opportunities exist for quality cuts to meet the demands of wealthy Indians and a rising number of tourists, provided the ban on US meats is lifted. New Zealand and Australia would be the major competitors due to lower freight costs and reduced shipment times.

## Commodity, Animal Numbers, Cattle

PSD Table							
Country:							
Commodity:							
		1998		1999		2000	UOM
	Old	New	Old	New	Old	New	
Calendar Year Begin							(MONTH/ YEAR)
Total Cattle Beg. Stks	303030	303030	306967	306967	0	312572	(1000 HEAD)
Dairy Cows Beg. Stocks	125895	125895	123684	127790	0	130150	(1000 HEAD)
Beef Cows Beg. Stocks	0	0	0	0	0	0	(1000 HEAD)
Production (Calf Crop)	44667	44667	44431	45350	0	46150	(1000 HEAD)
Intra EC Imports	0	0	0	0	0	0	(1000 HEAD)
Other Imports	20	20	10	5	0	2	(1000 HEAD)
TOTAL Imports	20	20	10	5	0	2	(1000 HEAD)
TOTAL SUPPLY	347717	347717	351408	352322	0	358724	(1000 HEAD)
Intra EC Exports	0	0	0	0	0	0	(1000 HEAD)
Other Exports	0	0	0	0	0	0	(1000 HEAD)
TOTAL Exports	0	0	0	0	0	0	(1000 HEAD)
Cow Slaughter	1100	1100	1150	1250	0	1400	(1000 HEAD)
Calf Slaughter	2900	2900	3500	3000	0	2900	(1000 HEAD)
Other Slaughter	8250	8250	8000	8500	0	8700	(1000 HEAD)
Total Slaughter	12250	12250	12650	12750	0	13000	(1000 HEAD)

Loss	28500	28500	28000	27000	0	26000	(1000 HEAD)
Ending Inventories	306967	306967	310758	312572	0	319724	(1000 HEAD)
TOTAL DISTRIBUTION	347717	347717	351408	352322	0	358724	(1000 HEAD)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT CWE)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT CWE)

## Commodity, Meat, Beef &amp; Veal, PSD (CWE)

PSD Table							
Country:	India			0.65	<-Conversion factor for CWE		
Commodity:	Meat, Beef and Veal						
		1998		1999		2000	UOM
	Old	New	Old	New	Old	New	
Calendar Year Begin		01/1998		01/1999		01/2000	(MONTH/YEAR)
Slaughter (Reference)	12250	12250	12650	12750	0	13000	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT CWE)
Production	1593	1593	1645	1660	0	1700	(1000 MT CWE)
Intra EC Imports	0	0	0	0	0	0	(1000 MT CWE)
Other Imports	0	0	0	0	0	0	(1000 MT CWE)
TOTAL Imports	0	0	0	0	0	0	(1000 MT CWE)
TOTAL SUPPLY	1593	1593	1645	1660	0	1700	(1000 MT CWE)
Intra EC Exports	0	0	0	0	0	0	(1000 MT CWE)
Other Exports	162	183	170	220	0	250	(1000 MT CWE)
TOTAL Exports	162	183	170	220	0	250	(1000 MT CWE)
Human Dom. Consumption	1431	1410	1475	1440	0	1450	(1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0	(1000 MT CWE)
TOTAL Dom. Consumption	1431	1410	1475	1440	0	1450	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0	(1000 MT CWE)
TOTAL DISTRIBUTION	1593	1593	1645	1660	0	1700	(1000 MT CWE)

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Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT CWE)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT CWE)

## Commodity, Animal Numbers, Sheep &amp; Goat, PSD

PSD Table							
Country:							
Commodity:	Animal Numbers, Sheep						
		1998		1999		2000	UOM
	Old	New	Old	New	Old	New	
Calendar Year Begin							(MONTH/YEAR)
TOTAL Beginning Stocks	178462	178462	180130	180130	0	180885	(1000 HEAD)
Ewes, Beginning Stocks	129590	129590	131920	131950	0	132500	(1000 HEAD)
Production (Lamb Crop)	98410	98410	100207	100350	0	101550	(1000 HEAD)
Intra EC Imports	0	0	0	0	0	0	(1000 HEAD)
Other Imports	20	20	20	5	0	5	(1000 HEAD)
TOTAL Imports	20	20	20	5	0	5	(1000 HEAD)
TOTAL SUPPLY	276892	276892	280357	280485	0	282440	(1000 HEAD)
Intra EC Exports	0	0	0	0	0	0	(1000 HEAD)
Other Exports	0	0	0	0	0	0	(1000 HEAD)
TOTAL Exports	0	0	0	0	0	0	(1000 HEAD)
Ewe Slaughter	44217	44217	45800	46500	0	47000	(1000 HEAD)
Lamb Slaughter	32045	32045	32700	33100	0	33500	(1000 HEAD)
Other Slaughter	12500	12500	12000	12500	0	13000	(1000 HEAD)
TOTAL Slaughter	88762	88762	90500	92100	0	93500	(1000 HEAD)

Loss	8000	8000	7500	7500	0	7500	(1000 HEAD)
Ending Inventories	180130	180130	182357	180885	0	181440	(1000 HEAD)
TOTAL DISTRIBUTION	276892	276892	280357	280485	0	282440	(1000 HEAD)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 HEAD)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 HEAD)

## Commodity, Meat, Lamb, Mutton &amp; Goat

PSD Table							
Country:	India			0.7	<-Conversion factor for CWE		
Commodity:	Meat, Lamb, Mutton and Goat						
		1998		1999		2000	UOM
	Old	New	Old	New	Old	New	
Calendar Year Begin		01/1998		01/1999		01/2000	(MONTH/YEAR)
Slaughter (Reference)	88762	88762	90500	92100	0	93500	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT CWE)
Production	890	890	906	923	0	938	(1000 MT CWE)
Intra EC Imports	0	0	0	0	0	0	(1000 MT CWE)
Other Imports	0	0	0	0	0	0	(1000 MT CWE)
TOTAL Imports	0	0	0	0	0	0	(1000 MT CWE)
TOTAL SUPPLY	890	890	906	923	0	938	(1000 MT CWE)
Intra EC Exports	0	0	0	0	0	0	(1000 MT CWE)
Other Exports	8	10	10	8.5	0	10	(1000 MT CWE)
TOTAL Exports	8	10	10	8.5	0	10	(1000 MT CWE)
Human Dom. Consumption	882	880	896	914.5	0	928	(1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0	(1000 MT CWE)
TOTAL Dom. Consumption	882	880	896	914.5	0	928	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0	(1000 MT CWE)
TOTAL DISTRIBUTION	890	890	906	923	0	938	(1000 MT CWE)

Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT CWE)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT CWE)

## Commodity, Meat, Beef &amp; Veal, Trade Matrix

Export Trade Matrix		Meat		
Country:			Units:	Metric Tons
Commodity:			Partial Begin:	Jan
			Partial End:	
Exports for	1997	1998	1998	1999
	Full	Full	Partial	Partial
U.S.	357	150		
Others				
Malaysia	53441	55000		
U.A.E.	41876	42000		
Philippines	32152	35000		
Iran	11035	12500		
Jordan	5381	6500		
Kuwait	4562	5000		
Mauritius	4013	4500		
Oman	3979	4500		
Total for Others	156438	165000	0	0
Others not listed	19533	18000		
Grand Total	176328	183150	0	0

## Commodity, Meat, Lamb, Mutton &amp; Goat

Export Trade Matrix		Meat		
Country:			Units:	Metric Tons
Commodity:			Partial Begin:	Jan
			Partial End:	
Exports for	1997	1998	1998	1999
	Full	Full	Partial	Partial
U.S.	100	100		
Others				
U.A.E.	3365	4100		
Saudi Arab	2966	3800		
Oman	671	1100		
Baharain Island	127	150		
South Africa	121	200		
Total for Others	7249	9350	0	0
Others not listed	197	515		
Grand Total	7547	9965	0	0