

India's Poultry Sector

Development and Prospects

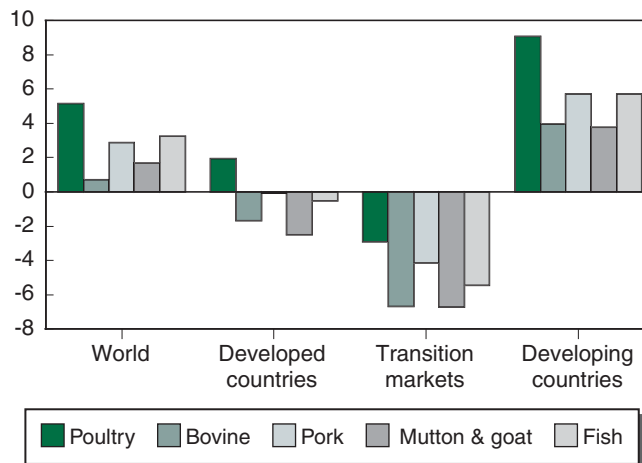
Introduction

Since the 1970s, global production, consumption, and trade of poultry meat has grown faster than that of any other meat. During the 1990s, when demand growth slowed for other meats, including fish, demand growth for poultry meat accelerated and poultry continued to lead the expansion of meat trade.¹ Although demand for poultry meat was strong relative to demand for other meats in developed countries during the 1990s, the rapid global gains in poultry meat supply, demand, and trade were led by gains in developing countries (fig. 1). Expansion has been most rapid in the developing Asia region, including China, South Asia, and Southeast Asia, as well as in Latin America. The emergence of the poultry sectors in developing countries, such as India, has the potential to affect global and U.S. markets for poultry products, feeds, and related inputs.

With a population of more than 1 billion and real per capita incomes now growing 3-4 percent annually, India constitutes a large potential market for poultry meat. Poultry production and consumption in India appear to be expanding rapidly, fueled by rising incomes as well as changes in the structure of poultry production and marketing. The key structural change spurring production growth is the emergence of integrated producers, which are combining breeding, feed milling, contract growing, and marketing activities, and fostering improved productivity and reduced marketing costs. Although the country's expanding poultry sector now relies on local supplies of corn and soybean meal, it is unclear whether India will evolve over the longer term as an importer, or as a competi-

¹ See appendix table 1.1 for a complete summary of trends in meat and fish supply, demand, and trade.

Figure 1
Growth of meat consumption by region, 1990-99
Growth rate (percent)



Source: FAOSTAT database.

tive producer, of poultry and feed. Development of the sector may depend on the pace of change in the structure of poultry production and marketing, as well as government policies toward production and trade of poultry and feeds.

This report assesses the supply, demand, structure, and policy factors affecting the growth of the Indian poultry industry. The objectives of the study are twofold: to gain a better understanding of the prospects for the poultry industry in one of the world's largest and fastest growing developing economies, and to take advantage of the information developed on India's diverse sector to draw implications for growth prospects in the poultry sectors in other developing countries. To help meet these objectives, the study analyzes the impacts of alternate economic, technical, and policy assumptions on poultry supply and demand prospects and the implications for feed trade.