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# Report on Size & Structure of the Poultry Processing Industry in India (August-2016)

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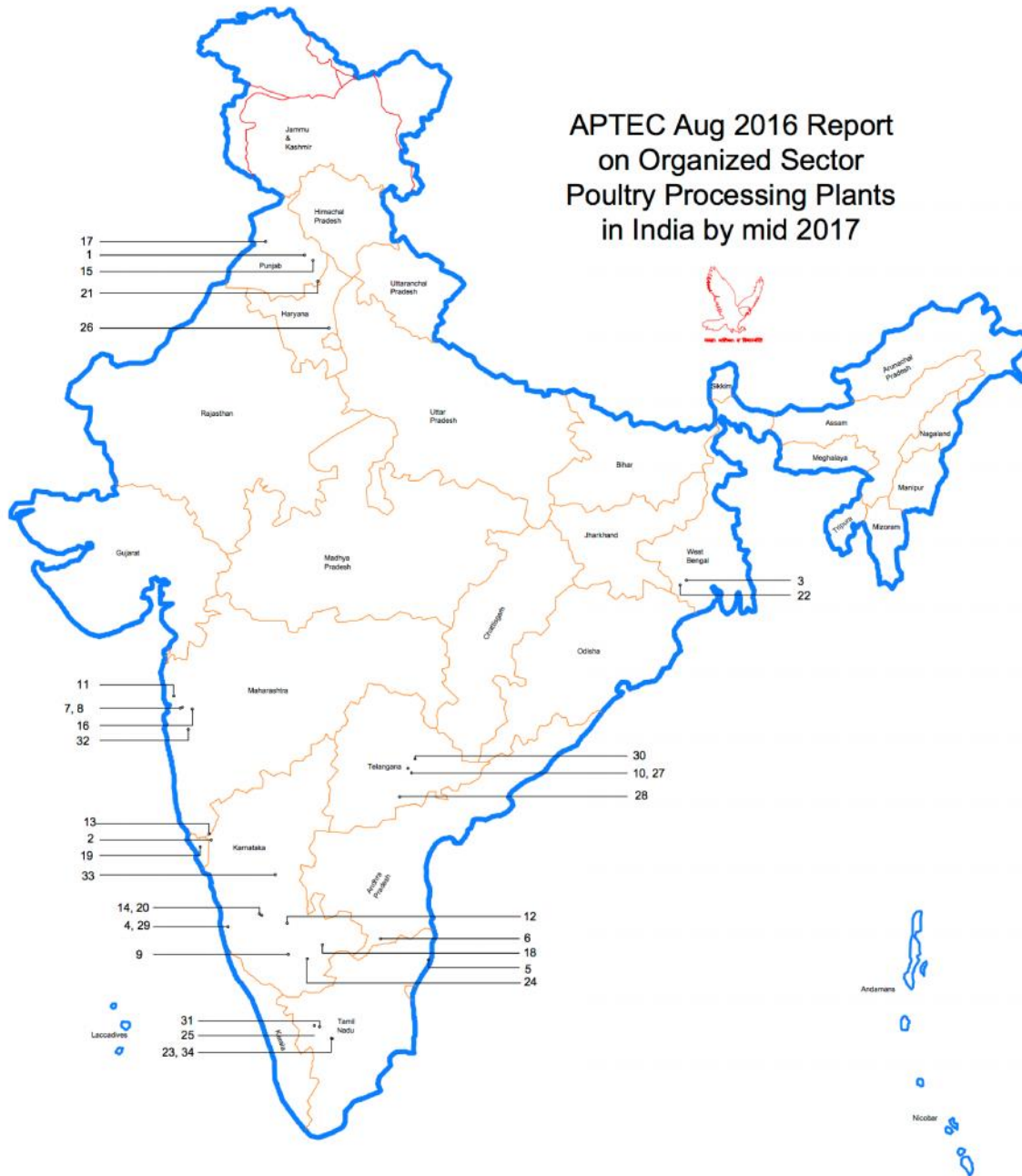
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**Structure of the Industry**

Till recently I had characterized the poultry market for the purposes of this Report as comprising two easy-to-differentiate segments: **the wet market** where the consumer actually witnesses the slaughter, and the **processing industry** where it occurs behind his back. I divided processing-behind-your-back further into the **organized sector** and the **unorganized sector** and listed their known constituents in my Reports.



<b>List of organized sector poultry processing plants expected on stream by mid-2016 in India. (Existing units and those based on orders released and/or work already initiated at site.)</b>				
	<b>Plant, location</b>	<b>Make</b>	<b>Capacity</b>	<b>Remarks</b>
1	Alchemist Foods & Hospitality Ltd, Kurali, Punjab	Meyn	2000	Plant commissioned in 2004
2	Alpha Agro & Cold Storage Pvt Ltd, Belgaum, Karnataka	Meyn	1000	Plant commissioned in April, 2014
3	Arambagh Hatcheries, Birbhum, West Bengal	Meyn	4000	Commissioned as 1000 BPH in Sept 1999, expanded twice to reach present capacity
4	Bharat Agrovet, Mangalore Karnataka	RND – Storm Engg	1500	Old plant of Lifeline Feeds built by RND has been reconditioned and reinstalled by Storm Engg in Nov 2015.
5	Caris Pure, Paramankeni Village, Kancheepuram, Tamil Nadu	Tae-Jin	3000	Set up in 2013. In operation.
6	Charoen Pokphand India Pvt Ltd, Chittoor, Andhra Pradesh	Meyn	2000	Commissioned in January, 2016
7	Empire Foods, Taloja, Maharashtra	RND	1000	Work started at site about 4 years ago. Commissioning is still awaited.
8	Godrej Tyson, Taloja, Maharashtra	Marel Stork	3000	Expanded in 2012 from original 2000 BPH set up in 2001
9	Godrej Tyson, Hoskote, Karnataka**	Marel Stork	3000	Expanded in 2012 from original 2000 BPH set up in 2007
10	Goldchick, Telangana	Marel Stork	2000	Commissioned Sept 1998, in intermittent operation since the beginning.
11	Hybro Foods, Thane, Maharashtra	RND	1800	Installed in 2004, attempted, then aborted expansion in 2007
12	Kavi Proteins, Krishnagiri, Karnataka	RND-Storm Engg	1000	Original 500 BPH plant of RND, rebuilt by Storm Engg to 1000 BPH in 2014
13	Kwality Animal Feed, Rajgoli Taluka Maharashtra	Meyn	2000	Order signed in Dec 2014. Commissioned in June 2016
14	Lifeline Feeds, Chikmagalur, Karnataka	Meyn	3000	300 BPH RND plant commissioned in 2002; sold to Amrit Feeds and replaced by 1900 BPH RND plant shortly after 2005. In turn, replaced by Meyn 2000 BPH plant in June 2015, expanded to 3000 in mid 2016.
15	Nagpal Frozen Foods, Barwala, Haryana	RND	1000	Commissioned in 2007
16	Penn Foods Pvt Ltd, Karjat, Maharashtra	Bayle	1500	Commissioning and trial runs continue
17	Perfect Livestock Pvt Ltd, Amritsar, Punjab	Storm Engg	1000	Commissioned July 2015.
18	ProTAC Foods International Pvt Ltd, Mulbagal, Karnataka	Meyn	2000	Commissioning in June 2016
19	Royal Foods/Ave Miriam, Salsette, Goa	RND	1000	Originally 500 BPH, expanded in 2009
20	Ruchi Agro Industries Ltd, Chikmagalur	RND	1000	Set up in 2009
21	SHL Foods Private Ltd/Sagri, Lalru, Punjab	Meyn	2500	Originally a 1000 BPH plant set up in 2008 at Chanalon Ind Park, Chandigarh-Ropar highway. Relocated, expanded, re-commissioned Feb 2014
22	Shalimar Hatcheries, Galsi, Panagarh, West Bengal	Meyn	2600	Commissioned in Sept 2014. To expand to 2600 in early 2017
23	Shanthi Feeds, Dindigul, Tamil Nadu	Meyn	6000	Originally a 1000 BPH plant commissioned in 2009. Expanded in 2 stages to 3000 BPH till 2014. Then expanded and re-commissioned at 6000 BPH in Feb 2016
24	Siddheswara Breeders, Malur, Karnataka	Storm Engg	1000	Plant not yet shipped. Expect delays
25	Sivasakthi Farms ( Suprieya), Udumalpet, Tamil Nadu	Marel Stork	2000##	Originally planned as a 1000 BPH facility in mid 2012. Changed plans to 2000 BPH in 2013. Trial runs done in Nov 2015. In production since early 2016
26	Skylark Foods, Rai Food Park, Sonapat, Haryana	Meyn	1000	Commissioned March 2006
27	Sneha Farms, Hyderabad, Telangana	RND	1000	Commissioned around 2011
28	Sneha Farms, Addakul, Hyderabad-Bangalore Highway, Telangana	Marel Stork	6000	Ordered in March 2014. Commissioned in April 2016.
29	Souza Hatcheries, Mangalore, Karnataka	Bayle	1000	Commissioned 2013.
30	Srinivasa Hatcheries, Narsapur, Andhra Pradesh	Bayle	1000	Ordered May 2015. Equipment arrived Sept 2015. Expect commissioning early 2017
31	Suguna Farms, Vyalur, Tamil Nadu	Meyn	3000	Commissioned as 2000 BPH in August 2002.



				Expanded in 2009.
32	Venkateshwara, Kamshet, Maharashtra	Meyn/ Stork	3000	Commissioned in 1986 as 1000 BPH. Expanded to 3000 BPH during the early 1990's.
33	Venkateshwara, Davangere, Karnataka	Linco	6000	Commissioned in March 2012
34	VKS Farms (now SKM Feeds), Dindigul, Tamil Nadu	Meyn	4000	Original capacity of 2000 BPH commissioned in 2010. Order for expansion to 4000 BPH received from SKM in April 2014. Implementation deferred till mid 2017. Order for a new green fields plant of 6000 BPH, received in March 2014, also likewise deferred
<b>A</b>	<b>Capacity expected by end of 2016 based on current orders, on stream and in construction projects</b>		<b>77,900</b>	
	<p>Capacities in birds per hour. Of the total capacity of 77,900 expected on stream by end 2016, Meyn's market share is 36,600 (47%), Stork's is 17,500 (22%), RND's is 8,050 (10%), Linco's is 6,000 (8%), Bayle's is 3,500 (5%), Storm Engineering's is 3,250 (4%) and Taejin's 3000 (4%). Dhopeswar, the remaining local fabricator, has yet to produce a plant in the 1000+ BPH category.</p> <p>AOV has recently informed that the so called sale to RND did not go through and that they are not venturing into poultry processing just yet.</p> <p>## According to <a href="http://marel.com/poultry-processing/news/supriya-foods-moves-to-semi-automation/">http://marel.com/poultry-processing/news/supriya-foods-moves-to-semi-automation/</a>, says "Starting with industrial processing at 2,000 bph (33 bpm) and scaling up to 4,000 bph (66 bpm) is the path Supriya has chosen to take". Earlier figure of 3000 BPH mentioned in this report was based on a piece of misinformation</p>			
<b>B</b>	<p>Small conveyerized capacities include</p> <ol style="list-style-type: none"> <li>(1) Amrit Feeds, Jangalpur, Howrah, West Bengal, original Lifeline Feeds plant of 300 BPH rebuilt to 700 BPH by RND in 2009. Planned relocation of this plant to Assam has been postponed; It is now closed.</li> <li>(2) Amrit Feeds, Panagarh, West Bengal. A Linco plant of 4000 BPH plant commissioned in first quarter 2014. Operations were closed on June 1, 2015 and plant premises closed by end 2015. Available for sale.</li> <li>(3) Baramati Agro, Baramati, Maharashtra, 300 BPH plant commissioned around 2002, rebuilt to 750 BPH in 2008;</li> <li>(4) Brahmagiri Dev Society, Wynad, Kerala, 500 BPH by RND in 2010;</li> <li>(5) Broiler Master, Punjab, 200 BPH by RND in 2011 (this plant has neither scalding nor plucking);</li> <li>(6) Central Avian Research Institute, (IVRI) Bareilly, 200 BPH by Dhopeswar</li> <li>(7) Century Farms, Manipal, 500 BPH plant built by Storm Engineering, expect commissioning by March 2016</li> <li>(8) Coastal Hatcheries, Mangalore, 500 BPH by RND;</li> <li>(9) College of Vet &amp; Animal Sciences, Kerala, 200 BPH by RND in 2003;</li> <li>(10) Contai Golden Hatcheries Pvt. Ltd, Contai, E. Midnapore, West Bengal, 300 BPH by RND in 2003 (available for sale);</li> <li>(11) CP India, Chennai, 500 BPH by RND in 2002, (scrapped);</li> <li>(12) **Godrej Tyson, Hoskote, Karnataka, 1000 BPH by RND in 1999, (scrapped in 2007, replaced by Stork 2000 BPH plant);</li> <li>(13) Goel's Foodworld, Shimla, Uttarakhand, 500 BPH by Dhopeswar;</li> <li>(14) Hygienic Chickens, Ludhiana, Punjab, 300 BPH by RND;</li> <li>(15) Irani Chicken Products LLB, Daman, Gujarat, 500 BPH by Bayle, commissioned Dec, 2013;</li> <li>(16) KSIDC, Kerala, 300 BPH by RND in 2005;</li> <li>(17) Kuljas Rai Poultry, Chamrang Road Amritsar, Punjab, 300 BPH by Dhopeswar;</li> <li>(18) MP Pashudhan Nigam, Bhopal, 500 BPH by RND in 1997, (scrapped);</li> <li>(19) Monrovia Foods, Bhandgaon, Pune, Maharashtra, 500 BPH by Storm Engg in Jan 2014;</li> <li>(20) Nensey's Poultry, Valsad, Gujarat, 300 BPH by RND, (closed);</li> <li>(21) Pioneer, Hyderabad, Andhra Pradesh, 500 BPH by Dhopeswar, (scrapped);</li> <li>(22) Pragathi Broilers Pvt Ltd, Doddballapur, Karnataka, 500 BPH by Bayle in 2013.(closed). Available for sale.</li> <li>(23) Ratnagiri Cooperative, Chiplun, Maharashtra, 300 BPH by RND in 2003 (closed);</li> <li>(24) Riverdale Foods, Somatne, Maharashtra, 1000 BPH by Meyn around 1995, (closed); Bought by ANC Holdings, Dubai</li> <li>(25) Royal Foods Pvt Ltd/Shakir Shaikh, Lohegaon, Pune, Maharashtra, 500 BPH by Storm Engg in Nov 2013;</li> <li>(26) Sai Agri, Kakinada, Andhra Pradesh, 500 BPH by Linco around 2001, Closed shortly thereafter. Bought and mothballed by Srinivasa Hatcheries Ltd, Vizag;</li> <li>(27) Sethwala Foods, Talasari, Maharashtra, refurbished 500 BPH Stork plant originally sold to Shiraz Hotels, Agra, then to Starchick, Hyderabad, who sold it to Hanifbhai of Sharon Broilers, who in turn sold it to Sethwala in 2012. It was subsequently installed by Dhopeswar;</li> <li>(28) SM Feeds &amp; Farms (India) Pvt Ltd, 300 BPH plant by Storm Engineering, Chennai, expected to be on stream by 2<sup>nd</sup> quarter 2016;</li> <li>(29) Vista Agriculture &amp; Food Products Pvt Ltd, Khurdah Road, Bhubaneswar, Orissa, 750 BPH by Storm Engg, Oct 2013. Now closed by owner;</li> <li>(30) Violet Industries/Souza Hatcheries, Mangalore, 500 BPH by RND (not yet commissioned);</li> <li>(31) WBFCSL/R. K. Doloi, MLA, Midnapore, West Bengal, 300 BPH by RND in 1998 (not yet commissioned);</li> <li>(32) West Bengal Livestock Dev Corpn 500 BPH plant ordered on RND. To be commissioned in 2016</li> <li>(33) Zorabian, Khopoli, Maharashtra, 500 BPH by RND in 2007.</li> </ol> <p>Total listed capacity of 19,200 BPH is distributed among 33 plants. Of this, total capacity on stream is 7,550 BPH (39%),</p>			



	spread over 18 plants. Total closed/scrapped/not commissioned capacity is 11,650 BPH (15 plants). Total estimated capacity likely available for sale/refurbishing is 9,150 BPH. This figure excludes scrapped plants.
C	Where a plant's capacity figure is <u>underlined</u> , that plant has a captive further processing divisions designed for manufacture of ready-to-eat packaged foods based on chicken meat <sup>1</sup> . All these further processing facilities are on the common premises with primary processing. Suguna has exited the further processing market, having returned the leased facility to its owner Nandus who have revived their further processing business with raw chicken sourced from ProTAC.
Write to query@aptecc.in for addresses of these companies. Those with used equipment to sell are urged to make use of the Equipment Exchange feature on the APTEC website	

To some readers, this classification might appear confusing, but this exercise was essential to arrive at a reasonable assessment and enumeration of the industry.

### Dry or Wet !

The situation has just turned a lot more confusing and the results may be highly damaging for the industry. To understand this, you need to read on.

- For decades, the union government has lacked a genuine resolve to curtail the wet market. Why? Because there are adverse political implications for a party in power that attempts to pursue this agenda vigorously.
- On the other hand municipal corporations have progressively reduced roadside slaughter in urban areas. Look around the streets of any metropolis and you will find that chicken are no longer being killed in the vends. Glass showcases display dressed birds and unbranded, unmarked tray packs.
- Many municipal slaughter sheds/areas now employ merchant renderers who collect offal for rendering at central facilities. There are many examples – Susheela Group in Hyderabad, Sunil Viz and Irfan Bhai in Ambala, Pragathi Broilers of Jeevan Das Ray near Chennai and so on. Some state governments have also invited bids for merchant rendering. Bangalore municipal authorities are setting up a central rendering plant within the city.
- Almost all these large municipal slaughter sheds/areas process the birds dry (water is not used and is in fact generally not available) and the unwashed product is then packed in bags or trays. These then find their way to supermarket shelves and onwards to consumers.
- Earlier when you bought chicken from the wet market, you hurried home to wash it and made sure you consumed it the same day. Now you buy the same low quality product, it remains unwashed for 2-3 days, and is sold to you under the false assurance that it is a packaged product and therefore likely to be superior – which it is not! In fact de-skinning before eviscerating introduces gut contents onto chicken flesh. After that it is impossible to get rid of dangerous microbes. And the long period between slaughter and consumption allows build-up of toxins. Dry processed packaged chicken is therefore decidedly inferior to wet market processed chicken.
- This “*dry processing innovation*” has kick-started demand for a new kind of local processing machinery. It is a carousel type chain and shackle line where only killing and bleeding are done on line. The carcass is then unloaded and manually de-skinned (feathers-on) and eviscerated in typical wet market style. Only this time, to add to the hazard, it is **dry processed**. We are aware of at least a half dozen such plants in operation – four in Hyderabad and two in the North.
- **And to top off this development, some reputed processors with branded products have started augmenting their production by brand packing such dry-processed birds. They are using their own brand packs, naturally! You can easily identify such products - they are always skinless.**

**In effect, in the absence of legislation and controls, a welcome step taken by municipalities has benefited the environment and adversely impacted food quality.**

What does this development do to the market for genuine branded quality products? How may it impact food safety, consumer confidence on packaged food in general and packaged factory-processed poultry in



particular? Are regulatory bodies like FSSAI and self-help groups like industry associations aware? Are associations interested in the long term future of their industry?

### Capacities and Growth

The processing industry can now be said to comprise four sectors: the organized sector, the unorganized sector, the dry processing sector linking urban municipal slaughter sheds to the consumer (sometimes via a brand owner) and the genuine text book type wet market sector.

<b>Tally for the entire broiler industry projected to mid 2017:</b>	
Projected capacity under the organized sector	77,900 BPH
Projected capacity under the unorganized sector	7,550 BPH
Estimate of dry processing sector	62,500 BPH*
<b>Total processing</b>	<b>1,47,950 BPH</b>
Genuine wet market (still makes up approximately 91% of total poultry market)	Balance
*This is a guesstimate. If Ghazipur Mandi in Delhi is dry processing about half a million birds per week and one assumes that only 5 metropolises have rid their streets of roadside slaughter, only to facilitate the onset of dry processing, then, assuming 40 operating hours per week, we arrive at 62,500 BPH.	

In the previous edition of this newsletter I had forecast a healthy growth. While the medium term prospects continue to be good, continuing depressed farm-gate broiler prices over the past, which saw a short reprieve during the first half of this year, has hurt the sentiments. I do not see any significant upturn in 2016. Prospective processors are awaiting the results of the WTO battle and the final outcome of the long-running battle of the breeds.

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**Disclaimer:** The author, Alok Raj, is Director APTEC and associated with Meyn Food Processing Technology b.v., The Netherlands. He may be reached at +919811049914 or rajalok@gmail.com. The views expressed here are the author's own and have been so expressed in the interest of the processed broiler industry and meat industry in India. They do not necessarily reflect ideas or interpretations attributable to any other person or organization. In so much as readers seek to excerpt sections of this article for discussion or dissemination, provided always that they acknowledge the original source(s), they are free to do so even as much as the Author does himself quote, with acknowledgement and thanks, data, views and ideas from within the public domain.

Readers are welcome to send their comments, critiques, observations and suggestions to the author at rajalok@gmail.com. The author gratefully acknowledges valuable information inputs from various industry professionals.

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<sup>1</sup> The poultry processing industry's foray into RTE/RTC packaged foods constitutes a small subset of the total facility in India for convenience foods, which definition includes vegetarian formed, fried, packaged foods, microwavable curries and meal components. Among other things, this broad definition has been chosen by us for reasons of commonality in process machinery.

The total installed capacity for this broad definition of products in India is approximately 5000 tonnes per month, divided equally between exclusively vegetarian capacity and non-exclusive non-vegetarian capacity. Poultry processing industry's share in this is only 935 tonnes or 19% of the total. The quick service restaurant (QSR) business, the main driver of this industry, has exhibited a lacklustre performance for some time past.

