

Required Report: Required - Public Distribution

Date: March 11, 2021

Report Number: IN2021-0033

Report Name: Livestock and Products Semi-annual - 2021

Country: India

Post: New Delhi

Report Category: Livestock and Products

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Report Highlights:

Indian water buffalo meat (carabeef) and beef (bovine) production in calendar year 2021 is projected to total about 4.1 million metric tons (MMT), three percent above the previous estimate. Rising cattle numbers and improvement in India's domestic supply chain support the anticipated expansion. Also, improving international demand will help lift carabeef exports to 1.4 MMT against the earlier projection of 1.2 million metric tons. Production and export sales in 2020 are likewise revised. Indian carabeef is a byproduct of the dairy sector, which diverts spent/unproductive water buffalo cows and bulls to slaughter. These animals are not raised normally for carabeef production. Any second wave of the COVID-19 pandemic will affect India's export prospects. [Note: Carabeef and beef production and trade are reported in carcass weight equivalent (CWE)].

EXECUTIVE SUMMARY:

Carabeef (Indian water buffalo meat) and beef (bovine) production is set to rise in calendar year 2021. With the restoration of the cattle supply chain of live, spent cattle (predominantly water buffalo) following the easing of the national coronavirus (COVID-19) pandemic lockdowns of 2020, production in 2021 will increase to about 4.1 million metric tons (MMT).¹ Production is set to pick up in those states with large water buffalo populations, namely Uttar Pradesh, Maharashtra, and Andhra Pradesh. [Please note that all annualized figures cited henceforth are calendar year unless otherwise indicated].

The 2021 production number of 4.1 MMT represents a three percent increase above the previous estimate and is eight percent higher than the 2020 volume level. FAS New Delhi is anticipating that dairy industry expansion will support the rise in overall cattle population numbers, as well as of *carabeef* and beef production.

Buoyed by recent predictions of stronger economic recovery during Indian fiscal year (IFY) 2021-22 (April-March), improving international demand for meat from both traditional and non-traditional buyers will support Indian *carabeef* exports in 2021. Exports are likely to surpass 1.4 MMT against the earlier projection of 1.2 million metric tons. India in 2020, with \$2.8 billion in exports, was the fifth largest global exporter of *carabeef*. In terms of export volume, India trails Brazil and Australia. Post notes that any second wave of the COVID-19 pandemic will affect India's export prospects.

¹ Spent cattle refers to Indian water buffalo and dairy heifers, that are deemed no longer productive following a sixth lactation cycle.

**COMMODITIES:
ANIMAL NUMBERS, CATTLE**

Production, Supply and Demand Data Statistics:

Table 1. India: Commodity, Animal Numbers, Cattle, PSD						
Animal Numbers, Cattle Market Year Begins	2019		2020		2021	
	Jan 2019		Jan 2020		Jan 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Total Cattle Beg. Stocks (1000 HEAD)	302700	302700	303100	303200	305400	305500
Dairy Cows Beg. Stocks (1000 HEAD)	125340	125340	126500	126500	127650	127650
Beef Cows Beg. Stocks (1000 HEAD)	0	0	0	0	0	0
Production (Calf Crop) (1000 HEAD)	69000	69000	69400	69400	69800	69800
Total Imports (1000 HEAD)	0	0	0	0	0	0
Total Supply (1000 HEAD)	371700	371700	372500	372600	375200	375300
Total Exports (1000 HEAD)	0	0	0	0	0	0
Cow Slaughter (1000 HEAD)	0	0	0	0	0	0
Calf Slaughter (1000 HEAD)	0	0	0	0	0	0
Other Slaughter (1000 HEAD)	38600	38600	34750	35800	35900	37000
Total Slaughter (1000 HEAD)	38600	38600	34750	35800	35900	37000
Loss and Residual (1000 HEAD)	30000	29900	32350	31300	32900	31600
Ending Inventories (1000 HEAD)	303100	303200	305400	305500	306400	306700
Total Distribution (1000 HEAD)	371700	371700	372500	372600	375200	375300

PRODUCTION

FAS New Delhi (Post) estimates India’s production (calf crop) in marketing year 2021 (January-December) at 69.8 million head, unchanged from the U.S. Department of Agriculture’s (USDA) official MY 2021 number. India is on track to see herd numbers increase by some 400,000 head from the 2020 USDA official number of 69.4 million. Post sees that with the restoration of the cattle supply chain of live, spent cattle following the easing of the national coronavirus (COVID-19) pandemic lockdowns of 2020, calf production is increasing to meet demand for productive animals in the country’s dairy sector. Indian water buffalo (*Bubalus bubalis*) herd numbers are on the upswing in the states of Uttar Pradesh and Maharashtra, that count with large herds, to meet as well recovering demand for Indian water buffalo meat products from traditional export markets (in the Middle East and South East Asia). [Note: Carabeef and beef production and trade are reported in carcass weight equivalent (CWE)].

TRADE

Exports: None. India does not normally permit exports of livestock (of either water buffalo or dairy heifers).

Imports: None. No livestock are being officially imported at present. The import of live animals is subject to restrictions. An importer must first obtain an import license from the Director General of Foreign Trade (DGFT). Import licenses require the approval of the Department of Animal Husbandry and Dairying (DAHD) that reviews the import license request and conducts a risk analysis. India’s import certification requirements and documentation for livestock are available at: <http://dadf.gov.in/trade>.

POLICY

Livestock and Animal Health: The Department of Animal Health and Dairying\ [Livestock Health and Disease Control](#) is responsible for controlling and containing the spread of animal diseases (e.g., foot-and-mouth disease - FMD,² *peste des petits ruminants*-PPR or ovine rinderpest, brucellosis, and anthrax).

National Animal Disease Control Program: Launched in 2019, the National Animal Disease Control Program ([NADCP](#)) has sought to control the spread of FMD and brucellosis through the vaccination of 100 percent of India's sheep, goat, hog, water buffalo and cattle herds. It began vaccinating 100 percent of all bovine female calves of four-to-eight months of age for brucellosis in IFY 2019-20 and the program extends through IFY 2023-24 (\$1.9 billion) to control the spread of the disease by 2025 and its elimination in the country by 2030.

Livestock Feed: On January 29, 2021, the Food Safety and Standards Authority of India (FSSAI) reactivated for a second time its draft Food Safety and Standards (Food Products Standards and Food Additives) Amendment Regulation (2020) for commercial feed/feed materials for ruminants which would then be slaughtered for meat and meat products. The compliance date is set for July 1, 2021 ([GAIN-INDIA - IN2021-0002 - Second Extension on Commercial Feeds and Feed Materials Standards Compliance Timeline](#)), and it is operationalized to align the FSSAI's requirement with respect to animal feed with those specified in Bureau of Indian Standards (BIS) and the DAHD, as well as to address food safety and public health concerns associated with commodities such as milk (see also [GAIN-INDIA – IN2021-0027 – India's FSSAI Reinstates its Food Additives and Food Standards Amendment Regulation for Meat and Meat Products for a Second Time](#)). The FSSAI is taking this step as the finalization of the regulation will take some time.

The full text of the current FSSAI order is accessible on their website located at:

https://www.fssai.gov.in/upload/advisories/2021/01/6013fd4bd1a62Direction_Animal_Feed_29_01_2021.pdf.

² For trading purposes, FMD is the most critical disease for India to manage. It has a World Organization for Animal Health (OIE) endorsed official program (initiated in May 2015) for controlling the disease.

COMMODITIES: MEAT, BEEF AND VEAL

Production, Supply and Demand Data Statistics:

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

Meat, Beef and Veal Market Year Begins	2019		2020		2021	
	Jan 2019		Jan 2020		Jan 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Slaughter (Reference) (1000 HEAD)	38600	38600	34750	35800	35900	37000
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	4270	4270	3650	3760	3950	4070
Total Imports (1000 MT CWE)	0	0	0	0	0	0
Total Supply (1000 MT CWE)	4270	4270	3650	3760	3950	4070
Total Exports (1000 MT CWE)	1494	1494	1050	1280	1200	1425
Human Dom. Consumption (1000 MT CWE)	2776	2776	2600	2480	2750	2645
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	2776	2776	2600	2480	2750	2645
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	4270	4270	3650	3760	3950	4070

PRODUCTION

FAS New Delhi (Post) is revising the 2021 slaughter (reference) figure to reflect more near-normal levels of about 37 million head, or 1 million head above the previous estimate. Post attributes the revision to the rise in the Indian herd number (supported by strong growth in the dairy sector), as well as the restoration of the supply chain in major states with large water buffalo (*Bubalus bubalis*) herds (e.g., Uttar Pradesh, Maharashtra, and Andhra Pradesh). Local livestock markets have now reopened, driving up the procurement of water buffalo bull calves and spent dairy cows for slaughter in municipal slaughterhouses. Indian *carabeef* and bovine beef (*Bos taurus* or *Bos indicus*) production (which is tolerated in some southern and northeastern states and West Bengal) during the same period is estimated at about 4.1 MMT, three percent above the previous estimate and over eight percent above last year's volume.³ (See, [GAIN-INDIA – IN2020-0126 – Livestock Annual 2020](#)).

The slaughter (reference) for 2020 is revised up three percent to 35.8 million head. The revision reflects the clearance in the slaughter backlog following the phased reopening from the COVID-19 pandemic lockdown, particularly during the latter half of 2020; in response to improving demand from overseas markets in the Middle East and Southeast Asia. The *carabeef* and beef production estimate as a result is raised by 110,000 metric tons (MT) to 3.8 million metric tons. As a reflection of the increase, strong demand for export of *carabeef* has kept local supply tight, allowing prices to hold firm (Figure 1, Tables 1 and 2).

³ Due to religious sensitivities, India's *carabeef* sector depends largely on the dairy sector's unproductive water buffaloes and water buffalo bulls. In 2015, several states, including Maharashtra and Haryana, enacted strict legislation prohibiting bovine cattle slaughter. However, industry sources indicate that the legislation has not had a major impact on the *carabeef* trade and supply chain. All Indian states, except for Kerala, West Bengal, and the northeastern states, prohibit the slaughter of cattle of any age, including for both female and male calves.

Indian *carabeef* is a byproduct of the dairy sector, which diverts spent/unproductive water buffalo cows and bulls to slaughter. These animals are not raised normally for carabeef production.

CONSUMPTION

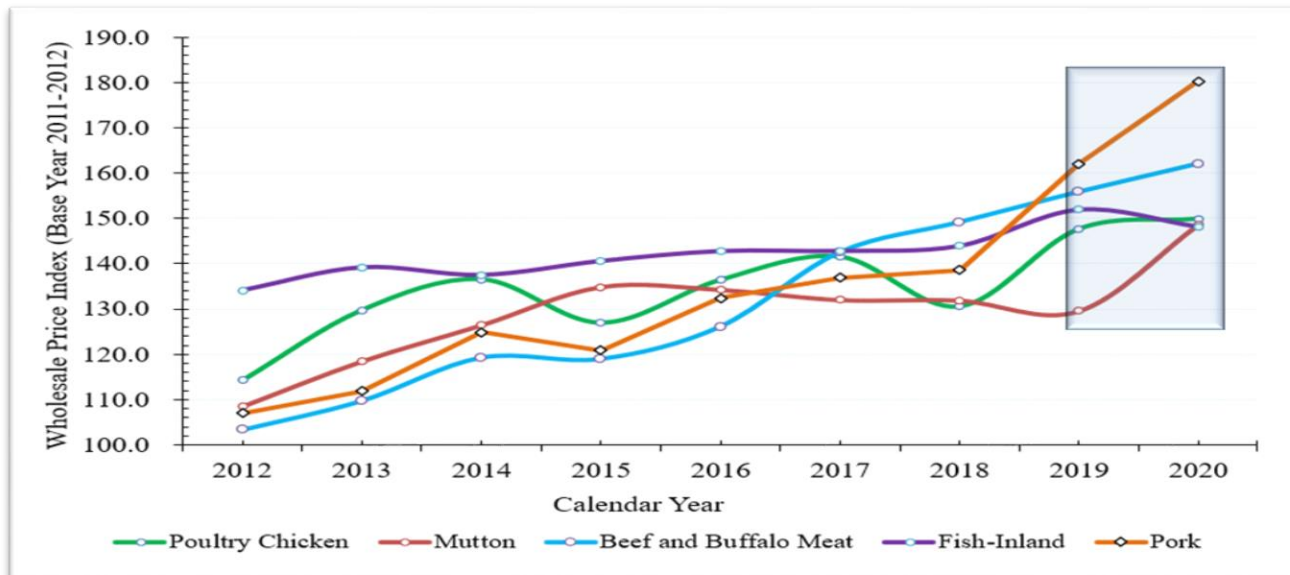
India’s 2021 *carabeef* and beef consumption is revised to 2.6 MMT, up almost seven percent above 2020 levels but still falling below the 2019 COVID-19 pre-pandemic levels. Strong household and institutional demand support the rise in consumption. Consumption levels in 2020, however, are revised to about 2.5 MMT, down four percent to adjust for higher export volumes. Post anticipates retail and home-delivery meat sale demand trends to continue despite sit-down restaurant dining recovering.

Indian *carabeef* is a favorite of many consumers due to its affordability, leanness, and halal characteristics, which contrasts with traditional beef supplies (and of pork). In addition to direct consumption, some *carabeef* is processed and consumed as sausage, salami, and hamburger products.⁴

PRICES

The wholesale price index (WPI) for beef and buffalo meat in 2020 rose four percent. This increase signals improving consumer demand (Figure 1). The wholesale price index for goat meat (classified in India as mutton) and pork have risen 33 percent and 16 percent respectively in response to strong consumer demand coupled with sluggish domestic production. Poultry meat’s WPI increased 10 percent in the first two quarters of 2020 due to COVID-19 production disruptions but diminished in the third quarter with the gradual resumption of supply. During the same period, the WPI for fresh water or inland fish (both from wild caught and aquaculture) remained moderate for most of 2020; however, it dropped 16 percent in the fourth quarter.

FIGURE 1: INDIA, Beef and Buffalo Meat, Mutton, Chicken, Pork, and Fish Wholesale Prices, CY 2012-20



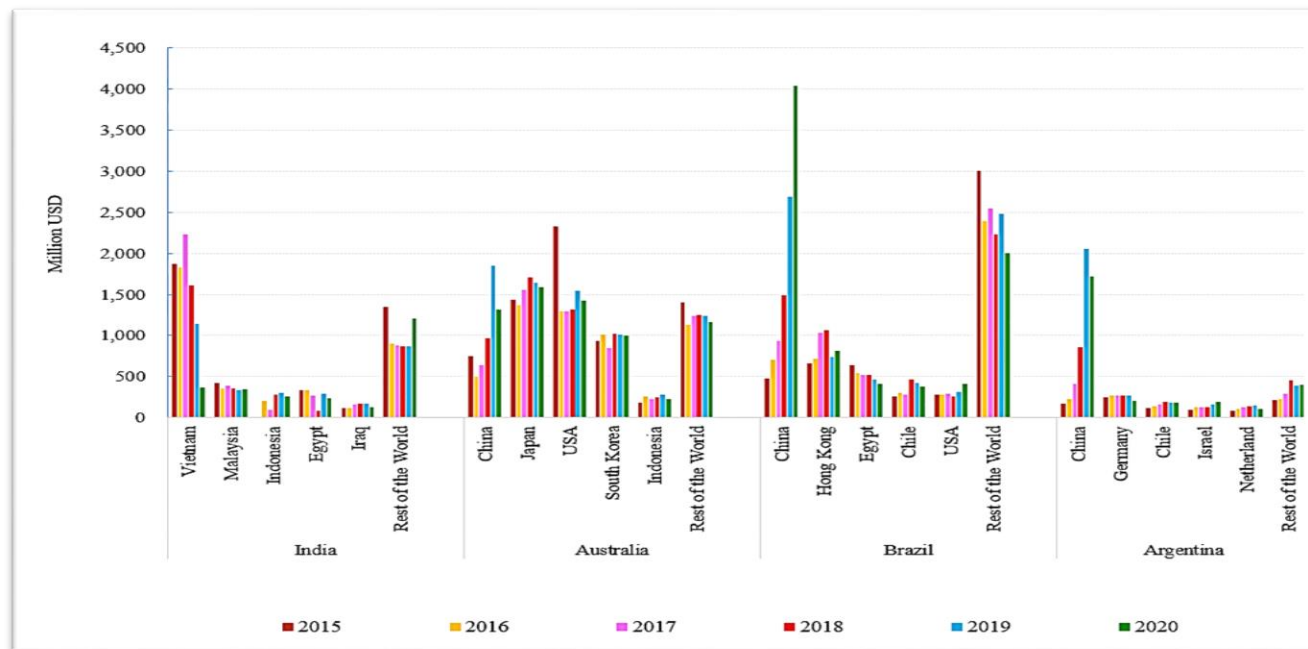
Source: Ministry of Commerce and Industry, Trade Data Monitor, and FAS New Delhi office research.

⁴ Carabeef is mainly consumed by India’s Muslim population and certain sectors of the Hindu population. Carabeef and bovine beef consumption is reportedly higher in the states of Kerla, Assam, West Bengal, Goa, and some of the northeastern states.

TRADE

India in 2020, with \$2.8 billion in exports, was the fifth largest global exporter of *carabeef*.⁵ In terms of export volume, India follows Brazil and Australia. India is retaining its strong export volumes by increasing sales to non-traditional export markets when traditional ones such as Vietnam have faltered (Figure 2).

FIGURE 2: INDIA, Top-5 Destinations of Top-4 Exporter's in Last Six Calendar Years



Source: Trade Data Monitor and FAS New Delhi office research.

Exports: The expectation of stronger economic recovery in Indian fiscal year (IFY) 2021-22,⁶ and post-COVID-19 improving demand for meat from both traditional and non-traditional buyers will support 2021 *carabeef* exports. Exports are likely to surpass 1.4 MMT against the earlier projection of 1.2 MMT and will increase by over eight percent from the 2020 volume. Post is revising the 2020 *carabeef* export estimate upwards to 1.28 MMT, an expansion of 230,000 MT from the previous estimate 1.05 million metric tons. Post notes, however, that any second wave of the COVID-19 pandemic will affect India's export prospects.

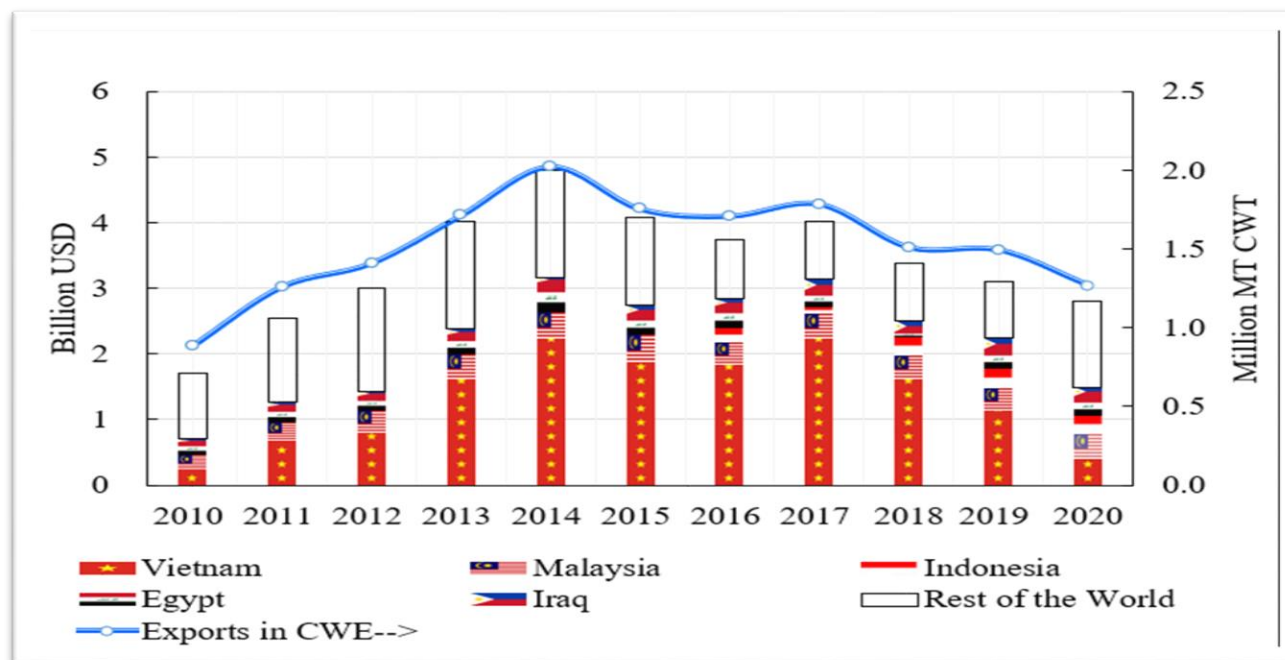
Export sales in the second half of 2020 remained modest, notwithstanding that alternative sources of animal protein (i.e., poultry and pork) were short. However, 62 percent of exports that did occur during 2020 reflect higher-than-normal shipments directed to China's Special Administrative Region of Hong Kong. Shipments to Malaysia were also up, as were the number of shipments of under 40,000 MT to countries in the Middle East. India exports mostly frozen boneless *carabeef* (according to the requirements of the meat importing country, which are typically thawed and then sold in local wet markets. (see, India's [Red Meat Manual.pdf](#)).

⁵ Per existing meat export policy, India prohibits the export of beef and beef products derived from the meat of bovine heifers, oxen, and calves.

⁶ India's economy is expected to bounce back in IFY 2021-22 with a strong double-digit growth (IMF, Fitch, UBS, S&P).

Notwithstanding the foreseen rise in export volumes, these projections still fall below the five-year average of 1.5 million metric tons. With improvements in foreign export market consumer confidence and broader economic recovery, it is expected that there will be a pickup in demand for Indian products. The bulk of Indian exports go to price-sensitive low-income markets that often require halal certification.⁷

FIGURE 3: INDIA, Top-5 Markets for Carabeef



Source: Trade Data Monitor, industry sources, and FAS New Delhi office research.

Imports: The import of beef and beef products is subject to restrictions. An importer must first obtain an import license from the Director General of Foreign Trade (DGFT). Import licenses require the approval of the Department of Animal Husbandry and Dairying (DAHD) that reviews the import license request and conducts a risk analysis. The import of livestock products is governed by an “open general license” (OGL). This licensing is subject to obtaining the requisite sanitary import permit (SIP), issued following a risk analysis (per internationally recognized scientific principles) and with the receipt of the exporting country’s competent authority’s veterinary certificate. The validity of SIPs varies from six-months to one-year.

India’s import certification requirements and documentation for livestock products are available at: <http://dadf.gov.in/trade>. Tariffs on select livestock products remain unchanged in the recent India Fiscal Year Budget - 2021/22 (announced in February 2021).

POLICY

Trade Policy: The Ministry of Commerce and Industry regulates livestock and livestock product exports. The Department of Animal Husbandry and Dairying, housed within the Ministry of Fisheries, Animal Husbandry

⁷ All exported meat products must be processed in abattoirs and meat processing plants registered with the Agricultural and Processed Food Products Export Development Authority (APEDA). Export shipments are subject to compulsory microbiological and other testing to be issued animal health certificates by the certified Government of India agency.

and Dairying, regulates livestock and livestock product imports. It regulates imports in accordance with Section 3 and Section 3a provisions of the [Livestock Importation Act \(1898\)](#) and the [Livestock Importation Act \(Amended 2001\)](#) to prevent the entry of exotic diseases through imported livestock⁸ and livestock products.⁹ Bovine cattle slaughter is banned in most Indian states. India currently prohibits beef exports and imports.

Carabeef Production Programs and Policy: The FSSAI regulates domestic slaughter and meat processing by means of the Food Safety and Standards Rules and Regulation (2011). The regulation defines standards for domestic and imported meat products.

Animal Husbandry Infrastructure Fund: Under the ‘Make in India’ or the *Atma Nirbhar Bharat* (self-reliant India) *Abhiyan* stimulus package, the Indian government is allocating funding from the [Animal Husbandry Infrastructure Fund](#) (June 2020) to dairy, meat processing, and animal feed processing infrastructure development. Funding is open to eligible farmer-producer organizations and individual entrepreneurs. The fund’s objectives include establishing new meat processing facilities for sheep, goats, poultry, hogs, and water buffalo across India. Contemplated also is product diversification for value-added meat products such as sausage, salami, nuggets, ham, bacon, and others. The fund promotes greater access to organized markets, as well as the establishment of animal feed manufacturing units (namely for bypass protein, mineral-mixtures, and silage), feed testing labs, and balance (mixed feed) producers.

Attachments:

No Attachments

⁸ The term livestock covers mules, asses, bulls, calves, bullocks, buffaloes, goats, swine, dogs, cats, poultry, parrots, pigeons, canaries, and finches.

⁹ Beef is regarded as being separate and distinct from *carabeef*, or water buffalo meat.