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Prepared By: Amit Aradhey

Approved By: Mark Wallace

Report Highlights:

The calendar year (CY) 2020 cattle (*Bos taurus* or *Bos indicus*) and water buffalo (*Bubalus bubalis*) population is estimated at 303.1 million head, 400,000 head above last year. Despite the growth, the CY 2020 carabeef and beef production is expected to fall 12.2 percent from last year to 3.8 MMT due to a slower economy and restricted or limited movement of cattle-livestock during the national lockdown. After the lockdown is eased, some pent-up demand on the trade front will push CY 2020 export sales to 1.1 million metric tons (MMT), which will still be 23 percent below last year.

Please note: ‘Carabeef & beef’ production and trade are reported in carcass weight equivalent (CWE).

Executive Summary:

Consistent growth in the Indian dairy sector (both private and government) and in calf crop production should support further rise in the cattle population, which includes water buffalo. Despite the growth, the CY 2020 total of *carabeef* and beef production is expected to fall 12 percent from last year to 3.8 MMT CWE (preliminary estimate) due to a slowdown in economic activities and restricted or limited movement of cattle among other livestock during the national lockdown to control the spread of the Coronavirus, hereafter referred to as “the lockdown”. (Note that beef from cattle (*bos tauros*) is regarded as being separate and distinct from *carabeef*, which is the meat of water buffalo (*bubalus bubalis*).

The corona virus outbreak in China and consequent worldwide pandemic has already dimmed Indian *carabeef* export prospects, particularly in the first four months, starting January 2020. After the lockdown measures are eased, some pent-up demand on the trade front will push CY 2020 export sales to 1.1 million metric tons (MMT). The forecast volume, however, is 23 percent below last year’s total and the third annual dip in a row. Fresh export orders, if any, during or after the holy Ramadan month may lift market sentiments, but would need matching logistic support and port clearance, both in India and across importing nations.

Commodities:

Animal Numbers, Cattle
Meat, Beef and Veal

Production:

The 2020 cattle population beginning stock is projected at 303.1 million head, some 400,000 head above 2019. Consistent growth in the Indian dairy sector (both private and government) and calf crop production should support a further rise in cattle population, which includes water buffalo. The CY 2019 cattle (*Bos taurus* or *Bos indicus*) and water buffalo (*Bubalus bubalis*) population is revised to 302.7 million head, utilizing the most recent data available from [Livestock Census](#) (20th) conducted by the Department of Animal Husbandry and Dairy (DAHD), Government of India (GOI).

Despite the growth in cattle population, a preliminary estimate of the CY 2020 total of *carabeef* and beef production is a fall of 12 percent from last year to 3.8 MMT CWE due to the slower economy and restricted or limited movement of cattle during the national lockdown¹ (68 days as of May 31). The major municipal

¹ More details under policy section.

slaughterhouses had no or limited deliveries of live cattle as the livestock markets were mostly closed, ostensibly to maintain social distancing as part of the effort to contain spread of corona virus².

Therefore, Post has drawn down the expected total supply of cattle that will be available for slaughter in CY 2020, which means a steep drop in the processing output³ across municipal slaughterhouses for local consumption and for export. Even if some private operators were allowed, they must ensure at least minimal social distancing, which lowers capacity utilization, efficiency, and profits. Meat shops may operate amid the lockdown (see policy section below); short supplies will partly counter the steep drop in demand and thus *carabeef* and beef prices should hold firm.

Prices:

From January 2020 through April 2020, the wholesale price index (WPI) of ‘beef and buffalo meat’ rose 22 percent (Figure 1), while that of fresh/frozen buffalo meat grew just 2 percent⁴. Short supply caused the inflation, but the meat was still affordable against other available red meat, such as goat meat. During the same period, the WPI index for other meats, including poultry meat and freshwater fish, fell 10 percent and 19 percent, respectively, indicating steep falls in demand (Figure 1). Poultry prices fell more dramatically due to rumors on social media circles that COVID19 has zoonotic origins and spreads through poultry meat.

Consumption:

India’s CY 2020 consumption of ‘*carabeef*’ and beef is projected at 2.6 MMT CWE, which is six percent below last year. The extended lockdown had already weighed on availability and pushed up prices, as seen from its price index below. However, given strong demand and the fact that it is still one of the most affordable animal proteins in the market right now⁵, consumption should normalize, particularly in the latter part of the year. As indicated above, most buffalo meat produced in municipal slaughterhouses is meant for domestic consumption. Generally, Uttar Pradesh, Andhra Pradesh, Kerala, West Bengal, and Maharashtra have reported higher buffalo meat consumption in past years. Culture and religion have significant influence on the foods that Indians eat. For example, Muslims and Christians eat *carabeef*, but large segments of the Hindu population do not.

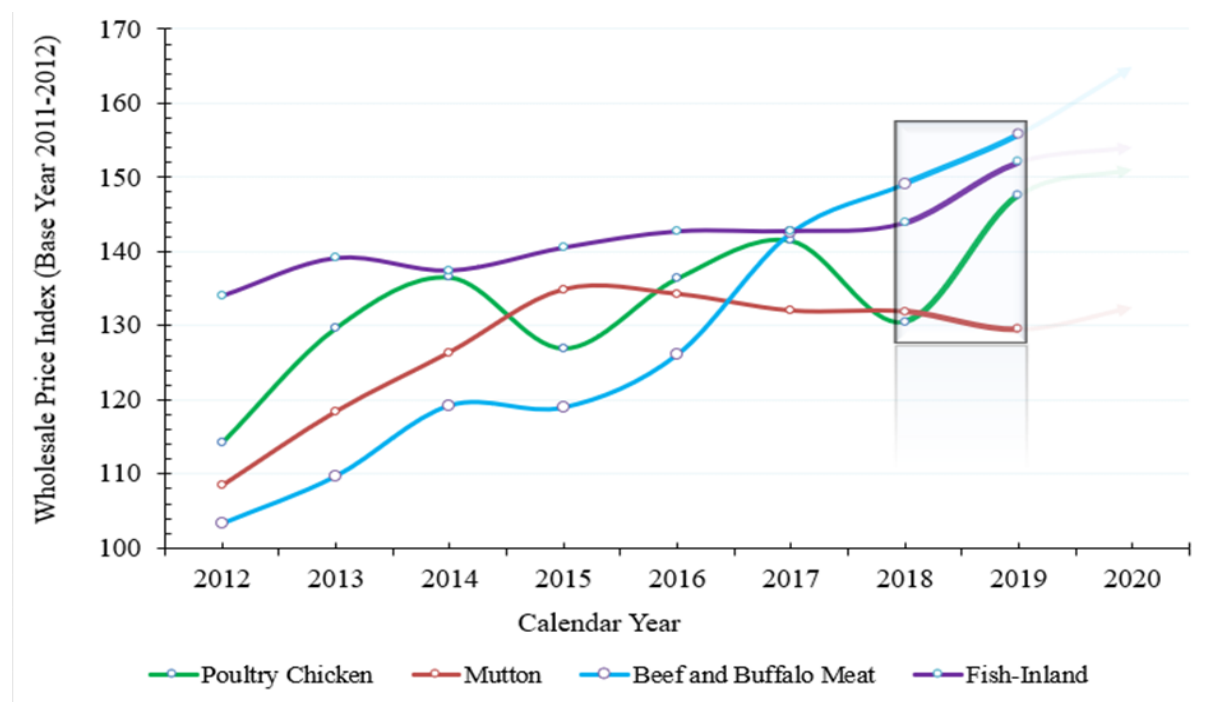
² Media reports indicated that supply of animals from the neighboring states was also limited.

³ Eventually resulting in higher than average end inventory and residual.

⁴ In the event of extended lockdown, frozen buffalo meat will rise, albeit at a slower pace.

⁵ The average price (April-end, Delhi) of buffalo meat was found quoted at INR 170-250/kg, compared to the average price of goat meat found quoted at INR 380-450 /kg (in some cities it even breached INR 1000 per kg), fish at INR 150-300/kg, and chicken at INR 100-150/kg⁵.

Figure 1. India: Beef and Buffalo Meat Prices Alongside Mutton, Chicken and Fish (Inland)



Source: Ministry of Commerce and Industry, GOI and Trade Data Monitor. Projections for 2020 (blurred) are indicative.

Trade:

India's Ministry of Commerce and Industry uses its foreign trade policy to regulate trade of livestock and livestock products. The DAHD regulates imports of livestock and livestock products in accordance with provision of Section 3 and Section 3A of the [Livestock Importation Act, 1898](#)⁶ in order to prevent entry of exotic diseases though import of such livestock⁷ and livestock products. India still prohibits the export and import of beef since cattle slaughter is banned in most Indian states due to religious sensitivities.

Imports:

The import of live animals is subject to restrictions: an importer must obtain a license from the Director General of Foreign Trade (DGFT). The DGFT issues licenses based on the recommendation of DAHD

⁶ <http://dadf.gov.in/sites/default/files/actno9of1898%20%201.pdf>.

⁷ Livestock by definition covers mules, asses, bulls, calves, bullocks, buffaloes, goats, swine, dogs, cats, poultry, parrots, pigeons, canaries and finches.

after examining the proposal and conducting a risk analysis. Similarly, the import of livestock products is governed by an “open general license” (OGL), but subject to a requisite sanitary import permit (SIP), which is issued following performance of a risk analysis (per internationally recognized scientific principles) and receipt of a veterinary certificate certified by an exporting country’s competent authority. The SIP validity varies from six months to a year. Indian import certification requirements and documentation for livestock and livestock products are available at the following link: <http://dadf.gov.in/trade> (Source: DAHD Website). Also, tariffs on select livestock products have been updated on **Table 1** below.

Exports:

All exported meat products must be processed in abattoirs and meat processing plants registered with India’s Agricultural Produce and Export Development Authority (APEDA), Ministry of Commerce. Export shipments are subject to compulsory microbiological and other testing for the issuance of animal health certificates by the certified GOI agency.

Post estimates that the CY 2020 Indian *carabeef* and beef exports will decline for the third consecutive year, to 1.1 MMT, some 23 percent below last year. The projected volume is based on information that the national lockdown extends through May 31⁸. The corona virus outbreak in China and consequent worldwide pandemic has not only depressed domestic trade⁹, it also dimmed Indian *carabeef* export prospects, particularly in the last four months, as traditional buyers shied away amid uncertainty in the international market. Fresh export orders, if any, during or after the holy Ramadan month may lift market sentiments but need to be matched by logistic support and port clearance services, which may be a challenge both in India and across importing nations.

After the lockdown, the meat processing sector must follow prescribed standard operating procedures (SOPs) to keep their workers healthy and to prevent further shutdowns of meat processing plants; they will also need to press authorities to keep supply chains moving so that meat can reach retail outlets. Indian *carabeef* is preferred due to its affordability, leanness, and halal characteristics, which contrast with traditional beef supplies. India exports only frozen, boneless *carabeef*, which is mostly thawed and resold in wet markets. Some *carabeef* is also used in processed products such as canned meat, sausage, salami, burgers, and other processed meat products.

According to 2019 trade data, on a volume basis India retains its position as the third largest exporter of *carabeef* and beef, trailing only Brazil and Australia and ahead of The United States of America and Argentina. The top-three destinations for Indian beef exports were Vietnam, Malaysia, and Indonesia.

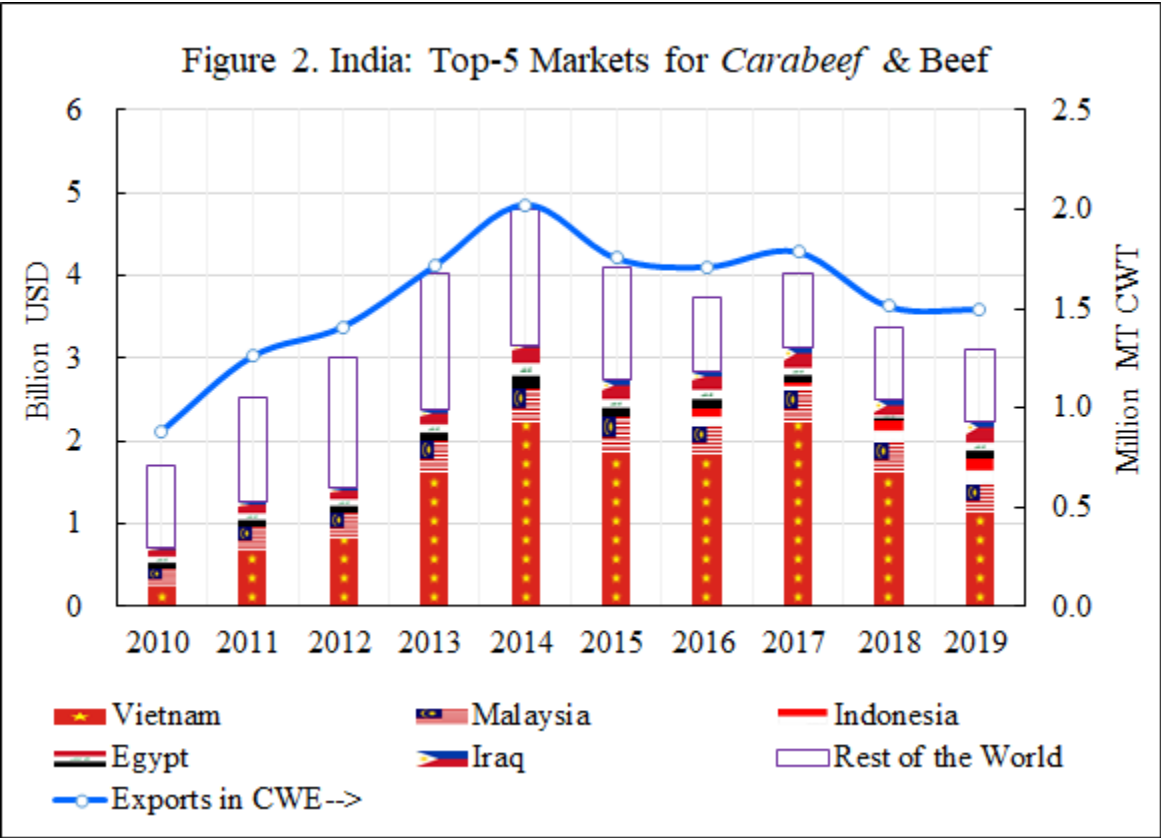
⁸ The national lockdown in ‘containment zone’ will however continue till June 30. Some relaxation was offered for non-containment zones.

⁹ A very gradual restart (in phases) in supply chain and general slowdown in consumption demand for food items will further slow trade.

Compared to 2018, Iraq slid one position to fifth; Egypt jumped four slots to fourth; and Philippines slipped from fifth to ninth slot in 2019 (Figure 2).

Compared to 2018, Indian *carabeef* and beef export sales in 2019 were almost flat on a volume basis, but on a value basis, Indian exporters shipped some \$270 million less than in 2018. The INR/USD exchange rate in 2019 was relatively stable, whereas it had depreciated 11 percent in 2018, which partly explains the drop in value for 2019. Purchases from the top five importers shrank 3 percent, but sales grew to some 20 plus countries, including Myanmar, Saudi Arabia, Philippines, UAE, Algeria, Thailand, Russia, Jordan, Oman, Hong Kong, Bangladesh, Georgia, Kuwait, Iran, Congo, Gabon, Angola, Senegal, and Mauritius (in descending order by sales volume). The cumulative purchases from these other countries are estimated at about \$86 million.

Carabeef and Beef Trade:



Source: Trade Data Monitor

Please note that 2020 projection was removed. We will update that in our Livestock semi-annual 2021

Table 1. India: Tariffs for Select Livestock Products, 2020						
HS Code	Item Description	Basic	IGST	Total Duty with SWS of 10 Percent on BCD	Import Policy	Country Preference
01012100-01012990	Live Horses	30	12	48.96	Restd	SA, Kr, ASN, My, Jp, LDC
01013010-01019090	Live Asses, Mules & Hinnies	30	0	33	Restd	SA, Kr, ASN, My, Jp^, LDC
01022100 -01029090	Live Bovine Animals	30	0	33	Restd	SA, Kr, ASN, My, Jp, LDC
01031000-01039200	Live Swine	30	0	33	Restd	SA, Kr, ASN, My, Jp, LDC
01041010 -01042000	Live Sheep & Goats	30	0	33	Restd	SA, Kr, ASN, My, Jp, LDC, MERC~
01051100 -01059900	Live poultry, that is to say, fowls of the species gallus domesticus, ducks, geese, turkeys and guinea fowls - <i>weighing not more than 185 gram, Grandparent stock, is however, freely importable</i>	30	0	33	Restd	SA, Kr, LDC
01061100-01069000	Other live animals: mammals, birds, insects	30	0	33	Restd	SA, Kr, ASN, My, Jp, LDC \$
02011000 -02013000	Meat of bovine animals, fresh OR chilled	30	0	33	R SanP	SA, Kr, ASN, My, Jp, LDC, Sg+
02021000 -02023000	Meat of bovine animals, frozen, other cuts with/out bone	30	0/5*	33/39.65	R SanP	SA, Kr, ASN, My, Jp, LDC
02031100-02032900	Meat of swine, fresh, chilled or frozen	30	0/5	33/39.65	Fr SanP	SA, Sg, MERC", Kr, ASN, My, Jp, LDC
02041000 -02045000	Meat of sheep or goats, fresh chilled or frozen	30	0/5	33/39.65	Fr SanP	SA, Kr, ASN, My, Jp, LDC
02050000'	Meat of horses, asses, hinnies, fresh, chilled or frozen	30	0/5	33/39.65	Fr SanP	SA, Sg, Kr, ASM, My, Jp, LDC
02062100 -02069090	Edible offal of bovine animals, swine, goats, horses, asses, mules or hinnes, fresh, chilled or frozen	30	0/5	33/39.65	R SanP, (#Fr SanP)	SA, Kr, MERC, CI, My, Jp, LDC, Sg
02071100-02071200	Meat, & edible offal, of the poultry of heading 0105, not cut in pieces, fresh or chilled of species gallus domesticus:	30	0/5	33/39.65	Fr SanP	SA, LDC,
02071300-02071400	Cuts & offal, fresh or chilled or frozen of species gallus domesticus:	100	0/5	110/120.5	Fr SanP	SA, Kr, LDC, CI,
02072400-02076000	Meat, & edible offal, of the poultry of heading 0105, not cut in pieces, fresh or chilled of turkeys, ducks and geese	30	0/5	33/39.65	Fr SanP	SA, Kr, LDC, CI, ASN, Jp, My
Source: Central Board of Indirect Taxes and Customs, GOI						
Note: IGST: Integrated Goods & Services Tax, EC: Education Cess, Restd: Restricted, R SanP: Restricted Sanitary Permit, Fr SanP: Free Sanitary Permit						
The basic duty is exempted Pure-bred breeding horses in heading 0101 2100 (Customs No.20/2017)						
Grandparent stock is freely importable for HS Codes 01050 1100, 0105 1200, 0105 1300, 0105 1400, 0105 1900						
*: '0 percent' for all goods (other than fresh or chilled) other than those put up in unit container bearing a registered brand name and actionable claim is available						
'5 percent' for all goods (other than fresh or chilled) and put up in unit container bearing a registered brand name and actionable claim is available						
Country Preference: ASN: Association of Southeast Asian Nations, Sg: Singapore, My: Malaysia, Jp: Japan, MERC: MERCOSUR, LDC: Least Developed Countries, CI:Chile, Kr: Korea (South), SA: SAPTA. Origin Requirement						
# for liver of sheep and goats, ^ not included for pure-bred breeding animals, ~ for sheep, \$ Japan and Korea not preferred country for Ostrich, Emus, + Singapore for other cuts with bone						
" MERC excluded for carcass & half-carcasses						

Also, please note that BCD stands for Basic Customs Duty and SWS for Social Welfare Surcharge

Policy:

Carabeef Meat Production Programs and Policy

To contain the spread of the corona virus the GOI imposed an official 21-day nationwide lockdown beginning March 24. On March 27, India's Ministry of Fishery, Animal Husbandry, and Dairying (MFAHD) issued nationally and to state governments preventive measures for containment of COVID-19. Notably, dairy products, milk and fish, animal fodder, veterinary hospitals, and other services which come under the purview of MFAHD were exempted from the lockdown ([DAHD Order](#)).

To prevent spread of COVID19, on March 24 India's Ministry of Home Affairs (MHA) imposed a nationwide lockdown which was in force until April 14. Although the lockdown did help reduce further spread of the virus, having witnessed the hardships brought to citizens, the MHA issued revised guidelines on April 15. The new guidelines stipulated some additional and essential activities which were allowed with effect from April 20 ([MHA guidelines](#)). Subsequently, the MHA issued another order dated May 1, 2020, which reversed the April 20th order and extended the national lockdown for a period of two weeks from May 04, 2020 through May 17, 2020. This May 1st announcement gave detailed guidelines for controlling spread of the virus, including the new requirement to identify containment zones with colors -- red, orange, and green -- based on the risk profile of the zone, with red identifying a district as a COVID 19 hot-spot.¹⁰([MHA order with revised guidelines dated May 1, 2020](#)).

Health of livestock and animals:

On May 31, 2019, the Union Cabinet had approved a new Central sector scheme called the National Animal Disease Control Program for Foot and Mouth Disease and Brucellosis. The total outlay approved for the program will be upwards of \$1.9 billion over five years starting Indian fiscal year 2019/20 (April-March). The above information was cited in a written statement by the Minister of State for Fisheries, Animal Husbandry and Dairying, Shri Sanjeev Balyan, in Lok Sabha (Lower House of the Parliament). Source: [PIB Press release July 2019](#)

¹⁰ Green Zone: districts with no confirmed cases in last 21 days, red zone: districts having active cases, extent of testing and surveillance feedback and orange zone is defined as neither red nor green.

Statistical Section: Production, Supply and Demand Data Statistics

Table 2. India: Commodity, Animal Numbers, Cattle, PSD

Animal Numbers, Cattle Market Year Begins	2018		2019		2020	
	Jan 2018		Jan 2019		Jan 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Total Cattle Beg. Stks (1000 HEAD)	301900	301900	302700	302700	303200	303100
Dairy Cows Beg. Stocks (1000 HEAD)	124200	124200	125340	125340	126500	126500
Beef Cows Beg. Stocks (1000 HEAD)	0	0	0	0	0	0
Production (Calf Crop) (1000 HEAD)	68600	68600	69000	69000	69400	69400
Total Imports (1000 HEAD)	0	0	0	0	0	0
Total Supply (1000 HEAD)	370500	370500	371700	371700	372600	372500
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)	38300	38400	38900	38600	37400	35700
Total Slaughter (1000 HEAD)	38300	38400	38900	38600	37400	35700
Loss and Residual (1000 HEAD)	29500	29400	29600	30000	30140	32000
Ending Inventories (1000 HEAD)	302700	302700	303200	303100	305060	304800
Total Distribution (1000 HEAD)	370500	370500	371700	371700	372600	372500

Note: Post Data is not Official USDA Data

Table 3. India: Commodity, Meat, Beef and Veal, PSD

Meat, Beef and Veal Market Year Begins	2018		2019		2020	
	Jan 2018		Jan 2019		Jan 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Slaughter (Reference) (1000 HEAD)	38300	38600	38900	38600	37400	35700
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	4240	4250	4305	4270	4150	3750
Total Imports (1000 MT CWE)	0	0	0	0	0	0
Total Supply (1000 MT CWE)	4240	4250	4305	4270	4150	3750
Total Exports (1000 MT CWE)	1511	1511	1494	1494	1400	1150
Human Dom. Consumption (1000 MT CWE)	2729	2739	2811	2776	2750	2600
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	2729	2739	2811	2776	2750	2600
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	4240	4250	4305	4270	4150	3750

Note: Post Data is not Official USDA Data

Attachments:

No Attachments