

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## India

### Livestock and Products Semi-annual

2017

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**Report Highlights:**

India's CY 2017 beef and water buffalo meat (*carabeef*) production is projected to increase by four percent to 4.35 million tons carcass weight equivalent (CWE) due to population growth and moderate export demand. CY 2017 *carabeef* exports are projected at 1.95 million tons CWE on moderate export demand from the Middle East, Africa, and Southeast Asia.

## Executive Summary:

India's CY 2017 cattle (*Bos taurus* or *Bos indicus*) and water buffalo (*Bubalus bubalis*) population is estimated at 303.6 million head. CY 2017 *carabeef* and beef production is projected to increase by four percent to 4.35 million tons CWE due to population growth and moderate export demand. CY 2017 *carabeef* exports are projected to increase to 1.95 million tons CWE on moderate demand from the Middle East, Africa, and Southeast Asia. Meanwhile, CY 2016 *carabeef* exports are lowered to 1.85 million tons on sluggish demand.

## Commodities:

Animal Numbers, Cattle

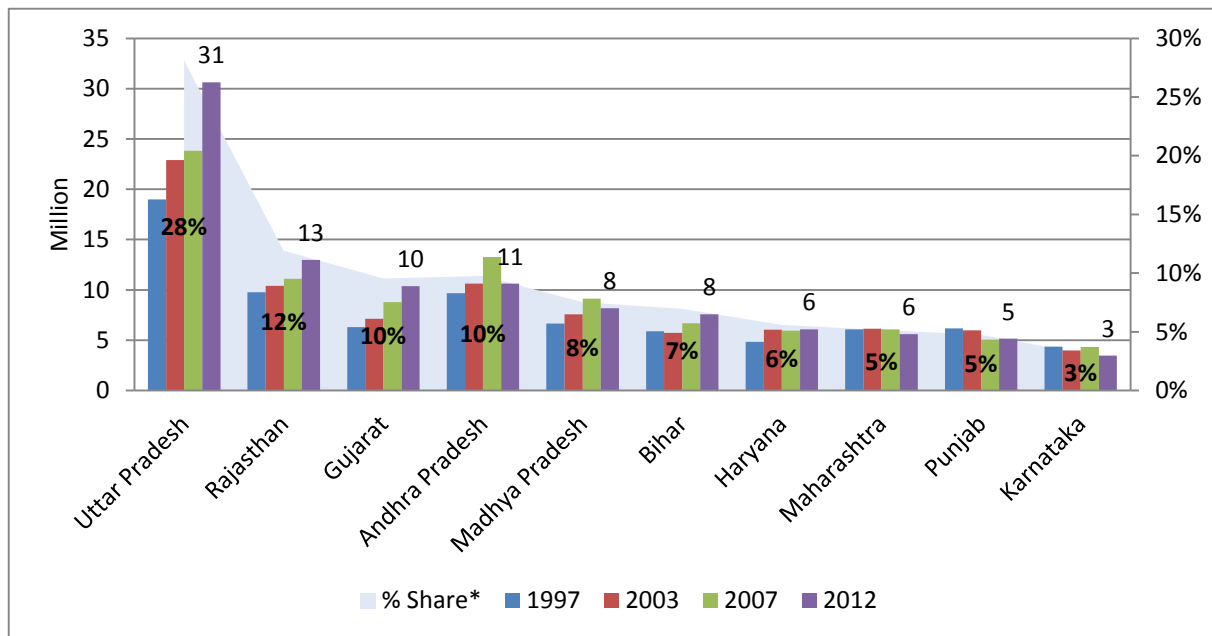
Meat, Beef and Veal

## Production:

India's CY 2017 cattle and water buffalo population is forecast to increase to 303.6 million heads due to marginally less slaughter in CY 2016. Post's earlier *carabeef* and beef production forecast of 4.4 million tons CWE is lowered to 4.35 million tons CWE on expectation of slow recovery of exports to some of the Southeast Asian and African countries. Post's estimate of *carabeef* and beef production for CY 2016 is revised to 4.2 MMT CWE from previous estimate of 4.3 MMT CWE on sluggish export demand. India's demonetization policy announced on November 8, 2016 also negatively affected export trade once export-oriented slaughter operations depleted funds to make cash payments to the traders and small farmers for the purchase of animals. According to industry sources, export trade was most affected during the month of December 2016.

*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 (Figure 1). The water buffalo population will likely remain strong over the next decade due to strong growth in the dairy sector: more than 50 percent of India's milk production is sourced from *water buffaloes* and the meat sector primarily uses spent dairy water buffaloes for slaughter. (Please see GAIN report [IN6126](#) and [IN6115](#)). Dairy farmers generally sell water buffaloes for slaughter to traders, who in turn are paid by slaughter houses based on carcass weight of the animal. According to industry sources, the current price paid by the slaughter houses for purchase of spent adult water buffalo is around Rs. 150-160 per kg; water buffalo male calves are valued at Rs. 130-140 per kg. Year on year CWE prices increased about 8-10 percent. Regarding diseases, foot-and-mouth disease (FMD) is a major concern for India's *carabeef* trade but there were no reports of any major incidences which affected trade in CY 2016. India implements an FMD control program in 351 districts across 13 states and 6 union territories and it is on the list of countries having FMD programs endorsed by the World Organization for Animal Health (OIE).

Figure 1: India: Uttar Pradesh has Country's largest Buffalo Population



\* Percent share of India's total water buffalo population as per Livestock Census, 2012.

Source: DAHDF, Government of India.

### Consumption:

CY 2016 and CY 2017 beef and *carabeef* consumption estimates are projected at 2.35 and 2.4 million tons CWE on population growth. Due to its affordability, *carabeef* is the second most consumed animal protein after chicken meat in India. Chicken is the most consumed meat in India as it is cheaper than other meats and is subject to fewer religious prohibitions or cultural taboos. The annual per capita consumption of *carabeef* is still only around 2 kg, whereas for chicken it is 3.6 kg. *Carabeef* consumption is reportedly higher in Kerala, Assam, West Bengal, Goa, and Northeastern states. In domestic markets only fresh meat is preferred by consumers.

### Trade:

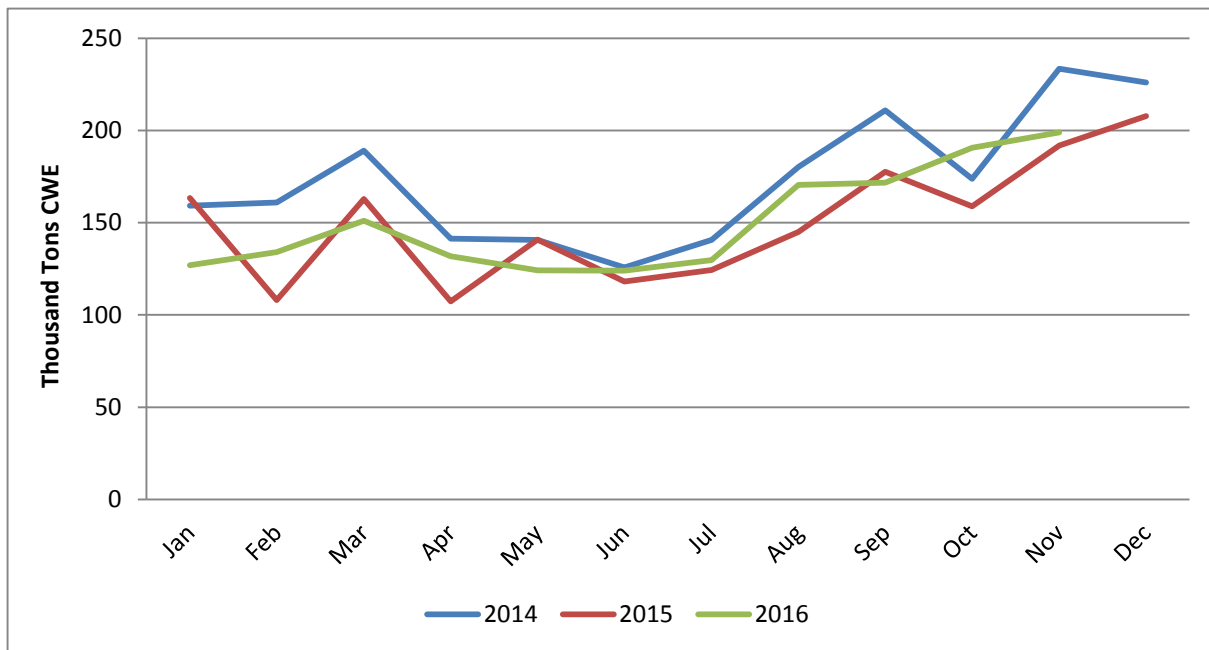
Post forecasts CY 2017 *carabeef* exports at 1.95 million tons CWE, an increase of 5 percent year on year, driven mostly by moderate increases in demand from the Middle East, Africa and Southeast Asia, including the newly opened market of Indonesia. CY 2016 *carabeef* exports are lowered from 1.95 million tons CWE to 1.85 million tons on the afore-mentioned effect of demonetization. In addition, exports to some of the Middle East and African countries declined in CY 2016 due to economic slowdown and adverse demand conditions, although this slowdown was partly offset by the new exports initiated to Indonesia. Some news media have reported that China has agreed to permit *carabeef* imports from India, but industry sources indicate that there is no official confirmation on approval of abattoirs, which reportedly must be inspected by China's quality inspection team.

India's exports in CY 2016 (through November) were 1.65 million tons CWE, up 3.4 percent year on year (Figure 2). India's exports in the first 11 months of CY 2016 included 764,843 tons CWE to Vietnam (46.3 percent share) followed by 164,049 tons CWE to Egypt (9.9 percent share), 155,814 tons

CWE to Malaysia (9.4 percent share) and 77,598 tons CWE to Saudi Arabia (4.7 percent share). Exports to Indonesia in CY 2016 till November 2016 were 78,607 tons CWE.

India mainly exports frozen, boneless *carabeef* but also exports small volumes of chilled *carabeef*. According to industry sources, most exported *carabeef* is sold in wet markets, while a portion is processed into canned meat, sausage, salami, burgers, and other processed food. Some markets, such as the Philippines and Iran, *carabeef* is further processed to value-added products, while in Egypt and Malaysia it is sold in wet markets.

Figure 2: India's *Carabeef* Exports



Source: Global Trade Atlas

## **Policy:**

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

For all of India the Department of Animal Husbandry, Dairying and Fisheries (DAHDF) implements programs for dairy development. Although the programs are intended for animals raised for dairy production only, in fact DAHDF's financial and technical assistance to state governments supports programs which control and monitor animal diseases, including foot-and-mouth disease. These disease-control programs are supplemented by extensive veterinary services and together have helped mitigate animal losses and maintain disease-free status for animals going to slaughter after they cease to be productive for dairy purposes. DAHDF is also presently implementing its National Dairy Plan, which seeks to improve dairy production through breed improvement, artificial insemination, fodder development, and expanding milk procurement systems at the village level. This government dairy development program ensures a sustainable supply of healthy, disease-free animals for slaughter. For further details on programs and policy please refer to FAS GAIN Reports [IN6115](#).

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, 2011 (FSSR). The FSSR also defines standards and regulations for domestic and imported meat products. For exports, the Government of India's Agricultural and Processed Food Products Export Development Authority (APEDA) approves export-oriented slaughterhouses or meat processing units and provides guidance to industry for sanitary and hygiene standards for products destined for export markets.

### **Trade Policy**

DAHDF regulates all meat product imports through the [Livestock Importation Act, 1898](#). To import meat products, required documentation includes a sanitary import permit issued by DAHDF and a veterinary certificate certified by an exporting country's competent authority. Indian import certification requirements and documentation for livestock and livestock products, including germplasm, are available at: <http://dahd.nic.in/dahd/trade.aspx>. Note that beef is regarded as 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. Tariffs for selected livestock products are show in Table 3.

All exported meat products must be sourced from abattoirs and meat processing plants registered with APEDA. Export shipments are subject to compulsory microbiological and other testing for the issuance of animal health certificates by the certified GOI agency. For further details, please refer to FAS GAIN Report [IN6115](#).

**Production, Supply and Demand Data Statistics:**

Animal Numbers, Cattle Market Begin Year	2015		2016		2017	
	Jan 2015		Jan 2016		Jan 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>India</b>						
<b>Total Cattle Beg. Stocks</b>	301100	301100	302600	302600	303350	303600
<b>Dairy Cows Beg. Stocks</b>	125000	125000	127000	127000	129000	129000
<b>Beef Cows Beg. Stocks</b>	0	0	0	0	0	0
<b>Production (Calf Crop)</b>	67000	67000	67500	67500	68500	68500
<b>Total Imports</b>	0	0	0	0	0	0
<b>Total Supply</b>	368100	368100	370100	370100	371850	372100
<b>Total Exports</b>	0	0	0	0	0	0
<b>Cow Slaughter</b>	0	0	0	0	0	0
<b>Calf Slaughter</b>	0	0	0	0	0	0
<b>Other Slaughter</b>	37000	37000	38250	38000	39500	39250
<b>Total Slaughter</b>	37000	37000	38250	38000	39500	39250
<b>Loss</b>	28500	28500	28500	28500	28000	28000
<b>Ending Inventories</b>	302600	302600	303350	303600	304350	304850
<b>Total Distribution</b>	368100	368100	370100	370100	371850	372100

(1000 HEAD)

Meat, Beef and Veal Market Begin Year	2015		2016		2017	
	Jan 2015		Jan 2016		Jan 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>India</b>						
<b>Slaughter (Reference)</b>	37000	37000	38250	38000	39500	39250
<b>Beginning Stocks</b>	0	0	0	0	0	0
<b>Production</b>	4100	4100	4250	4200	4350	4350
<b>Total Imports</b>	0	0	0	0	0	0
<b>Total Supply</b>	4100	4100	4250	4200	4350	4350
<b>Total Exports</b>	1806	1806	1850	1850	1925	1950
<b>Human Dom. Consumption</b>	2294	2294	2400	2350	2425	2400
<b>Other Use, Losses</b>	0	0	0	0	0	0
<b>Total Dom. Consumption</b>	2294	2294	2400	2350	2425	2400

<b>Ending Stocks</b>	0	0	0	0	0	0
<b>Total Distribution</b>	4100	4100	4250	4200	4350	4350
(1000 HEAD) ,(1000 MT CWE)						

**Table 3. India: Tariffs for Selected Livestock Products, 2017**

<b>HS CODE</b>	<b>ITEM DESCRIPTION</b>	<b>BASIC</b>	<b>CVD</b>	<b>SPL CVD</b>	<b>TOTAL DUTY WITH 2+1%EC</b>	<b>IMPORT POLICY</b>
<b>01012100-01019090</b>	LIVE HORSES, ASSES, MULES & HINNIES	30	0	4	36.136	Restd
<b>01022100-01029090</b>	LIVE BOVINE ANIMALS	30	0	4	36.136	Restd
<b>01031000-01039200</b>	LIVE SWINE	30	0	4	36.136	Restd
<b>01041010-01042000</b>	LIVE SHEEP & GOATS	30	0	4	36.136	Restd
<b>01051100-01059900</b>	LIVE POULTRY I.E. FOWLS OF THE SPECIES GALLUS DOMESTICUS, DUCKS, GEESE, TURKEYS AND GUINEA FOWLS	30	0	4	36.136	Restd
<b>02011000-02013000</b>	MEAT OF BOVINE ANIMALS, FRESH AND CHILLED	30	0	0	30.90	R SanP
<b>02021000-02023000</b>	MEAT OF BOVINE ANIMALS, FROZEN	30	0	4	36.136	R SanP
<b>02031100-02031900</b>	MEAT OF SWINE, FRESH, OR CHILLED	30	0	0	30.90	Fr SanP
<b>02032100-02032900</b>	MEAT OF SWINE, FROZEN	30	0	4	36.136	Fr SanP
<b>02041000-02045000</b>	MEAT OF SHEEP OR GOATS, FRESH CHILLED OR FROZEN	30	0	0	30.90	Fr SanP
<b>02061000</b>	EDIBLE OFFAL OF BOVINE ANIMALS, FRESH OR CHILLED	30	0	0	30.90	R SanP
<b>02062100-02069090</b>	EDIBLE OFFAL OF BOVINE ANIMALS, SWINE, GOATS, HORSES, ASSES, MULES OR HINNES, FRESH, CHILLED OR FROZEN	30	0	4	36.136	R SanP
<b>02071100</b>	MEAT, & EDIBLE OFFAL, OF THE POULTRY OF HEADING 0105, NOT CUT IN PIECES, FRESH OR CHILLED	30	0	0	30.90	Fr SanP

<b>02071200</b>	MEAT, & EDIBLE OFFAL, OF THE POULTRY OF HEADING 0105, NOT CUT IN PIECES, FROZEN	30	0	4	36.136	FrSanP
<b>02071300</b>	CUTS & OFFAL, FRESH OR CHILLED	100	0	0	100.00	Fr SanP
<b>02071400</b>	CUTS & OFFAL, FROZEN	100	0	4	108.00	Fr SanP

Note: CVD: Countervailing Duty, SPL CVD: Special Countervailing Duty, EC: Education Cess, Restd: Restricted, R SanP: Restricted Sanitary Permit, Fr SanP: Free Sanitary Permit