

Prospects of poultry industry in the post liberalised era

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Poultry development in India has made large strides in the past few decades. From a level of about 1.8 billion eggs being produced in 1950-51, currently the production reached a level of 34 billion. The contribution of poultry to the National GDP is nearly 1% with an output of 10 billion rupees from this sector. Poultry is one of the fastest growing segments in the Indian agriculture with an annual growth rate of 6 to 8 % in egg production and 15 to 18 % in broilers. The major identified markets of poultry products from India are Japan, Hong Kong, Poland, Belgium, Singapore, CIS, Bangladesh, Sri Lanka, Maldives, Saudi Arabia, Oman, Bahrain and Kuwait.

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There is immense potential for export of poultry products from India due to cheap labour and favourable agroclimatic conditions. We only have to ensure optimal participation in accordance with the World Trade Organisation norms for boosting our poultry sector in the global scenario.

The World Trade Agreement of 1994 brought agriculture for the first time in world trade history within its policy framework. The principles and poli-

cies of WTO are based on Ricardo's concept of comparative advantage.

The major elements of the World Trade Agreement in the field of agriculture are

- ☐ Market Access
- ☐ Domestic Support
- ☐ Export Subsidies
- ☐ Trade Related Intellectual Property Rights (TRIPR)

Market access

Market support for agriculture products is governed by a "tariffs only" regime. Non-tariff measures are replaced by tariffs that substantially provide equivalent levels of protection, with access opportunities being maintained or expanded through current and minimum access tariff quotas.

The experience of the last six years has shown that the expected share of the markets of developed countries is yet to be realised. Market access has been limited both by tariff barriers and sanitary and phytosanitary measures. In contrast, our markets have been opened up. Quantitative restrictions on the import of agricultural products are partially removed with effect from 1 April 2001.

The removal of QRs may lead to the possible unloading of surplus to India at throwaway prices, endangering the local market affecting the farmers. Recently the removal of QR on poultry meat was anticipated to trigger the surge of import of chicken drumsticks from countries where breast fillets are preferred over drumsticks. Hence, they can get rid of this by selling at cheap prices. As a safeguard mechanism to check the surge of poultry imports, recently Government of India imposed 100% imports duty.



The quantity and value of poultry products exported from India during 1996-97 to 1998-99 is given below.

Export of poultry products from India						
Product	1996-97		1997-98		1998-99	
	Quantity*	Value**	Quantity*	Value**	Quantity*	Value**
Live Poultry	-	630.96	-	125.88	-	324.30
Hatching Eggs	2327.00	1446.17	367.00	3319.53	4295.00	2966.50
Table Eggs	1733.00	516.23	1856.00	587.57	1828.00	537.12
Egg Powder	2407.00	3519.02	1955.00	2927.00	800.00	1301.88
Frozen Eggs	462.00	491.12	1660.00	1320.97	4457.00	999.03
Poultry Meat	357.42	321.99	223.80	172.21	881.02	220.58
*Quantity in M.Ts			** Value in Rs. In lakhs			

Domestic support.

The extent of domestic support provided by India to farmers is far below the prescribed ceiling. In the original Agreement, several exemptions from the calculation of domestic support were provided. The two major categories are "Green" and "Blue" Boxes. Green box measures cause no or minimal distorting effect. Farmers may receive payments under these measures, which do not influence type or volume of agricultural production. Article 6.1 of the Agreement on Agriculture lists eligible items for inclusion under Green Box subsidies. These include policies, which provide services or benefits to agriculture or the rural community, stock holding for food security, domestic food aid, investment subsidies and agricultural subsidies for low income and resource poor families.

This is one area where concerted efforts are to

be made through training and research activities to alleviate the neglected poultry extension activities, particularly in rural areas. The timely transfer of technology from the laboratory to the farmer's doorstep will also go a long way in ameliorating the plight of the poultry farmers.

The Blue Box provision includes direct payments to farmers under production limiting programmes i.e. if such payments are based on fixed areas and yield or a fixed number of livestock. This has helped to ensure steady and assured income to farmers in developed countries. Unfortunately, our farm families are experiencing all the negative impacts of the Agreement, mostly due to our own inaction or lack of timely action. Elimination of such measures in the developed countries will give India a better market access.

The definition of resource poor farmers is to be established and support to them must be adjusted in upcoming negotiations. High domestic support



being extended in developed countries to poultry products may lead to their surplus production leading to the so-called dumping attempts. This clearly shows that the extent of domestic support provided by India to the farming community is far below the prescribed ceiling.

Export subsidies

India gives no direct subsidies for exports. Only airfreight subsidy on hatching eggs is provided in poultry. There are various schemes though, to promote exports by the Agricultural and Processed Food Products Export Development Authority (APEDA), Food Processing Industries (FPI) and Department of Animal Husbandry and Dairying (AH & D) of the Government of India. Heavy subsidies given by developed countries make a very lopsided trade in the global market. These should be eliminated and export credit must be disciplined. Export subsidy of about 2% of the total export subsidies is given on poultry meat by developed countries. This eventually reduces the scope of global competition.

TRIPS

The present system of TRIPS Agreement does not provide for recognition and reward of the contributions of tribal and rural families to biodiversity conservation and enhancement. Thus, the primary conservers remain poor, while those who use their knowledge and material in breeding and biotechnology enterprises get rich. The revised TRIPS Agreement should help to end this unethical situation. At the same time, our legislation in the areas of biodiversity and the protection of animal varieties and farmers' rights should be discussed and approved soon by Parliament.

Seventy per cent of our population derives their livelihoods from crop, animal husbandry, forestry, agro-forestry, inland and marine fisheries, agro-processing and agri-business. Over 80% of our farmers belong to the small and marginal farmer category. Our post-harvest and sanitary and phyto-sanitary infrastructure is very poor and massive investments in this area will be essential, if we are to ensure a level

playing field in the field of external trade in agriculture.

It is in this context, the words of the World-renowned Agricultural Scientist, Dr.M.S. Swaminathan is more relevant. "We should press for a Livelihood Box which permits us to impose quantitative restrictions on the import of agricultural commodities. Dispassionate analysis indicates that such imports will kill livelihood opportunities for small and marginal farmers and landless agricultural labours, as well as for those involved in small scale agro-processing and agribusiness activities".

The five thrust areas for gearing up the poultry sector in India to stand up to global competition is

- ☐ Health Surveillance and Disease Control.
- ☐ Quality Feed Assurance
- ☐ Genetic resources
- ☐ Marketing
- ☐ Bio-informatics, training and extension

Multi-disciplinary approach for making Indian poultry sector viable include

1. Specialised Industrial Operations

The need to boost their export potentials by following strict quality control measures, diversifying in VAPs and development of species other than chicken for a wider global access as they have the requisite technical back-up and infrastructure.

2. Moderate Holding Enterprises and Developing Integrators.

They should be assisted through infrastructure support to augment their quality assurance. They should also be provided with the necessary technical know-how for upgrading their stocks for better performance and imparted knowledge of processing techniques to make them competitive on a global market. Thus, focus on technology transfer will be the main aim for this sector.

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