Poultry Sector
Opportunities and Challenges in India
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**Introduction**

India is the third-largest egg producer in the world after China and the USA and the fourth-largest chicken producer in the world after China, Brazil and the USA. In India, the per capita consumption of eggs has gone up from 30 eggs per annum to 68 eggs per annum, and that of chicken from 400 gms per annum, to 2.5 kg per annum in the last 5 years. Human nutritionists recommend a minimum of 180 eggs & 10 kg chicken per annum for a healthy adult human, which means that the Indian poultry market is laden with opportunities. Adult population in most developed countries consume over 240 eggs and 20 kg of chicken per annum.

India has 1.23 billion people and the number is growing every year. The focus is on “Development”, meaning good food, better health & living conditions for everyone. People spend more money on food when they earn more. Healthy food at attractive price will therefore be the issue in focus. Eggs and chicken are accepted by almost all communities and is available across the country at reasonable prices.

Poultry is the most organised sector in animal agriculture in India, worth Euro 14,500 million. Production of broiler meat has increased to 4.2 million tons per annum in 2015-16. Demand for processed chicken meat has been growing by 15-20% per annum. Total layer production in India has gone up to reach 80 million eggs per annum. Industry sources estimate CY 2016-17 feed consumption to go from 17 to 18 million tons, which includes corn and soya bean and pearl millet.

Eggs and chicken were “agriculture produce” few years ago but are considered as “food items” today. Safe food has become a priority. Besides maintaining his production efficiency, the producer has to concentrate on the nutritive values, the adulterants and contaminants of his produce. The ministry of food processing industries at the central govt. level and food inspection authorities at the local levels have started keeping track of eggs and chicken production in India for quality and nutrients.

Poultry Production has three segments: 1. Layers, 2. Broilers, 3. Backyard / Family Production (Both eggs and chicken).

**Layers**

Some 70% of the layer birds are being raised in the states of Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Maharashtra in south and Haryana in the north of India.

**Broilers**

Feed (65%) and chicks (25%) account for 90% of the broiler inputs and consolidation is being observed in the market. Smaller producers engage in ‘contract farming’.

**Backyard / family production**

At one time, 30% of the eggs produced in India were produced in the backyards. Improved varieties of ‘Low technology input birds’, which are dual purpose, i.e., producing eggs and meat, are new being bred in India for the purpose of backyard/family production. The final food products, i.e., eggs and chicken are not exported in huge quantities as there is a huge gap in supply and demand within India.
Export trends

As per Agriculture and Processed Foods Products Export Development Authority (APEDA), India has exported 659,304 MT of poultry products for the worth of INR 7,680 million during 2015-16. Majority of the exports are destined for the Middle East. Each year, India exports around 5000 MT of poultry products into Europe, the largest chunk of which is destined for Germany, although the share of the Netherlands has grown significantly over the last few years.

**Indian Poultry Exports 2013-2016 (in MT)**

**Indian Poultry Exports to Europe 2013-2016 (in MT)**

**Indian Poultry Exports to Europe 2013-2016 – Evolving trends**
Main market players

A large group of poultry companies are based in and around Hyderabad. Andhra Pradesh and Telangana (erstwhile Andhra Pradesh) account for majority of the birds and eggs produced in India. Hyderabad in Telangana is the epicentre for the poultry industry in India owing to the presence of large producers as well as the existence of organisations such as the Directorate of Poultry Research (DPR), a Indian Council Agriculture Research (ICAR) institute and Indian Poultry Equipment Manufacturers Association (IPEMA).

The key stakeholders in the Indian poultry market are as follows.

a) Sneha Foods Limited, Telangana
b) Srinivasa Hatcheries (SH Group), Telangana
c) Balaji Hatcheries, Andhra Pradesh
d) V S N Hatcheries, Andhra Pradesh
e) Mulpuri Group, Andhra Pradesh
f) Venky's (V H Group), Maharashtra
g) Suguna Foods, Tamil Nadu
h) R M Group, Haryana.
i) Skylark Foods, Haryana
j) Komarla Group, Karnataka
k) I B Group, Chattisgarh
l) Bharati Poultry, West Bengal

Challenges and Opportunities

Currently, the poultry sector in India faces the following challenges, which in turn could open up opportunities for the Dutch entrepreneurs.

a) **Low productivity**
   The production facilities and methodologies followed by the poultry farmers in India are not in line with international standards. A good majority of the poultry farms in India are open buildings with no climate control or quarantine mechanisms in place, which exposes the birds to various climate conditions.
variation as well as potential diseases and epidemics. In order to mitigate the risks posed by that, the density of birds in farms have to be kept low, which in turn negatively affects productivity per farm. Dutch farming technologies such as climate controlled farm houses, automated feed lines etc. can help improve the productivity in Indian poultry farms.

b) **Lack of storage, cold chain and transport**

More than 60% of broiler birds produced in India are produced in 6 states (Andhra Pradesh, Telangana Karnataka, Maharashtra, Punjab and), similarly more than 60% of eggs produced in India are produced in 6 states (Andhra Pradesh, Telangana Haryana, Maharashtra, Punjab and Tamil Nadu). Birds are currently transported alive between the states, which causes them to be transported in inhumane and sometimes unhygienic conditions. Many birds are killed during transport. Lack of dry processing and cold chain facilities make it a logistical nightmare to be transporting good quality poultry produce within India. Poultry produce neither are transported using refrigerated trucks nor are specialized equipment used for packing or transporting poultry produce. Dutch expertise in the field of cold chain can be of immense benefit to the Indian poultry farmer.

c) **Supply of quality feed**

Soya bean and maize are widely utilized by poultry farmers in India as the main feed. These help only in fulfilling minimum nutritional requirements, and do not help in raising high quality, healthy birds. There is shortage of quality feed in the market and lack of knowledge about the benefits of using quality feeds. The problem is confounded by the fact that there is no alternative protein source available either. This opens up immense opportunities for Dutch poultry feed manufacturers and dietary supplement producers.

d) **Quality standards for farm management**

There are no quality standards in farm management in India, prescribed either by the Government or by self-regulating industry bodies. For export market, APEDA has imposed strict quality standards and regular audits to ensure quality is maintained up to international standards. However, in the domestic market, there is a lack of comprehensive regulating authority to maintain hygiene in farms, processing and transportation. Licensing of farms is done on municipality level, who often lack the knowledge, expertise and human resources to strictly enforce quality standards. Dutch poultry industry has a lot to contribute to the Indian poultry industry in the form of trainings, best practices, skill development etc.

e) **Lack of processing facilities**

There is a lack of dry processing capabilities in the Indian domestic poultry market. For lack of knowledge and awareness, Indian consumers prefer to go for freshly culled birds which are not processed in clean and hygienic conditions. Wet processing machineries pose serious environmental concerns owing to poorly managed waste disposals. There exist limited storage facilities which can conserve the products without loss in quality. Processing machineries that are clean and hygienic, coupled with waste treatment plants are the need of the hour in Indian poultry market – Dutch
companies with their market leadership in dry processing machineries and waste treatment plants have a lot of market potential in Indian poultry market.

All of the above challenges offer infinite opportunities to Dutch entrepreneurs. Productivity could be increased, by using better farming techniques with higher quality standards, by improving the feed quality with pre-mixes and by use of superior processing equipment.

The Netherlands is already a longstanding partner of the Indian Poultry industry, supplying processing and hatching machinery, feed and food supplements, etc. Dutch companies in the Indian Poultry industry can be found providing equipment and technology for the whole value chain in poultry. This is particularly true for automated systems, food safety, animal welfare and reducing the environmental impact.

Relevant trade fairs

A wide variety of regional and domestic trade fairs are organized in India throughout the year in the field of poultry. At several of these exhibitions, Netherlands Embassy and Netherlands Business Support Offices (NBSO) organize events, such as Holland pavilion and / or networking events.

a) Poultry India 2017  
Hitex, Hyderabad, India  
22 – 24 November, 2017  
www.poultryindia.co.in/

b) Agritech India 2017  
BIEC, Bangalore – India  
28 – 30 August, 2017  
http://agritechindia.com/

Since 2013 more than 12 Dutch companies have participated in Poultry India Show in Hyderabad, India and have bagged good business deals.
What can we offer?

Dutch Trade Network in India (TNI) has very good contacts with main market players and also various poultry associations in India. TNI offers active support to Dutch companies interested in doing business in India in finding potential clients / JV partners / participating in the trade fairs etc.

Contact (More Information)

You can always contact us for more information at:

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Pic 1: Embassy of the Kingdom of the Netherlands team at DSM stall at the Poultry India Show, 2016

Pic 2: Embassy of the Kingdom of the Netherlands team interacting with Dutch companies at the Poultry India Show, 2016
Pic 3: Agriculture Counsellor of Embassy of the Kingdom of the Netherlands at Ottevanger pavilion at the Poultry India Show, 2016

Pic 4: Embassy of the Kingdom of the Netherlands team at Fancom stall at the Poultry India Show, 2016
Pic 6: Holland was the Partner Country at the Poultry India Show, 2015

Pic 7: Mr. Wouter Verhey, Landbouwraad at the Embassy of the Kingdom of the Netherlands in Delhi speaking at the networking reception.
Pic 8: NBSO, Hyderabad have been organizing dinners in connection with Poultry India show, where Dutch entrepreneurs get an opportunity to interact with key stakeholders in the Indian market.
Colofon

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NBSO Hyderabad

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