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India

Livestock and Products Annual

2019

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Report Highlights:

The calendar year (CY) 2020 cattle (*Bos taurus* or *Bos indicus*) and water buffalo (*Bubalus bubalis*) population is estimated at 378 million heads. CY 2020 Indian water buffalo meat (*carabeef*) exports will recover to 1.7 MMT, 6.2 percent above the current year's estimate, assuming strong global beef demand and improving domestic supply.

Executive Summary:

The CY 2020 cattle (*Bos taurus* or *Bos indicus*) and water buffalo (*Bubalus bubalis*) population is estimated at 378 million heads. Out-year Indian *carabeef* exports will recover to 1.7 MMT, 6.2 percent above the current year's estimate, assuming strong global beef demand and improving domestic supply. India is likely to sustain export sales in 2019 by exploring new markets while maintaining existing buyers. An expanding Indian dairy industry (private and government) will support the rise in cattle population and beef production; 50 percent of the growth will be from water buffaloes.

Commodities:

Animal Numbers, Cattle
Meat, Beef and Veal

Production:

India's CY 2020 cattle (*Bos taurus* or *Bos indicus*) and water buffalo (*Bubalus bubalis*) herd size is likely to grow to 378 million heads assuming a healthy calf-crop (improved reproductive rate) and slight gain in the beginning cattle stock. Post also expects an incremental rise in CY 2020 *carabeef* and beef production to 4.30 MMT carcass weight equivalent (CWE), marginally above last year¹. Strong growth in the Indian dairy sector (private and government) should support a rise in cattle population. Also, recent trade data suggests that there is a growing interest in new markets to buy *carabeef* but in smaller lots. As a result, cumulative sales to these nations will keep total Indian export sales a little higher than last year, if not at par.

As indicated earlier, some Indian state(s) in 2017 ordered closing of all unlicensed abattoirs (slaughterhouses, large and small) and meat shops. There were reports of some supply disruption as a result. The order did not affect meat shops and export-oriented units that were operating per defined laws. Concurrently, there are reports of an increase in the stray cattle population, mostly bulls and calves freely ranging on farmers' fields and the remainder in animal shelters run by state governments.

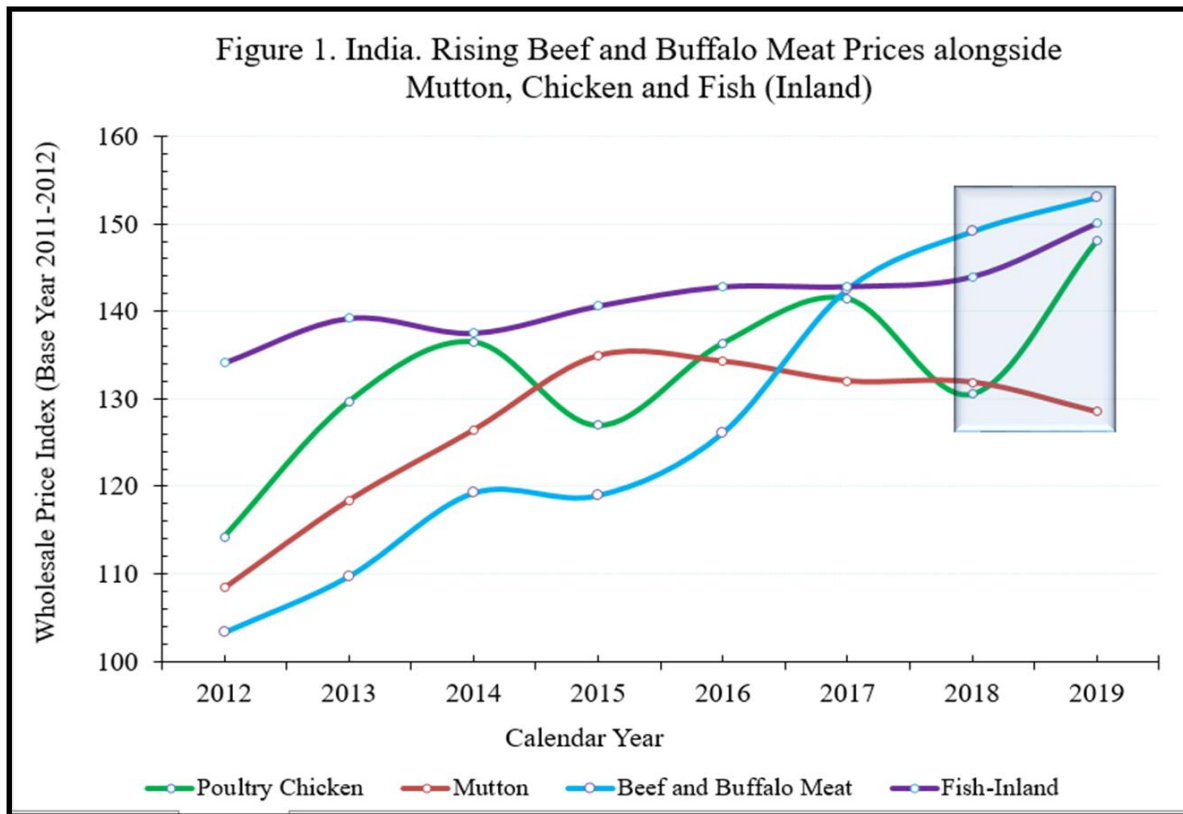
Industry sources indicate that possible reasons for the increase in stray cattle may be that Indian farmers do not want to rear unproductive cattle (bulls) and fear backlash due to the ban on their transport and sale. India had upwards of 5 million stray cattle according to the 2012 Livestock Census. We will learn how much that population has increased when the pending 20th Census is published ([Press note 20th livestock-census](#)).

Consumption:

Although fish (inland) prices and "beef & buffalo meat" prices grew in tandem, particularly in the last 1.5 years, *carabeef* prices continue to remain stronger even compared to other meat products (broiler meat and goat meat) (Figure 1). This is probably due to consistent domestic and overseas demand amid

¹ *Carabeef* production is mainly concentrated in the states of Uttar Pradesh, Andhra Pradesh, Maharashtra, and Punjab, with Uttar Pradesh having the country's largest water buffalo population.

tight local supply (of cattle herd)². Ceteris paribus, industry observers believe that *carabeef* prices are likely to stay stable in the near to mid-term.



Source: Ministry of Commerce and Industry, Government of India (GOI)
Please note: data for CY 2019 is from Jan 2019 to July 2019, as indicated by shaded box

With the exception of goat meat (mutton), other meat prices increased during the same period. Poultry chicken prices spiked 17 percent as growing cost of production (broilers) and consequent lower realization (profit margins either thin or at loss) has made it less available. Lower than anticipated corn production and flat soybean supply have raised the cost of livestock feeds over the last 6 to 8 months. Moreover, an increase in the minimum support prices for both has also underpinned the high local feed prices.

India’s CY 2020 consumption of *carabeef* and beef will remain restrained at 2.6 MMT CWE, slightly lower than the current year. Surplus, if any, will be exported. *Carabeef* is mainly consumed by Muslims and Christians, but large segments of the Hindu population do not eat *carabeef*. By contrast, chicken meat is widely consumed because it is accepted by people of all faiths. In addition, it is popular for being suitable in a variety of dishes, relatively inexpensive, and easily available.

Trade:

² ...and availability of cattle fodder (green and dry) remains a major concern due to erratic monsoon rains in 2019. Few regions are dry and few are facing flood like situation. Retail prices of milk too have risen as a result.

The Department of Commerce of the GOI's Ministry of Commerce and Industry uses its foreign trade policy to regulate trade of livestock and livestock products. The Department of Animal Husbandry and Dairying (DAHD), **now under a separate Ministry of Fisheries, Animal Husbandry and Dairying** (following May 2019 general elections) regulates imports of livestock and livestock products in accordance with provision of Section 3 and Section 3A of the [Livestock Importation Act, 1898](#) in order to prevent entry of exotic diseases through import of such livestock³ and livestock products. Also, please note that beef is regarded as being separate and distinct from *carabeef*, or water buffalo meat. 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 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 is valid from 6 months to a year (Source: DAHD).

Sanitary Import Permit (SIP) for Livestock Products

- ✚ The DAHD has constituted a Committee on Risk Analysis under the Chairmanship of Joint Secretary (Trade) with all the Joint Secretaries as its members to consider the applications received for issuance of SIP to import various livestock products
- ✚ After necessary amendment in the notification S.O. 2666 (E) dated 16.10.2014, the Department has launched the website, <https://sip.nic.in>, for online submission of SIP applications and issuance of SIPs to various firms/organizations engaged in activities of import of livestock products.
- ✚ The procedure for submission of online SIP application along with the relevant information regarding sanitary requirements is also available on the Department's website www.dahd.nic.in. The SIP applications received are examined and a risk analysis is undertaken by the technical experts of the DAHD basis scientific evidence and World Organization for Animal Health (OIE) regulations.
- ✚ The recommendations of the technical experts are considered by the Risk Analysis Committee to either reject the application or issue the SIP. Aggrieved applicants can seek a review of the decision of the Risk Analysis Committee through filing a review/representation request addressed to the Joint Secretary (Trade) (as outlined in DAHD Annual Report 2018-19).

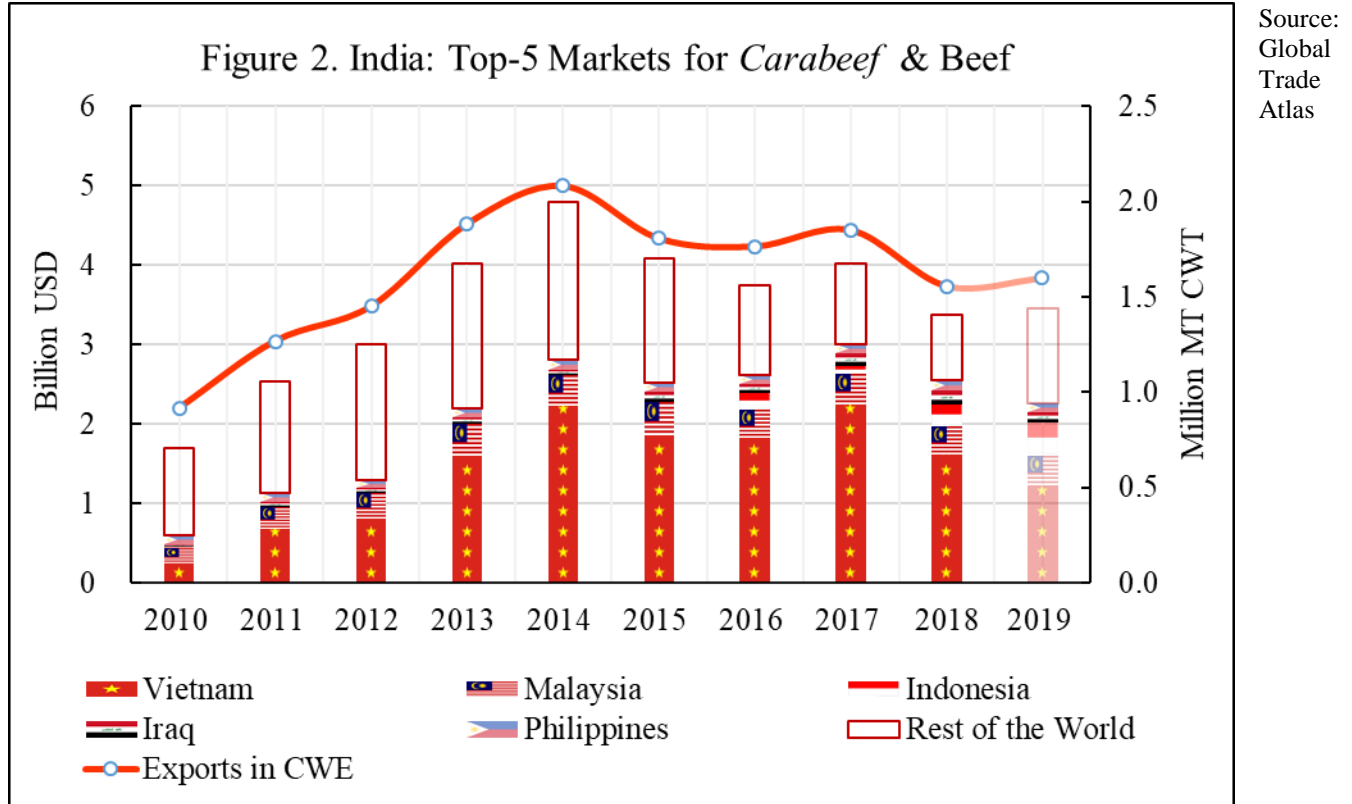
³ Livestock by definition covers mules, asses, bulls, calves, bullocks, buffaloes, goats, swine, dogs, cats, poultry, parrots, pigeons, canaries, and finches.

Indian import certification requirements and documentation for livestock and livestock products is updated below and available at the following link → [Trade](#). Tariffs for selected livestock products are in Table 1 below (updated recently). Also, please find below hyperlinks to certain import procedures and guidelines related to livestock and livestock products:

- [Provisions to Regulate the Import of Poultry & Poultry Products into India](#)
- [Procedure for import of livestock notified under clause b of section 2 of livestock importation Act, 1898](#)
- [Procedure for import of livestock products notified under Section 2\(d\) and section 3A of the Livestock Importation Act](#)
- [Procedure for import and export of livestock](#)
- [Sanitary requirement \(veterinary health certificate\) for import of various livestock-products: crushed bones, ovine embryo, semen \(pig, canine, equine, bovine, caprine, porcine, ovine\), serum \(equine and bovine\), pork meat, processed lamb meat, fish and fisher products, milk and milk products, skin and hides, pet foods \(draft veterinary certificate\)\)](#)
- [Sanitary requirement \(veterinary health certificate\) for import of various live animals](#)
- [Procedure for importing dairy items](#)
- [Guidelines for export-import of bovine germplasm September-2018](#)
- [Animal quarantine and certification services](#)

Table 1. India: Tariffs for Select Livestock Products, 2019						
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 hannes, 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						
*: '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						

Carabeef and Beef Trade:



Exports

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 for the issuance of animal health certificates by the certified GOI agency.

India exports only frozen boneless *carabeef*, which is mostly thawed and resold in wet markets. In addition to direct consumption, some of the *carabeef* is processed and consumed as sausage, salami, and burgers. Indian *carabeef* is preferred due to its affordability, leanness, and halal characteristics, which contrast with traditional beef supplies. Per most recent 2019 trade data (Jan-June, value basis), India is the third largest exporter of (boneless) *carabeef* and beef, after Australia and Brazil, and followed by New Zealand, the Netherlands, and Ireland.

The top five destinations for Indian *carabeef* exports were Vietnam, Malaysia, Egypt, Indonesia, and Iraq (in descending order). Interestingly, exports from Australia and Brazil were destined for developed markets such as the United States, Japan, China, and the UK, while Indian sales were destined for developing countries, which are mostly price sensitive markets (Figure 3).

Assuming growing global beef demand, CY 2020 Indian *carabeef* exports are projected to recover to 1.7 MMT, 6.2 percent above the current year's estimate, assuming modest export demand and improving local supply. In 2019, Indian *carabeef* and beef exports are estimated at 1.6 MMT CWE (valued at \$3.4 billion), close to the previous year's level. Since their peak in 2014 (2.1 MMT CWE), exports have declined 5 percent year on year. The current export trend suggests that Vietnam and Iraq will reduce their purchases by 25 percent in response to competitive supplies from other foreign destinations. Incidentally, Vietnam alone buys almost 50 percent of total *carabeef* and beef exports from India.

India has lost market share in a few other traditional markets (UAE, Saudi Arabia, and Philippines), but has managed to keep exports moving by exploring opportunities in new markets such as Algeria, Myanmar, and Egypt. There is a group of buyers with annual purchases of less than \$60 million and for convenience; they have been categorized as the "Rest of the World" (hence called ROW (Figure 2) above).

Together they occupy an average 25 to 30 percent of India's total *carabeef* exports, with an estimated value of \$1.2 billion (basis 2018 data). ROW is comprised of Russia, Jordan, Oman, Thailand, Iran, Georgia, Kuwait, Bahrain, Qatar, Bangladesh, and a few other countries. Last year, ROW and the top five importers⁴ held 25 percent and 75 percent share (respectively) in India's export basket. In 2019, the share is expected to split to 35 percent and 65 percent, respectively, indicating a proportionate rise in trade with ROW (Figure 2) partially compensating for net decline in sales to traditional buyers.

Policy:

***Carabeef* Meat Production Programs and Policy**

Livestock Health:

Through the Livestock Health and Disease control program, DAHD supports state governments for implementation of disease control programs as well as veterinary services and other farm management programs. For trade, the disease of concern is foot-and-mouth disease (FMD)⁵, for which India has an OIE-endorsed official program (in May 2015) for controlling the disease.

Based on the excerpt from DAHD's Annual report for 2018-19 (Indian fiscal year April-March), following effective implementation of the FMD Control Program, India has submitted a dossier proposing two FMD Free Zones with vaccination, viz. Zone-I Telangana & Andhra Pradesh and Zone – II Maharashtra, following OIE guidelines. These disease-control programs along with extensive veterinary services together claim to have helped mitigate animal losses and maintain disease-free status for animals going to slaughter after they cease to be productive for dairy purposes.

Additionally, the Food Safety and Standards Authority of India (FSSAI) regulates domestic slaughter and meat processing through the regulation entitled Food Safety and Standards Rules and Regulation,

⁴ Vietnam, Malaysia, Indonesia, Iraq, and Philippines for 2018.

⁵ Foot and mouth disease is an infectious (viral) disease that affects cloven-hoofed animals, including domestic and wild bovines and results in reduced milk production.

2011 (FSSR). The FSSR also defines standards and regulations for domestic and imported meat products.

Relevant Government Announcements in Budget 2017/18 & 2018/19:

Fund	Outlay	Purpose/Target	Beneficiary
<u>Animal Husbandry Infrastructure Development Fund</u>	Finance available from National Loaning Entities. Fund outlay estimated at \$383 million	Meet the working capital requirement to modernize or set-up a new infrastructure.	Small and marginal farmers
<u>Fisheries and Aquaculture Infrastructure Development Fund (PIB Press Release FIFD-2)</u>	Finance available from National Loaning Entities e.g., scheduled Banks, NABARD and National Cooperative Development Cooperation (NCDC). Funding available is \$1.04 billion, for 5-year credit terms starting 2018/19.	Increase fish production target from 15 MMT in 2020 to 20 MMT by March 2023.	Fishermen
<u>Dairy Processing and Infrastructure Development Fund</u>	Estimated amount is \$1.5 billion [to be set up with National Bank for Agriculture and Rural Development (NABARD)] for period of 3 years ending 2019/20.	The program plans to create additional milk processing capacity of 12.6 million liters per day, milk drying capacity of 210 metric tons per day, and chilling capacity of 14 million liters per day	Some 9.5 million farmers in about 50,000 villages.
More info on: FIDF at Draft National Inland Fisheries and Aquaculture Policy (NIFAP) DIDF at (PIB Press Release + Excerpt from the Annual Report 2018-19).			

Production, Supply and Demand Data Statistics:

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

Animal Numbers, Cattle Market Begin Year	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	305000	305000	306400	306700	0	308700
Dairy Cows Beg. Stocks	130000	130000	131000	131000	0	132000
Beef Cows Beg. Stocks	0	0	0	0	0	0
Production (Calf Crop)	68700	68600	69000	69000	0	69400
Total Imports	0	0	0	0	0	0
Total Supply	373700	373600	375400	375700	0	378100
Total Exports	0	0	0	0	0	0
Cow Slaughter	0	0	0	0	0	0
Calf Slaughter	0	0	0	0	0	0
Other Slaughter	39000	38600	39300	38800	0	39000
Total Slaughter	39000	38600	39300	38800	0	39000
Loss and Residual	28300	28300	28200	28200	0	28100
Ending Inventories	306400	306700	307900	308700	0	311000
Total Distribution	373700	373600	375400	375700	0	378100

(1000 HEAD),
Note: Post Data is not Official USDA Data

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

Meat, Beef and Veal Market Begin Year	2018		2019		2020	
	Jan 2018		Jan 2019		Jan 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Slaughter (Reference)	39000	38600	39300	38800	0	39000
Beginning Stocks	0	0	0	0	0	0
Production	4300	4265	4340	4287	0	4300
Total Imports	0	0	0	0	0	0
Total Supply	4300	4265	4340	4287	0	4300
Total Exports	1556	1556	1700	1600	0	1700
Human Dom. Consumption	2744	2709	2640	2687	0	2600
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	2744	2709	2640	2687	0	2600

Ending Stocks	0	0	0	0	0	0
Total Distribution	4300	4265	4340	4287	0	4300
(1000 HEAD) ,(1000 MT CWE)						
Note: Post Data is not Official USDA Data						