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## Sale of processed chicken grows – B Soundararajan, Suguna Poultry Farm Limited

*Packaged food and ready-to-eat poultry products have become a favourite among the youth*



Change is happening everywhere. No exception for the **poultry industry**. In the developed countries above **90%** consumption is processed and packed meat, whereas in India, the chicken consumption pattern was based on 'live bird market' and the share is **95%**. **Sale of processed chicken is growing at a much faster rate of 20% in a year**. Emergence of malls and retail shops makes people to buy reliable, cost effective products with superior service. Chilled chicken meat can be found in markets and premium retail outlets in major cities.

### **Trends in the sector**

India is the world's **fourth largest producer of eggs** and **fifth largest broiler producer**, with production of 50 billion eggs and 2.5 million tones of broiler meat per annum. With the Indian economy growing at **7-8%** per annum, in the last 20 years, consumption of poultry meat has grown at a faster pace than its production.

Eggs and poultry meat are inevitable to fulfil the **nutritional requirements** of human health. The phenomenal growth of the poultry sector is taking up the stake holders to a great height. The potential and untouched area for poultry business is the retailing sector. There is a great scope for business development in the retailing sector.

### **Business opportunities in retailing sector**

Now-a-days, **food safety awareness** among customers is alarmingly growing. Consumption trend is changing towards packed and safe foods. Packed drinking water and packed homogenised milk are few examples. In this fast moving world, due to time constraint, today's younger generation prefers packaged food and ready-to-eat type foods. In the poultry industry, the live bird market is moving towards processed and packed food. The entire processed and packed chicken meat is sold out to institutional and retail customers.



The poultry industry in India is constantly growing with **latest techniques** and changing from live bird to fresh chilled and frozen product market. Demand for frozen or chilled chicken meat from hotels and fast food restaurant chains is increasing.

Hygiene and sanitation is a critical factor in meat processing. **Chicken processing units** use imported equipment and follow hygienic procedures, including monitoring employee health, water supplies, sanitary conditions and cold chain facilities.

Chicken processed meat has been the fastest growing sector of Indian animal production and **consumption** for the last three decades, growing at a CAGR of more than **20%**. The annual per capita consumption of eggs and chicken meat has surged from 10 eggs and 146 grams in the 1970s to approximately 44 eggs and 1.8 kilograms at present.

**Retail segment** is being encouraged and growing through innovative ideas enrolled by poultry integrators, including establishing 'integrator owned or franchised chilled/frozen poultry shops', 'opening ready-to-eat sales counters in existing food shops', and 'home delivery services.' Many processed chicken brands are fast growing in popularity in urban India. Supermarkets and shopping malls are also supporting this growth. Consumers are focusing on **quality and hygienic food** and the demand for processed meat and meat items is on the rise.

The rise in income coupled with **greater hygiene awareness** will lead to a decline in the live bird market share, thus providing an opportunity for the retailing sector through processed and packed meat. Let us grab this opportunity to move from goodness to greatness.

**B Soundararajan, managing director of Suguna Poultry Farm Limited**