

Economics of meat and their by-products marketing by retailers in Madhya Pradesh

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ABSTRACT

Two districts, Bhopal and Indore, were purposively selected for the study since these two districts have highest meat production in Madhya Pradesh state. Tabular analysis and B:C. ratio analysis were used. The major cost incurred by meat retailers was the price of live animal itself which accounted for 91.38 per cent and 92.19 per cent of the total cost in sheep /goat and buffalo, respectively. Dressed meat of the animal was the main/prime produce of the animal. The returns from sale of the meat received maximum 90.12 per cent and 89.49 per cent of the total returns by meat retailers in sheep/goat and buffalo meat, respectively. Head and four feet of the sheep/goat accounted more return than any other byproducts where as hide in buffalo accounted more return since it is larger in size and used as raw materials by leather industry. The benefit cost ratio was found for meat retailing in mutton 1.15 and in buffalo meat 1.13. Overall the results found was that ruminants' meat trade was an economical enterprise.

KEY WORDS : Sheep/goat and buffalo meat, Livestock enterprises, Marketing, retailers

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Livestock production contributes important share in gross domestic product (GDP) of the nation and state as well. It contributes around 20 per cent of the national agricultural output and 5.26 per cent of the total GDP. Rearing of livestock and poultry has been an age old practice in India, with about 18 million people engaged in meat sector, namely trade of live animals, hides, bones, casings, horns and hooves etc. Livestock enterprise plays an important role in solving unemployment problem especially in the rural areas and there by supplement farm income, while organic manure from livestock and poultry enriches the soil fertility and facilitates

crop production.

Meat is an essential component of balanced diet and about seventy five per cent of the Indian population is non-vegetarian. The average per capita meat consumption in our country is 44.60 gram per day as compared to world consumption of 116.62 grams/day, in spite of highest livestock population in the world. Indian meat industry shows a totally different picture when compared to the world scenario. Meat production system in country is very primitive. At present, there is acute shortage of slaughter houses to produce meat under sanitary conditions. Floor/slab slaughter is practiced for large and small animals with unhygienic and overcrowded slaughter in anesthetic premises is very usual. Slaughter houses are run by local bodies and municipal corporations, who have been criticized for lack of interest. Modernization and relocation of slaughter houses have only met resistance from local people and persons opposing animal slaughter and meat consumption. There are only 12 Export Oriented Units (EOU) using modern technology for production, but that meat is exported, not supplied to domestic market.

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In Indian context, culture, traditions, customs and taboos influence meat consumption to a great extent especially in rural societies. Trade of slaughter animals is carried out weekly/daily in cattle markets dealing in sheep, goats and buffaloes.

In Madhya Pradesh, livestock are being kept for the production of meat, milk and draught power. Some species of livestock are being reared for the production of meat. Meat has a special place among livestock products because it is harvested as a terminal produce even from livestock that are reared for the purposes other than meat whereas, in the case of livestock reared for meat production, it is a principal produce, thus meat is a product of all livestock enterprises. The difference between the two types of meats is in its quality. The terminal produce meat is harvested from aged animals after completion of their productive and reproductive performances. This meat is tougher and it is popularly called as spent animal meat in the case of livestock and culled bird meat, in the case of poultry, When the meat is obtained as a principal produce, it is harvested from animals specifically reared for meat and slaughtered at specific weight/age. The meat from these animals is tender in quality. The approach for processing of tough and tender meat is quite different.

Value addition through processing of meat into meat products increases the returns from animal products to a great extent. Processed meat products provide tasty, convenience and designer foods to the meat consuming population with exceptional level of satiety.

With the increase in education and employment opportunities in cities like Bhopal and Indore the demand for meat is increasing. Management of meat production and marketing and its economics become important to be looked upon. The present study aims at analyzing the economics of meat and byproducts marketing and problems faced by the meat retailers.

METHODOLOGY

Two districts, Bhopal and Indore, were purposively selected for the study. These two districts have municipality run small and large animal slaughter houses and highest meat production in Madhya Pradesh state. From each district, two taluka were selected namely, Bhopal, Berasia in Bhopal district, Indore and Mhow in Indore district. Stratified random sampling technique was adopted. The data were randomly collected from 10 sheep and 10 goat meat retailers and 5 buffalo meat retailers from each taluk. Making sample size was of 40 sheep and goat meat and 20 buffalo meat retailers. Thus, making a total sample size was 60 meat retailers. The data were collected through personal interview method from the meat retailers with the help of well-structured pre-tested schedule during 2009-10. The data pertaining to performing the marketing functions and problems faced by meat retailers were collected.

Analytical tools used :

Tabular analysis was used to workout the averages and percentages for economics of meat, byproducts and problems in meat marketing. Where as costs and returns of sheep/goat and buffalo and B:C. ratio used to find out the feasibility of the business.

B:C. ratio :

It is defined as ratio of total gross returns and total cost incurred :

$$B : C \text{ ratio} = \frac{\text{Total gross returns}}{\text{Total cost incurred}}$$

ANALYSIS AND DISCUSSION

The results obtained from the present investigation are presented below :

Economics of meat and by products marketing by retailers :

Economics of sheep /goat and buffalo meat and their byproduct by retailers are shown in Table 1. The major cost incurred by meat retailers was the price of live animal itself, which accounted 91.38 per cent and 92.19 per cent of the total cost, in sheep /goat and buffalo, respectively followed by transportation and other cost of live animal which accounted 4.43 per cent and 4.56 per cent, respectively. The similar results were found by Raghavendra (2007).

The least cost incurred by meat retailers was in license fee which was 0.04 and 0.02 per cent followed by ice packing charges (0.08 and 0.07 %) of the total cost in sheep /goat and buffalo, respectively. Among the costs, procurement cost incurred was higher (97.42 and 98.13 per cent by meat retailers in sheep /goat and buffalo) than marketing cost, which contributed just 2.56 and 1.87 per cent, respectively.

The returns from sale of the meat received maximum 90.12 per cent and 89.49 per cent of the total returns by meat retailers in sheep/goat and buffalo meat, respectively followed by sale of four feet 4.20 per cent in sheep/goat and sale of hide in buffalo. It was because the dressed meat of the animal was the main/prime produce of the animal and generally believed that head and four feet of the sheep/goat have more nutritious, tasty and more in demand, hence more return accounted than any other byproducts where as return from hide accounted more return since it is larger in size and used as raw materials by leather industry.

The return from sale of byproducts received was 9.88 per cent and 10.51 per cent of the total returns by meat retailers in sheep /goat and buffalo, respectively.

The benefit cost ratio was found for meat retailing in sheep/goat 1.15 and in buffalo 1.13. The results are similar to Raghavendra (2007), who found that the benefit cost ratio for meat retailing in mutton 1.14 and in beef 1.39 whereas, Bagde and Masane (2004), posted the input-output ratio 1.32 and in 1.36 profit on

Table 1: Economics of sheep/goat and buffalo meat and their byproduct marketing by retailers**(Rs. per animal)**

Sr. No.	Particulars	Sheep/goat	Buffalo
Procurement cost			
1.	Price of live animal	1831.30 (91.38)	8067.33 (92.19)
2.	Transportation & other cost of live animal	88.72 (4.43)	398.77 (4.56)
3.	Holding cost	11.84 (0.59)	50.83 (0.58)
4.	Slaughter charges	10.50 (0.52)	40.00 (0.46)
5.	Slaughter house cum corporation charges	10.00 (0.50)	30.00 (0.34)
	Total procurement cost	1952.36 (97.42)	8586.93 (98.13)
Marketing cost			
1.	Transport charges of carcass from slaughter house to shop	18.67 (0.93)	76.40 (0.87)
2.	Electric and water charges	3.34 (0.17)	5.67 (0.06)
3.	Shop rent	12.50 (0.62)	27.70 (0.32)
4.	Labour charges	10.20 (0.51)	37.03 (0.42)
5.	License fee	0.83 (0.04)	1.85 (0.02)
6.	Ice packing charge	1.68 (0.08)	6.50 (0.07)
7.	Miscellaneous cost*	4.50 (0.22)	9.00 (0.10)
	Total marketing cost	51.72(2.56)	164.15(1.87)
	Price of meat per Kg	183.86	80.29
	Meat obtained (in kg)	10.90	109.00
Returns from meat sale		2085.5 (90.12)	8829.00 (89.49)
IV.	Returns from byproducts		
1.	Skin	43.42 (1.88)	337.67 (3.42)
2.	Head and four feet	97.24 (4.20)	319.00 (3.23)
3.	Heart, lung and spleen	50.51 (2.18)	106.00 (1.07)
4.	Bones and horns	4.03 (0.17)	100 (1.01)
5.	Tallow (animal fat)	–	60.17 (0.61)
6.	Stomach and intestine	33.34 (1.44)	114.33 (1.16)
	Total returns from by products	228.54 (9.88)	1037.17 (10.51)
	Gross returns (III + IV)	2314.04 (100)	9866.17 (100)
	Grand total cost (I+II)	2004.08 (100)	8751.08 (100)
	Net return	309.92 (13.40)	1115.08 (11.30)
	BC ratio	1.15	1.13

Figures in parentheses are percentages to total average cost of slaughter animal

*Cost of equipments and other daily expenditures

Table 2 : Problems faced by retailers in marketing of meat and their byproducts

Sr. No.	Particulars	Sheep and goat (N=40)	Buffalo (N=20)
Problems in meat marketing			
1.	Lack of availability of slaughter animals	10 (25.00)	11 (55.00)
2.	High price of slaughter animals	38 (95.00)	20 (100.00)
3.	Poor quality of animals	12 (30)	9 (45.00)
4.	Disease	–	–
5.	Loss of animals during transport and inventory	5 (12.50)	2 (10.00)
6.	High competition among themselves	30 (75.00)	18 (90.00)
7.	Lack of cold storage facilities	31 (77.50)	16 (80.00)
8.	Low demand	19 (47.50)	9 (45.00)
9.	Social organization opposition (e.g. PETA)	3 (7.50)	2 (10.00)
10.	Religious opposition	1 (2.50)	13 (65.00)
11.	Competition by poultry	36 (90.00)	6 (30.00)
12.	Lack of loans by banks	15 (37.50)	9 (45.00)
Problems in by-product marketing			
13.	Lack of proper market	21 (52.50)	12 (60.00)
14.	Lack of storage facilities	40 (100.00)	19 (95.00)
15.	Low price	40 (100.00)	20 (100.00)
16.	Low demand	16 (40.00)	8 (40.00)
17.	Lack of processing facility	34 (85.00)	16 (80.00)

Figures in parenthesis indicate percentage to total number of retailers

variable and total cost of rearing of goat. The net return was found for mutton 13.40 per cent and from buffalo 11.30 per cent.

Problems faced by retailers in marketing of meat and by products :

There are many problems faced by meat retailers in their business shown in Table 2. The problems faced by meat and buffalo retailers were high price of slaughter animals (95 and 100 %) competition from poultry meat, (90 and 30 %), lack of cold storage facility for meat (77.5 and 80 %), high competition among themselves (75 and 90 %), while in byproduct marketing showed low price for byproduct of sheep/goat and buffalo (both 100 %), lack of processing facility(85 and 80 %), lack of proper market (52.5 and 60 %), and low demand of non-edible by products (both 40 %), were some other significant problems.

Conclusion :

From the discussion, it has been concluded that sheep/ goat and buffalo meat retailing was found to be profitable venture

but interestingly the contribution of byproduct was the main source of profit for the meat retailers. Overall the result found was that ruminants' meat trade was an economical enterprise.

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