



Small Ruminant Marketing in India

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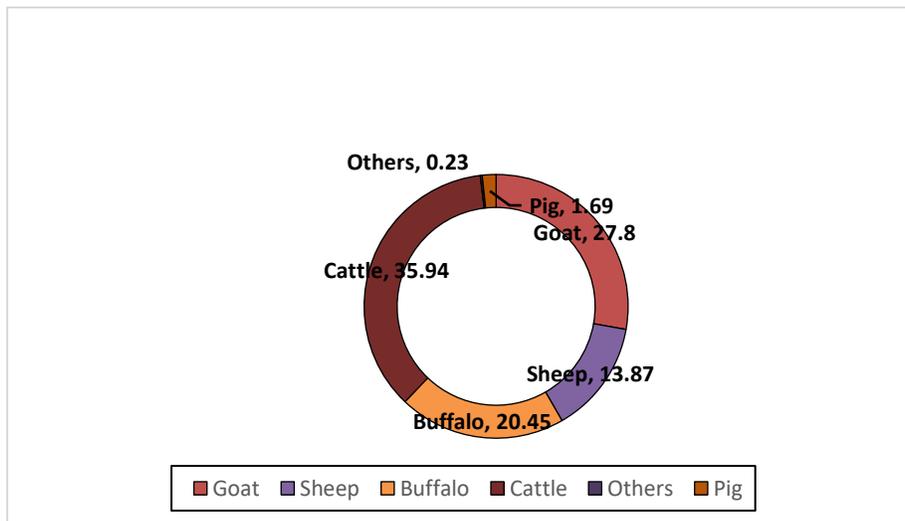
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Livestock systems is a complex entity affecting the natural resources base and socio-economic equity (World Bank Report, 2009). In emerging economies, livestock is currently one of the fastest growing agricultural sectors. It already accounts for 33% of agricultural GDP and is rapidly increasing. Small ruminants play a prominent role in Indian economy as a source of livelihood to more than 65% of rural community. The contribution to the agricultural economy is significant, especially in areas where crop or dairy farming are not economically viable and sustainable. Livestock sector contributes about 4.11% to the total GDP and 25.6% of the total Agriculture GDP. Globally India stands second in goat population and third in sheep population.

Chevon and mutton meat are two primary categories, where demand exceeds supply in the local market as they have shorter generation intervals, higher rates of prolificacy and goat and sheep meat products are much simpler to market. Goats are kept as a source of food by economically and socially disadvantaged groups. Goats obtain their nutrition primarily by extensive grazing/browsing, with just minor supplements provided at home. Wool and meat are the major products obtained from sheep. Additionally, sheep skins and dung are some major sources of income, with the latter being particularly prevalent in southern part of India. Milk of sheep is only important in a few places of Jammu & Kashmir, Rajasthan, and Gujarat. Indian sheep breeds are not mainly used for dairy purposes. Sheep are considered as hardy animals for rearing because of their toughness and tolerance to dry conditions and they are abundant in the country's northwestern and southern peninsular region. Their breeding is not season dependent in the tropics and lamb can be obtained at any time of year. Inadequate grazing supplies, diseases that cause high mortality and morbidity, and consequently reduced production, are the main causes of low productivity.

Livestock census 2019- share of major species



Source: BAHS, 2019

Small Ruminant Marketing Channel

The individuals, groups, and value-added services/activities required to move ownership of goods from the point of production to the point of consumption are referred to as marketing channels. As a result, it is sometimes referred to as the distribution channel and is the means through which goods are delivered to consumers or end-users.

Farmers producing livestock produce are scattered in remote villages while consumers are mainly in urban and semi-urban areas. All these produces have to reach ultimate consumers for its final use. There are various organizations, agents and functionaries through which they must pass and reach the consumers. A market channel or channel of distribution is therefore can be defined as a path enroute in the direct or indirect transfer of a product as it moves from a producer/source to an ultimate consumer/industrial user.

There are various different types of channels through which the end products reach the consumers, such as

Direct Channel: Product directly reaches to the consumers from producers.





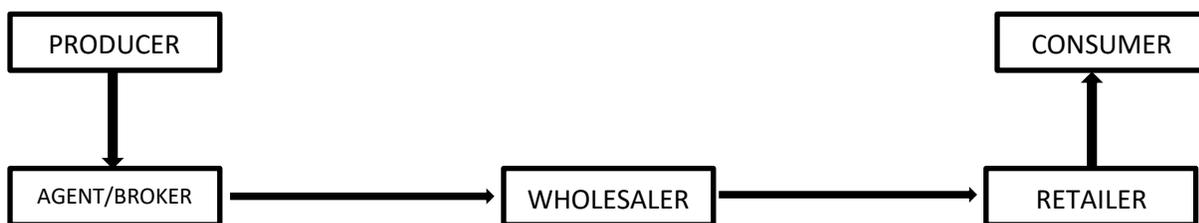
Retail Channel: In this one intermediary is present i.e. a retailer. A retailer usually deals with small quantity of goods.



Wholesale Channel: In this channel, two intermediaries are present i.e. a wholesaler and a retailer. A wholesaler usually deals with large quantity of goods.



Agent/Broker Channel: An agent is responsible for negotiation between other intermediaries for the sale and exchange of goods.



The effectiveness of the marketing of the products affects how profitable small ruminant farming is. However, the sale of sheep and goats is unorganized in India, with several middlemen, needless travel, and the mistreatment of animals while in transit. Lack of market knowledge, unstructured pricing, unorganized marketing channels, and distress sales all contribute to farmers not receiving a fair price for their animals.

So, in order to tackle all these problems and to improve their animals' body weight following points need to be considered:

- Farmers need to use improved management and technology solutions.
- For efficient goat and sheep farm management, farmers need to keep a variety of farm records. Birth, health, medical, mortality, weight, immunization, and other records are among the numerous records.
- Establishing connections between goat growers, processors, and exporters is necessary.
- In order to secure a better price on the domestic market and breed healthy purebred goats for export, farmers should learn about market demand rather than simply selling their animals when they are in need.



- If there are already groups for livestock keepers, they should be strengthened.
- Through producer groups, self-help groups and networks, NGOs can play a key role in raising awareness, building capacity, advocating for change, forming networks, bringing synergies and thereby, empowering livestock keepers.
- The duty of enhancing infrastructure amenities for small ruminants should fall to the Animal Husbandry Department. A public-private partnership (PPP) could coordinate a variety of tasks, including marketing, distribution, and input.
- Animals should be slaughtered in registered slaughter houses in order to maintain hygiene and sanitation, this will lead to easy export of meat as it will be able to meet the international standards.
- Farmers should be educated and trained so that they will not be cheated by any of the middlemen.
- Well-established value chains help to bolster the chances of fair payment to the farmer.

Livestock Value Chain

The term "value chain" refers to the activities that add value to a product or service as it moves through several stages of manufacturing, including acquiring raw materials and other inputs, production, marketing, processing, and finally reaching customers. A value system is made up of value chain participants, value chain service providers, and the institutional framework. The main objective of value chain analysis is to increase incomes, reduce poverty and upliftment of the rural society.

The input, production, processing, distribution, and consumption of livestock are only a few of the several operations that make up the value chain. Value chain participants and producers take on the risk of working with a commodity since they own the good or add value to it. Value chain players can choose between paid and free services from value chain service providers. In formal and informal institutional settings, service providers can be found. Main purpose of the value chain is to provide a product of value to customer for which he or she is willing to pay. Methods and grounds on which a livestock value chain has to be formulated are mainly based on the secondary data available. The grounds on which a livestock value chain has to be formulated:

- Availability of resources
- Availability of market
- Availability of breeds in that particular region



- Availability of breeding stock
- Transportation facilities
- Diseases prevailing in that particular region
- Any sort of processing constraints like in the slaughtering, chilling, packaging, export facilities or cooking into variety of dishes
- Other constraints faced by livestock farmers

Understanding markets, their relationships, the involvement of many actors, and the crucial constraints that restrict the growth of livestock production and, as a result, the competitiveness of farmers, require value chain analysis. With the aid of Value chain analysis, the importance of each value of a particular activity involved in the livestock value chain can be properly understood. Value chain analysis is the key to understand the market, its key components and their interrelationship. Therefore, a robust livestock value chain (VC) is critical not just to fulfill rising demand and requirements for meat and dairy products, but also to alleviate poverty, particularly among small-scale farming community.

Various Steps, Actions and Stakeholders in Small Ruminant Value Chain



Meat Industry

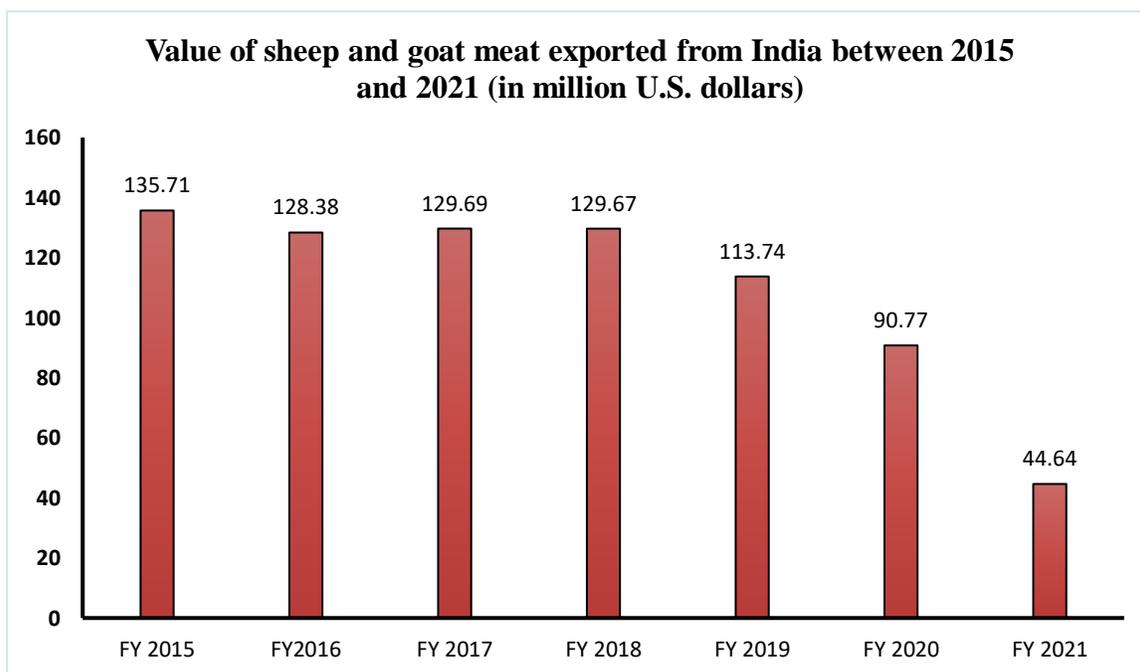
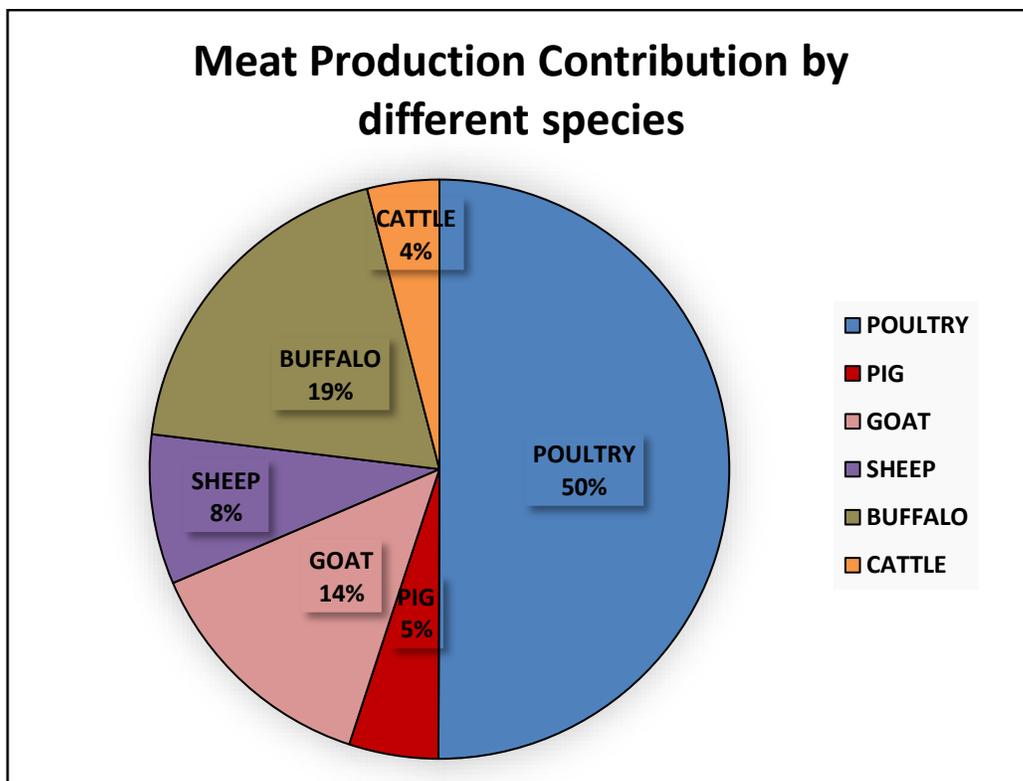
Goat contributes about 13.53% and sheep contributes about 8.36% of the total meat production in India. With a population of 148.88 million goats, India is the world's second-largest producer of goat meat and with a population of 74.26 million during 2019 census, ranks 5th in the sheep meat(mutton) production in the world. Number of goats and sheep being slaughtered for meat production is 97.2 million and 50.8 million respectively. The state with highest goat meat production is West Bengal and with highest sheep meat production is Andhra Pradesh.

As per The Observatory of Economic Complexity (OEC), India sold \$52.8 million worth of sheep and goat meat in 2020, making it the world's 12th largest exporter. Sheep and Goat Meat was India's 491st most exported product in the same year. United Arab Emirates (\$38.9 million), Qatar (\$5.74 million), Saudi Arabia (\$2.8 million), Kuwait (\$1.57 million) and Oman (\$1.16 million) are the top destinations for Indian sheep and goat meat exports. Malaysia (\$543k), Hong Kong (\$118k) and Gambia (\$4.57k) were the fastest rising export destinations for Indian sheep and goat meat during 2019 and 2020. This export and import of meat is governed by Agriculture



and Processed food products Export development Authority (APEDA, 1986), Meat and Food Products Order (MFPO, 1973) and Livestock Importation act, 1898(amendment in 2001).

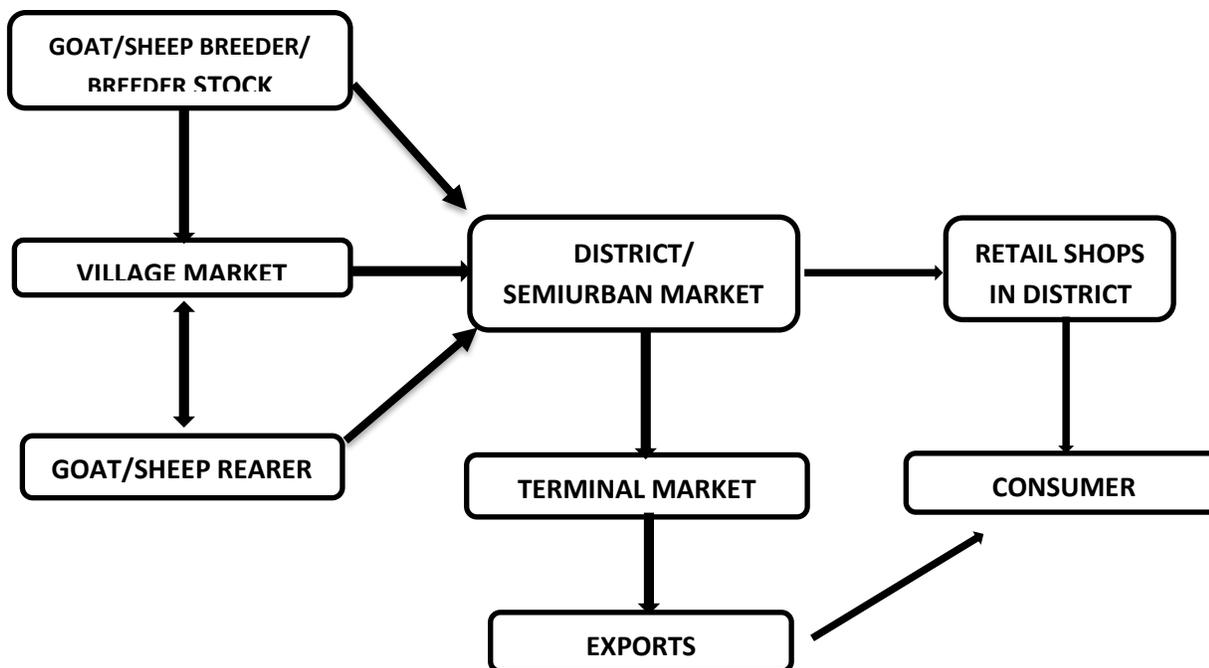
<p>Activities</p>	<ul style="list-style-type: none"> -Credit access -Feed supply -veterinary services -Medicine -Training and campaigns -Deworming -Vaccination -Farmers own investment -Breeding rams/bucks -Technical support 	<ul style="list-style-type: none"> -Feeding -Housing -Breeding -Fattening -Farming -Health care -Rearing -Shearing 	<ul style="list-style-type: none"> -Collection -Transportation -Brokering -Distribution -Local market -Departmental Shop -Super shop -Butcher shop 	<ul style="list-style-type: none"> -Slaughtering -Cutting -Chilling -Packing -Cooking -Value addition 	<ul style="list-style-type: none"> Consuming -Milk -Meat -Milk -Products -Wool -Religious festivals
<p>Actors</p>	<ul style="list-style-type: none"> -Farmers -Veterinary doctors -Landlords -Food dealers -Rural Bank -Traders -Research 	<ul style="list-style-type: none"> -Farmers & Cooperatives -Pastoralists 	<ul style="list-style-type: none"> -Producers -Brokers -Traders -Agents of exporting 	<ul style="list-style-type: none"> -Butchers -Processing industry -Hotel -Supermarket 	<ul style="list-style-type: none"> Consumers



Source: www.apeda.gov.in



Goat and Sheep Marketing Channel



Skin and Hide Industry

According to Council of Leather Exports, India is the second-largest exporter of leather garments, the third-largest exporter of leather goods, and the fourth-largest exporter of saddlery and harness worldwide. This industry is among the top ten foreign exchange earners for the nation and is renowned for its constancy in producing significant export revenues. India exported footwear, leather, and leather-related goods worth \$3.68 billion in the years 2020–21. The sector is blessed with an abundance of raw materials because India is home to 11% of the world's goat and sheep population and 20% of the world's population of cattle and buffalo. It is also a sector with high employment rate as it employs 4.42 million people, the majority of whom come from the socially disadvantaged groups. Women make up about 30% of the workforce in the leather products industry. India is the third-largest exporter of leather goods, the fourth-largest exporter of saddlery and harness, and the second-largest exporter of leather apparel globally.

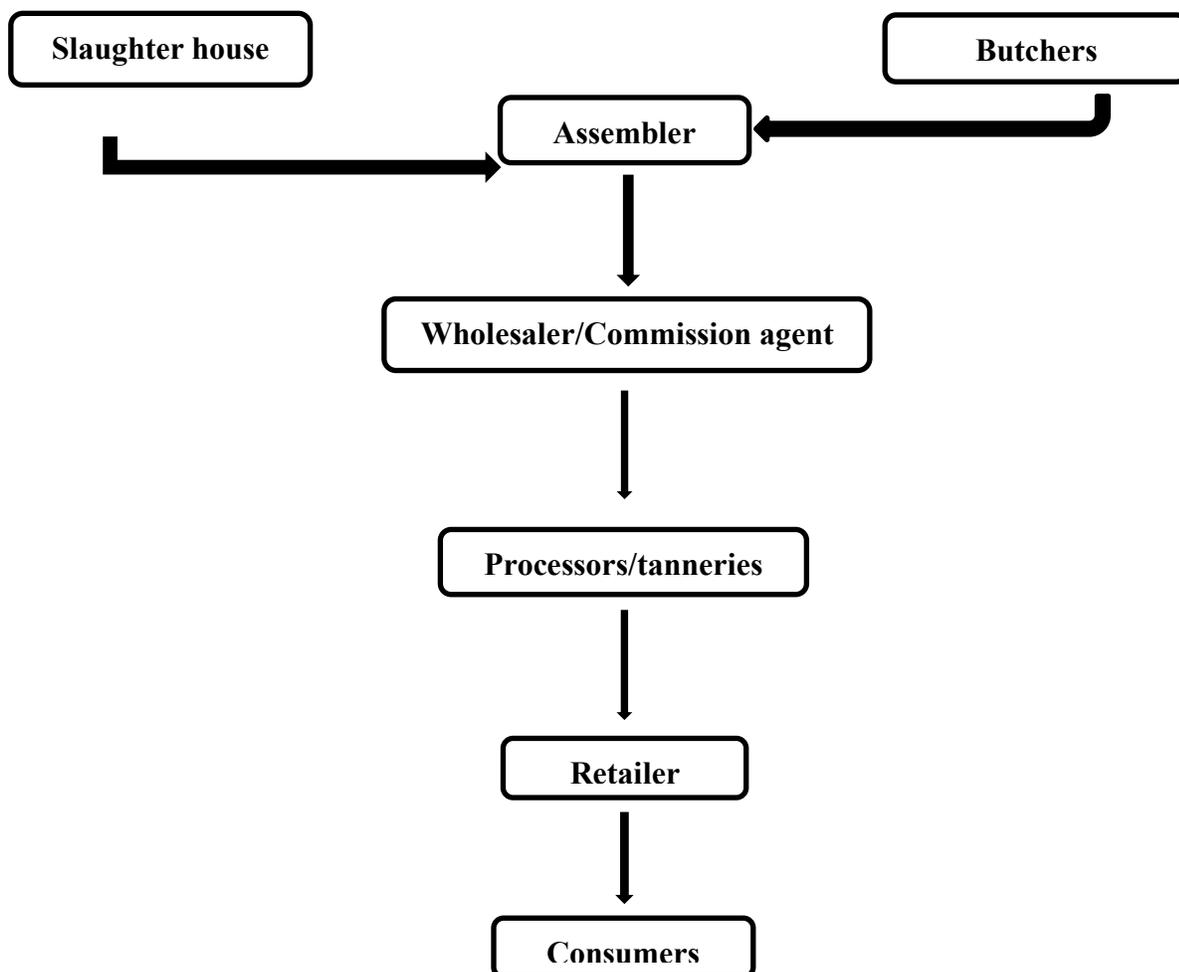
Goat skins are frequently used to make high-end women's shoes, apparel, gloves, and handbags because of their remarkable fastness and abrasion resistance. Natural proteins are susceptible to putrefaction and are easily destroyed by microbes. To prevent this protein deterioration, skin or hide is turned into leather. The process of tanning hides is essential for



producing high-quality leather. Three steps make up the leather manufacturing process: pre-tanning preparation, tanning, and finishing. The protein in untanned hides and skins is converted into genuine leather during the tanning process, which has a stable fibre structure that guards against microbial decay. Sheep skin is tanned with the fleece intact, making it more resemble a pelt than normal leather. Compared to goat skin, sheep skin is not as frequently used for commercial purposes.

Hides are used even in musical instruments like drum in which the membrane of the left side is made from cow hide while of the right from goat hide. Leather has traditionally been a preferred material for bookbinding. Untanned goat skins are used as containers for water, kefir, and wine in several places. The Black Bengal breed provides high-quality goat skins. Sheep skin is used to make soft wool-lined clothing and accessories including gloves, hats, slippers, footstools, car seat covers, blankets, and pelts. Sheepskin numnahs, saddle pads, saddle seat covers, sheepskin horse boots, gear linings, and girth tubes are examples of equestrian goods.

Hide and Skin Marketing Channel

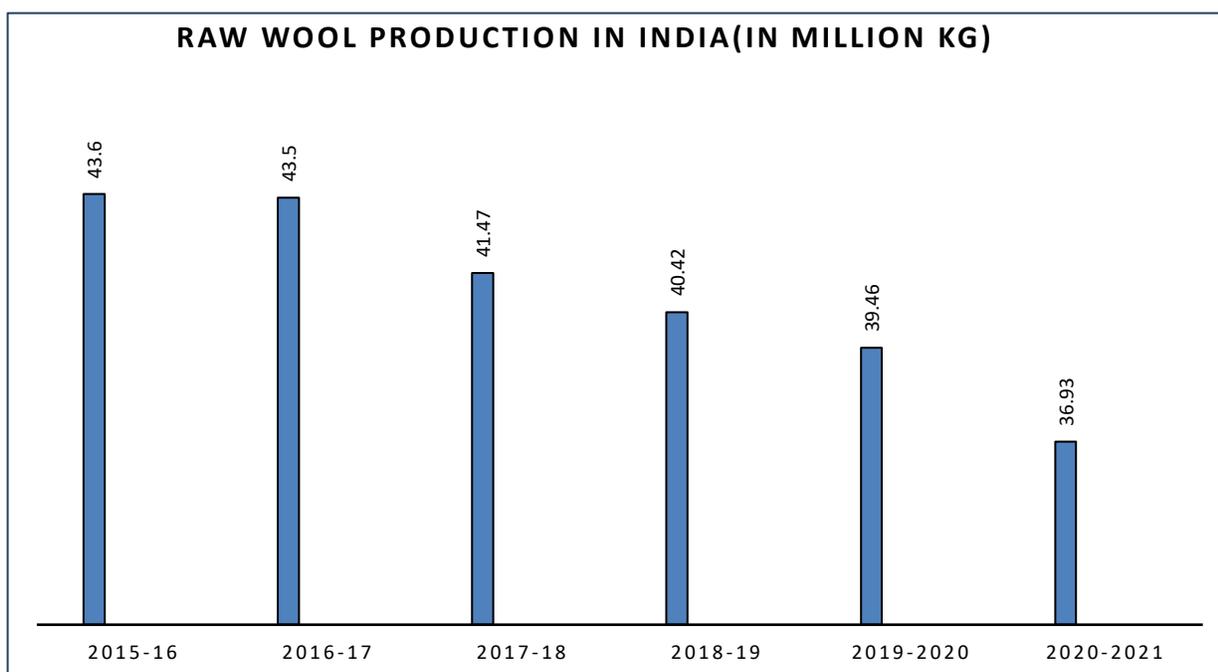




Wool Industry

According to IBEF (India Brand Equity Foundation), with over 74 million sheep, India has the third-largest population of sheep and is the ninth-largest producer of wool in the world, accounting for between 2% and 3% of global production. The country produced 36.93 million kg of wool in 2020–21. The amount of wool produced each year is between 40 and 46 million kg. Rajasthan is the world's largest wool producer and is known for its superior carpet-grade Chokla and Magra wool. India produces three main grades of wool: carpet grade, coarser grade, and apparel grade. These categories make up 85%, 10%, and 5%, respectively, of the total production during 2020–21. Wool for apparel accounts for less than 5% of total production, while coarse quality wool suitable for creating rough blankets accounts for the remainder.

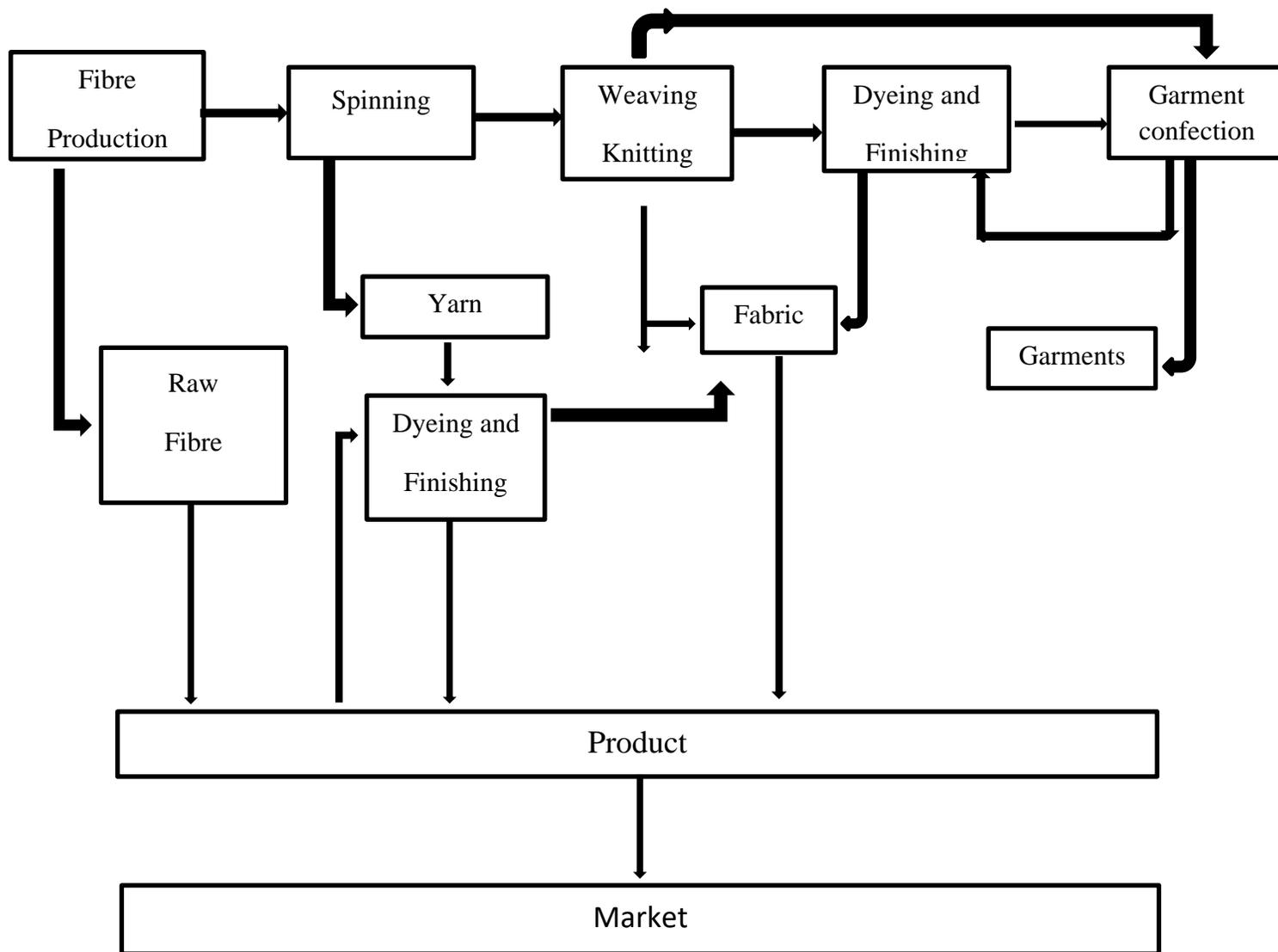
The key producing states with production amounts for 2020–21 are Rajasthan (15.68 million kg), Jammu and Kashmir (7.65 million kg), Telangana (3.37 million kg), Gujarat (2 million kg), Maharashtra (1.55 million kg), Himachal Pradesh (1.48 million kg), Karnataka (1.05 million kg), Uttar Pradesh (0.89 million kg), West Bengal (0.76 million kg) and Haryana (0.69 million kg).



Source: www.ibef.org



Wool Marketing Channel



Major constraints in wool marketing

India depends on imports for raw wool because there is limited domestic supply, mainly from Australia and New Zealand. Then, this wool is utilized to create goods for the home market as well as for export, particularly to the United States and Europe, such as carpets, yarn, textiles, and clothing. Between 2010 and 2020, the country's processing industries consumed 50% more wool, despite the fact that local wool in Bikaner made up less than 10% of total current sales (Rajasthan). Across the nation, meadows are disappearing as a result of urbanisation and the expansion of crops. Farmers' attention has shifted from wool to meat. Facilities for pre- and post-loom processing are inadequate and out of date. The state's marketing agencies for wool are ineffectual. The Minimum Support Price (MSP) mechanism is not in operation. There isn't a



university that specializes in wool technology. Therefore, the Ministry of Textiles developed the Integrated Wool Development Program to address all of these issues and promote the sector's overall growth. With the help of producer groups, self-help groups and NGOs via awareness raising, capacity building, networks forming and empowering livestock keepers, wool production can be enhanced more efficiently and economically.

Dairy Industry

Goat milk and products, which have advantages over cow milk in terms of health and nutrition, including better lipid metabolism and digestibility, as well as taste, are becoming more and more popular. The country leads the globe in goat milk production, accounting for 26.31 percent of total goat milk production. The country's total milk production is 155.5 million tons. Goat milk output totaled 5377.59 thousand tons (3 percent of the total milk production). The goats are known as the moving refrigerators because they may be milked at any time of day. Goat milk is even prescribed for children, sick and also old people because it can be easily digested. According to estimates, the top 5 states in India for goat milk production were Rajasthan, Uttar Pradesh, Madhya Pradesh, Gujarat, and Maharashtra. Official statistics in many countries do not cover household consumption or informal market sales where records are not kept, making it difficult to determine the worth of goats. Goat milk sector is not an organized one in India, as goat milk is not available commercially. In India, Bangladesh, Pakistan and Turkey, the majority of goat milk is produced and consumed.

Conclusion

The market system for small ruminants is conventional in style. In terms of enhancing the structure, conduct, and performance, it has not undergone change. Small dealers who gather the animals from villages are the main sources of animals for the market. Farmers sell their animals exclusively to local traders, albeit a lesser number is also sold through other channels. The primary market channel involves traders bringing animals to the market and selling them to other traders who are there. Slaughterhouses should be registered. Sales and export of raw and processed meat are increasing thus, quality check of the product and regulatory compliance of slaughterhouses is crucial. Small ruminant development is an essential component of the fight against poverty since it has the capacity to feed rural populations, alleviate poverty, and boost the economy. The industry has been neglected and disorganised up until this point. Problems with the development of the



small ruminant sector must be resolved, and the industry needs to be streamlined. Increasing research, educating farmers, transferring technology, and improving animal health are all required to make commercial production economically and environmentally sustainable.

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