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Review Article

An overview of Indian Meat Marketing: Challenges and Scope

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Abstract

Livestock sector is one of the most imperative components of agriculture in India. Despite the fact of large livestock population, the meat industry in India has not taken its due share. There are many reasons for the stagnant growth of the meat industry, including lack of implementation of scientific knowledge, inadequate attention of entrepreneurs, negative approach of public towards meat, socio-political considerations and improper retailing system. Most meats are sold in the domestic market without proper sanitary inspection and labelling. The situation is further associated by perseverance of domestic consumers to buy freshly cut meat from the wet market, rather than processed or frozen. In most of the domestic markets, the transaction takes place after examination of the animal by the byres through the broker or commission agent. Meat export market is substantiate and augmenting at acceptable pace by following sanitary and phytosanitary mandatory measures. Government of India has laid down standards for export market, which include standards for abattoir processing plant and various meat products. Though there are many promising outlook which support the potential for growth of meat industry at domestic market, there are still some moderation which if not treated sooner can faze the growth prospects of meat industry in India.

Keywords: Meat Industry; Export Market; Scenario; Prospect.

Introduction

Livestock sector, one of the most important components of agriculture in India, plays a critical role in the welfare of rural population. As per the Central Statistical Organization estimates the livestock sector contributes approximately 4.07% to Gross Domestic Product and employs 8% of the labor force. This sector is emerging as an important growth leverage of the Indian economy. As a component of agricultural sector, its share in gross domestic product has been rising gradually, while that of crop sector has been on the decline. In recent years, livestock output has grown at a rate of about 5 per cent a year, higher than the growth in agricultural sector. This enterprise provides a flow of' essential food products, draught power, manure, employment, income, and export earnings.

The contribution of livestock sector to the food basket in the form of milk, eggs and meat has been immense in fulfilling the animal protein requirement of ever-growing human population. India has a huge livestock population which includes 199.1 million cattle, 105.3 million buffalos, 71.5 million sheep, 140.5 million goats, 11.3 million pigs (DHAD, 2012) and efficient utilization of these resources including production and utilization of livestock products is important to earn increased returns and sustain livestock production activities. Meat is one of the most valuable and demanding food products harvested from livestock. Only 25g of meat can fulfill 45% of child's daily need for protein and half of vitamin B

(Isabelle Ortigues *et al.,* 2005). 100 g meat to the average diet will increase: protein 50%, iron 12%, niacin 40% and energy 25% (Eaton *et al.*, 1997). Meat consumption is growing throughout the globe and the variety of products available as convenience foods are on high demand. Meat processing in the East European countries, Asia and South America continues on an upward path. The continuously growing focus on automation along the entire meat processing chain is closely linked to the growing use of information technology. Hygiene and traceability are of crucial importance, requiring full monitoring of all processes along with the continuous documentation of origin and production data, in the interests of consumer protection.

Status of Indian Meat Industry

India is the richest country in terms of livestock resources and world's 5th largest producer of meat (MoFPI 2014). The present production of meat is 6.3 million tons (FAO outlook, 2014), which is 2.21% of the world's total meat production of 311.8 million tons. The export of meat in previous year was estimated at 1.365 million tons. The domestic per capita availability of meat is 5.5kg/head/year which is far below the recommendation of ICMR i.e. 10.95kg/head/year. The contribution of meat from buffalo is about 24.09%, while cattle contributes about 17.57%, sheep 4.68%, goat 9.48%, pig 5.39%, poultry 36.68% and other species 2.83% (FAO STAT, 2012). The compounded average growth rate during the last two decades works out to be 4.5%. It is noticed that about 7.3% cattle, 11.3% buffaloes, 33.7% sheep, 33.6% goats, 88.9% pigs and 57.6% chicken are slaughtered each year (S. K Ranjan, 2014).

India has 115 registered meat food processing industries, 279 licensed abattoir under A, B and C category of Meat Food Product Order and 40 approved Indian abattoir cum meat processing plants (APEDA 2014). Apart from these, the country also has 4700 registered slaughterhouses, most of which are in poor condition. A majority of these abattoirs are outdated (British time), inadequately equipped and unhygienic. Most of the meat for domestic consumption comes from poultry, sheep and goat that are slaughtered in unorganized/unregistered premises/meat shops. The produce of integrated modern abattoirs is primarily meant for exports and a negligible share is available for domestic market. The important importers of Indian meat include Maldives and Oman. The meat is being also exported to other countries such as Japan, Malaysia, Indonesia and Singapore. Only about 2-3% of the total meat is converted into value added products. The rest is purchased hot and consumed at home. Poultry processing is also at a nascent stage. India is emerging as the world's 2nd largest poultry market with an annual growth of more than 14%, producing 61 million tones or 3.6 percent of global egg production. The annual growth rate of egg production is 5-8%. Apart from this, India ranks 6th in broiler production (125 billion Rupees) with an annual output of 2.39 million tones of broiler meat, as per the estimates of the Ministry of Agriculture, Govt. of India.

The prime factors limiting processing include preference of consumer for fresh meat rather than frozen or processed, inadequate infrastructure and lack of human resource. However, with growing urbanization and increasing quality consciousness, the market for scientifically produced meat products is expected to grow rapidly. Demand for ready-to-eat and semi-processed meat products is also projected to elevate substantially because of changing life styles in modern era. Meat processing in India is an untapped industry having huge scope for investments. There is a large potential for setting up modern abattoirs and development of cold chains for the development of meat and poultry processing sector. Buffalo meat is surplus in the country with good export potential. Though the country is leading exporter of cara-beef in the world, but the figures are still insignificant considering the large population of buffaloes. Only 11% of the buffalo population is culled for meat Rigorous efforts are required to improve the condition of livestock by providing basic infrastructure and latest technology. The government has allowed 100 per cent FDI in the processing industry and has recently started the public-private partnership scheme for modernization of slaughter houses.

Constraints of Indian Meat Industry

Some major constraints for the meat industry are probably the lack of implementation of scientific knowledge for rearing the animal for meat purpose, improper nature of meat production strategies and marketing, socio-economic and political taboos associated with meat animal rearing and eating, inadequate infrastructure facilities and poor post-harvest management. Productivity of meat breeds has not tapped adequately. Livestock farmers are unaware of the potential of meat business. Livestock marketing is not well organized. There is no integration of livestock farmers, meat producers, processors and marketing.

There has been hue and cry on health implications of meat especially for its high fat content leading to cardiovascular diseases. Society has also started to show concerns about ethical issues, such as animal welfare and the environmental costs of their consumption patterns, as meat production is very resource inefficient compared to other types of food production and places a burden on the ecosystem by using a great amount of water, land and energy. All of these factors have been influencing the consumer to give attention towards the development of modern vegetarianism. This may be viewed as a special case of cognitive dissonance in which a belief and a practice are in conûict, creating an unpleasant emotional state that people are motivated to resolve.

The structure of meat industry is highly unorganized and a substantial portion of meat production comes from clandestine slaughter. These practices often escaping mandatory ante-mortem and post-mortem inspection lead to production of poor quality meat apart from loosing economic revenues in terms of poor recovery of by-products. The environment pollution caused by such slaughter has also been a prime concern. Facilities for effluent treatment and waste disposal in these traditional slaughter houses are also far from satisfactory. The utilization of slaughter house byproducts such as skins, edible offal, blood and bristles is low and lacks the desired level of quality. There is lack of scientific implementation to effectively utilize dead animals and prevent environmental pollution through proper disposal of the animal waste materials in an appropriate manner, necessity for recovery of hide and skins. A critical assessment of the established centers is necessary to evaluate viability and continuation of the scheme. A concerted effort is required for popularizing appropriate disposal of dead animals including their burial in the event of unsound economics of modern rendering for prevention of environmental pollution and livestock disease control.

Marketing pattern of livestock products in domestic and international market

India has over 2000 markets where livestock are traded. Livestock markets are under the jurisdiction of the state governments although the direct operation and supervision would generally fall within the purview of the local bodies. State Acts regulate marketing of agricultural produce and the marketing committees are responsible for implementing and enforcing the provisions of the Act. The market for live animals in the country unfortunately has not developed on scientific lines. There are no separate markets for different species of animals. There are no separate enclosures for different species/animals. Brokers facilitate most of the trade. Vertical linkages between the processors/butchers and livestock producers are rare. Wholesale marketing margins amount to about 30% of the consumer price. Market facilities are generally inadequate and if available are poorly maintained. Weighbridges, ramp facilities for loading and unloading, feeding and watering and veterinary facilities are not available. Revenues generated under the act are supposed to be allocated to the markets for operations and improvement but not happening.

There is also Need to improve retail infrastructure and educate retailers about meat and meat products. Poor infrastructure and cold chain facility are the major stumbling blocks in the path of growth. There is large scope for meat processing in poultry as well as in red meat. The meat processing industry is still nascent. India exports both frozen and fresh chilled meat needs to be improve.

The value chain of meat production for the domestic market is very informal. Traders play a very active role in this value chain as intermediary aggregators as livestock owners have limited market access and are isolated from major consumers due to logistical and transport costs. Traders buy animals from various farmers and pool them for further marketing or haul purchased animals to municipal slaughterhouses. During transit of the animals from livestock markets to slaughterhouses health certificates from state veterinarians are also obtained. The animals are either sold to private abattoirs or slaughtered in the municipal slaughterhouse for a nominal fee and supplied to domestic market.

Strengths of Indian meat for export market

- Government of India has laid down standards for export of meat which includes standards for abattoirs, processing plants for various meat products. Registration of abattoirs and meat processing plants is done by the Agricultural and Processed Food Products Export Development Authority (APEDA).
- Government of India accords high priority to quality issues in meat for export. Therefore a stringent regulatory mechanism has been put in place by the Government in the form of

mandatory approvals of modern abattoirs for production of meat for export. APEDA is also enforcing HACCP and approves the plants with HACCP accreditation through an interdepartmental panel.

- Animal Health Certificate: According to the current Export and Import Policy of the Government of India, each export consignment is subject to compulsory microbiological and other tests and a comprehensive pre-shipment inspection certificate is issued by a Government laboratory. Each consignment is accompanied by this health certificate. The health certificate also confirms that the livestock have been subjected to ante-mortem inspection followed by post-mortem examination, and that the meat is fit for human consumption.
- India is a member country of the International Organization for Animal Health (OIE), and is mandated to report list "A" and list "B" animal diseases to the OIE at regular intervals
- The country being from diseases like BSE and Rinderpest has edge over several countries of the world.
- There is little practice of using hormones, antibiotics or any other chemicals to promote growth and fattening of livestock used for export purposes and the Indian meat is considered as nearly organic meat.
- Indian meat is also very competitive in international market and has created a special niche in most of the importing countries.

Conclusion

There is vast scope of Indian Meat Industry in both domestic and international market. Besides implementation of stringent sanitary and phyto-sanitary regulations, the strengthening of livestock and meat markets is essential to boost meat sector in the country. There is a dire need to create awareness among livestock farmers to rear their stock on scientific lines. Extension of proven research on meat animal production must be disseminated as a support to the poor entrepreneurs. The government interventions are also desired to provide platform for marketing of livestock and meat reducing the profit margins of traders so that the farmers get their substantial share. The guidelines for meat safety have been developed but their stringent implementation by Food Safety and Standard Authority of India (FSSAI) especially for domestic markets will win the confidence of consumer and certainly will help in boost the sector.

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