

---

## **UNIT 2 MEAT MARKETING SYSTEMS- RURAL, URBAN**

---

### **Structure**

- 2.0 Objectives
- 2.1 Introduction
- 2.2 Fresh Meat Marketing – Rural
- 2.3 Fresh Meat Marketing – Urban
- 2.4 Marketing of Processed Meat Products
- 2.5 Marketing Channels
- 2.6 Problems in Marketing of Meat and Meat Products
- 2.7 Convenience Meat Products – A Fast Growing Market
- 2.8 Measurement of Current Market Demand
- 2.9 Let Us Sum Up
- 2.10 Key Words
- 2.11 Some Useful Books/References
- 2.12 Answers to Check Your Progress

---

### **2.0 OBJECTIVES**

---

After reading this unit, we will be able to:

- narrate the prevailing systems of fresh and processed meat marketing;
- explain relative advantage of marketing processed meat products;
- evaluate various marketing channels;
- understand the importance of tapping the growing demand for convenience meat products; and
- measure the current market demand of your meat products.

---

### **2.1 INTRODUCTION**

---

Meat trade in India has remained confined to a small section of people who are in the business traditionally. The marketing of meat and meat products has not been organized on specific lines. There are a number of marketing problems. In this unit, you will learn to cope up with these problems and improve the marketing environment by attempting to manage sanitary conditions in the premises, proper packaging of meat and meat products and prompt storage under refrigeration. You will have a comparative view of various marketing channels, so that you can opt for the most suitable one for your product under given set of conditions. It is very important to analyze the market and predict the demand at the given point of time. Knowledge of these factors will help you to understand the relative advantages of processing meat products and devise suitable strategies for successful marketing.

---

### **2.2 FRESH MEAT MARKETING – RURAL**

---

Marketing of fresh meat by the rural producer is not organized and is completely operated in private sector. Goat meat is marketed in villages by slaughtering

one or two animals once in a week or on special occasion by a group of people joining together and sharing the cost of meat so obtained. There is not much of overhead cost on meat in villages but the realization of cost of skin, blood etc., is poor. Meat is not stored in the refrigerator. In fact, storage of meat for next days is not desired by the rural consumers even in refrigerator and any such stored meat is regarded as stale by them. Since the time gap between the slaughter and sale is very short, the deterioration in quality is less.

Marketing of raw pork is controlled by butchers. In villages and small towns, local butchers purchase pigs directly from producers or local livestock market and after slaughter and dressing, retail the pork to the consumers.

Most of the broilers and spent hens are used for the preparation of ready-to-cook chicken. In both rural as well as urban areas, many people do not know the stunning or scalding procedure. The carcass is prepared manually and handed over to the consumers as ready-to-cook chicken without chilling or ageing. Co-operative marketing has not taken roots in this sector.

---

### **2.3 FRESH MEAT MARKETING-URBAN**

---

Though livestock are mostly reared in rural areas, their product find market in urban and semi-urban areas where there is concentration of consumers with higher purchasing power. The marketing is done in unorganized and informal sector. It is due to this reason that producers and consumers both are exploited by the middlemen traders.

In cities and large towns, slaughter of meat animals is done in municipal slaughter houses on a fee basis by the butchers themselves. The carcasses are then shifted to the meat shop and sale of retail parts and cuts is done from the same premises. Local bodies have framed by laws for the establishment of meat shops, which are required to be followed to obtain a license.

In yet another marketing channel, wholesale butchers are operating in almost all urban consumption centers. They purchase meat animals in bulk from rural producers, redistribute them to retail butcher in urban consumption centers and other needing areas of demand. Slaughter and dispersion in small quantities is done at the retailers premises itself.

In some slaughter houses, big butchers purchase the animals and sell carcasses to meat shops for retail sale. Thus wholesale marketing takes place in the abattoir premises itself. For this purpose, mostly wooden benches are made available. Carcasses are transported in tongas, carts, rickshaws or sometimes on bicycles. These carcasses should be properly wrapped and covered before transportation and sanitary conditions should be maintained in the transport vehicles.

---

### **2.4 MARKETING OF PROCESSED MEAT PRODUCTS**

---

Processing of fresh meat to meat products has many advantages:

- i) It provides a variety of tasteful products to the consumers.
- ii) It utilizes various meat cuts in different ways to extract maximum benefits in terms of palatability and yield.

- iii) Processing of mince meat allows opportunity to incorporate extenders at suitable level to improve quality and economize the products.
- iv) Cooked processed meat products have better shelf life enabling penetration in larger markets.
- v) Processed meat products are easy to preserve and transport to long distances.
- vi) Processing of meat increases market avenues and profit margins.

Traditionally fresh meat is purchased by the Indian households for cooking in curry and consumed in 8-10 hours of slaughter. Fresh meat is rarely chilled only in urban areas. This is in contrast to developed countries where all fresh meat is chilled below 10°C for 16-24 hours before being sold for consumption. Thus in India, we process hot or unchilled meat which require very hygienic handling. In rural areas, either refrigeration facilities are not available or consumers are not aware of the importance of chilling of meat. Most of the Indian households cook mutton and chicken as mutton curry and chicken curry respectively, although there are so many variations in the cooking procedure, spices and condiments depending on the geographical area. In fact, 90% of the traditional household meat preparations are in curry. In most of the restaurants also, various curry based mutton and chicken preparations dominate the menu.

Seekh kebabs and Shami kebabs are popular indigenous meat products with wide acceptability and are sold at popular road sides and corners in urban India. Korma, tikka, biryani and tandoori chicken are also popular meat delicacies throughout the country. Besides, few processed meat products are very specific to a particular region in our country like 'Nihari' in Delhi, 'Yakeni' and 'Gustava' in Kashmir and pork pickle in northern part of India especially in Himachal Pradesh. Some fermented type sausages are specialty of Goa. Most of the indigenous processed meat products are produced by small processing units or in kitchen of restaurants.

Recipes of exotic products like sausages and patties have been modified by incorporating Indian spices and condiments and these are becoming popular in Indian cities. Accelerated processing of ham and bacon has also been developed. These products have a good market in metropolitan cities. Meat samosa, meat kofta, meat tikka and meat pickle are also catching market in medium sized cities. The know-how of the preparation of chicken barbeque, chicken nuggets, quail pickle etc., is also available in our country.

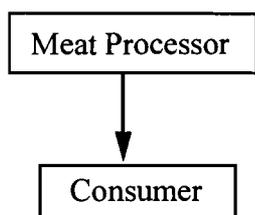
You should know that still less than 2% of total meat produced in our country is being commercially processed in our country. Seven bacon factories and about 200 licensed processed meat units are engaged in the production besides the processing being done by the eating houses and restaurants in their own premises. However, new meat consumers are being added and the traditional consumers are shifting to the processed and convenience meat products. The production is less than demand. You, as trained personnel in this line, should endeavour to set up your meat processing unit. Ministry of Food Processing Industries is extending technical and financial help for such entrepreneurs.

## 2.5 MARKETING CHANNELS

Marketing channel indicates the route or pathways through which the product moves from the time it leaves the producer unit to the time it reaches the consumer. It may include transportation, handling and storage, ownership transfers, processing, and distribution.

There may be several marketing or distribution channels for the same product. It is always preferable to have short marketing channels with less number of intermediaries, so that maximum percentage of consumer price is received by the processor. Meat products are perishable in nature and require low temperature storage. Too much handling will lower the quality of the product besides increasing the consumer price.

- i) **Direct marketing** is adopted by very small processing units located in famous, popular or densely located areas. Here meat processors get regular customers for their chicken burger, tandoori chicken, seekh kabab etc. and directly sell their products to the consumers. Many fast food corners are adopting this marketing system. No middlemen are involved in this system.



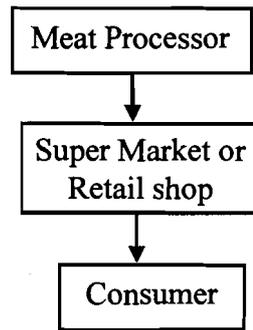
Here processors can add value to their products and in turn receive better prices for their products. In this system extra income can be generated for the processors and a wholesome, safe food product can be delivered to the consumer at a possible cost savings. Other important advantages to the consumer are:

- Freshness of product
- Convenience of an in-home meat supply
- Knowledge of source of product
- Desired quality (reduced fat, consistency, favorable production practices)

Farmers can also sell their animals directly to the butchers without any middleman and get better remuneration for their animals. Selling meat from your animals directly to customers is one way of gaining more profit from the animals you raise. Farmers who direct-market their meat typically keep 75 to 80% of the consumer price of the meat, compared to about 45% for animals they sell on the open market. Poultry farmers can process and sell birds directly to customers from the farm premises. The processing must be done on the farm and under sanitary conditions.

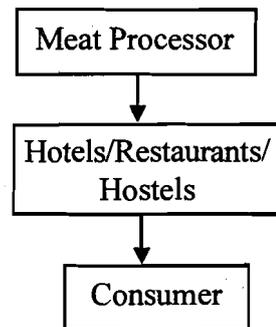
Direct marketing buyers acquire livestock directly from a farm rather than going through an intermediate market or party. Direct marketing serves well for farmers who are not in a hurry to sell their animals and who desire maximum price.

- ii) There are several **indirect marketing systems**. In the most common system, the processors prepare meat products and sell them to the retail shops or supermarkets which are accessible to the consumers.



So indirect marketing involves the movement of livestock with the services of an intermediary (middle man). It is ideal for farmers who need to move an animal at any given time. In an indirect marketing situation, the middleman gets a percentage or commission of the sale. In most cases, indirect marketing involves a producer taking the product to a livestock market, an intermediary assists with the sale transaction and receives a commission from the sale. Intermediaries include wholesaler, retailers, commission agent, brokers, transportation companies, warehouses, cold storage, legal institutions etc.

- iii) In yet another marketing system, the meat products are purchased from the processors by the hotels/restaurants/hostels/institutions, which are then served or sold to consumers.



- iv) **Vertical Integration System** of marketing is an emerging phenomenon in broiler industry in which all the phases of broiler business are carried out under single coordinated management. The management involves in processing and distribution of dressed chicken, ready-to-cook and ready-to-eat chicken products. Vertical integration of the production and processing stages is also prevalent in the egg industries. A large quantity of produce goes to supermarkets, departmental stores and retail outlets having cold storage facilities. A poultry processor might practice forward integration by purchasing a retail outlet to sell its products. Similarly, the processor might practice backward integration by getting birds (i.e. the raw material needed to manufacture his products for his production) from the farmers who are provided by the processor with chicks, feed and medicine for rearing the birds.

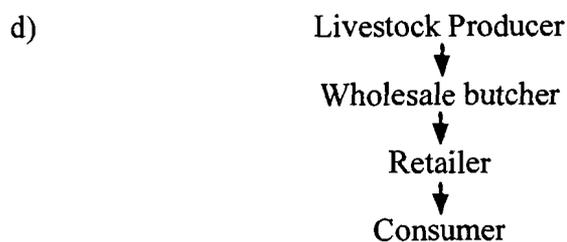
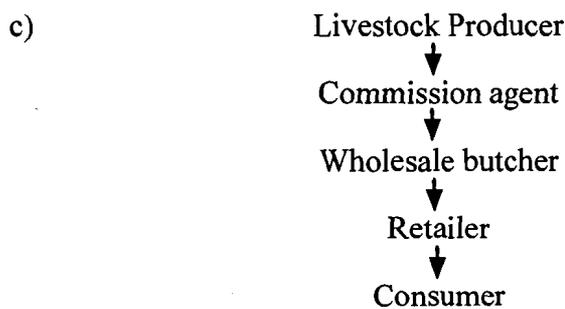
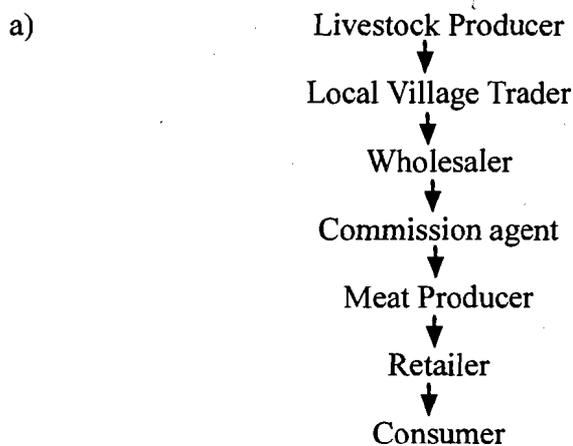
Venkateshwara Group of Hatcheries, Damania's Agritech, Arambagh Hatcheries, Suguna poultry farm Ltd. etc., are producing broilers under vertical

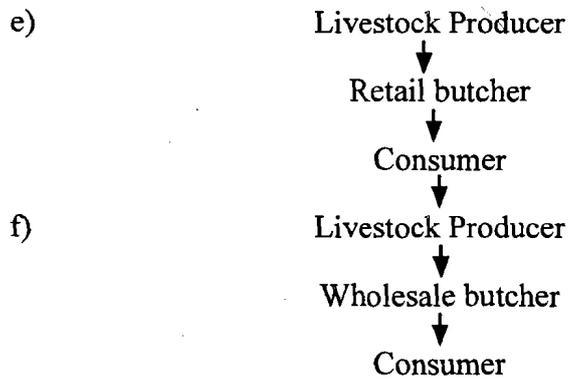
integration and have developed market outlets catering to consumers of graded frozen chicken, cut-up portions and ready-to-eat chicken meat products.

This marketing system has both advantages and disadvantages for small businesses. The main advantage of the system is that company can control all of the elements of producing and selling a product. In this way, company is able to see the whole picture, anticipate problems, make changes as they become necessary, and thus increase its efficiency. But it may be difficult for a small business owner to keep track of what is happening as it is involved in all stages of distribution. If the personalities of the different areas do not fit together well, then the arrangement can fail.

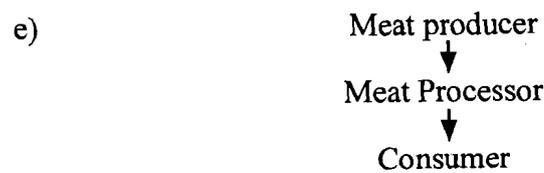
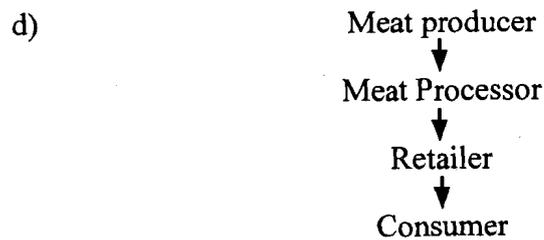
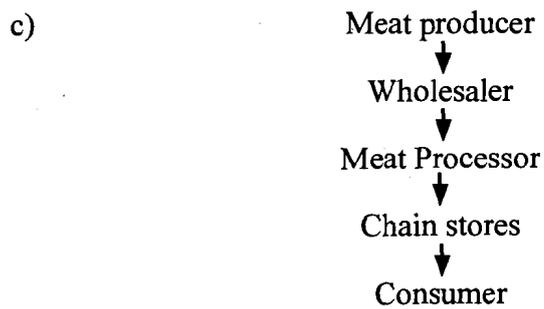
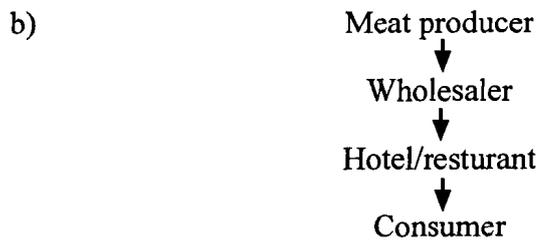
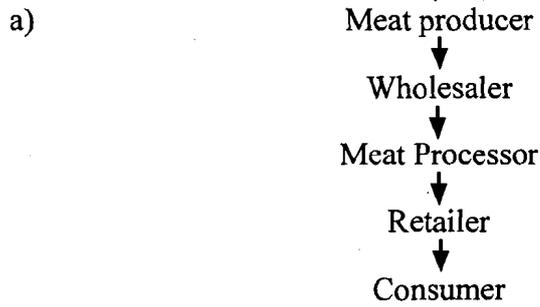
Marketing channels existing in India may be summarized as follows:

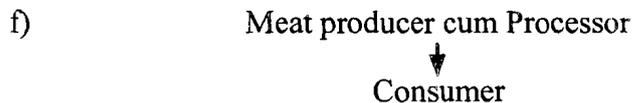
1) Different marketing channels for meat:





2) Different marketing channels for meat products:





In addition to all these, vertical integration system is also there.

---

## 2.6 PROBLEMS IN MARKETING OF MEAT AND MEAT PRODUCTS

---

There are several problems which hamper the marketing of meat and meat products:

- Slaughter in unhygienic conditions and sale of meat through ill maintained retail outlets.
- Meat products being perishable commodity with short shelf life.
- Lack of cold storage facilities.
- Lack of special delivery van.
- Seasonal fluctuation in meat prices.
- Religious taboo.

These problems need to be addressed at appropriate levels. On our part, we should maintain sanitary conditions in our premises, pack the meat and meat products in food grade polyethylene films, store in refrigerated condition and regulate the production line keeping in view the seasonal fluctuation. We should aim at getting maximum admissible price while maintaining the quality of our products. Cold storage facilities should be created throughout the countries connecting all the major town and meat processing plants. Regulated livestock markets should be established at all the levels for regular supply of livestock to the meat plant. Cooperative marketing federations could be established to generate job opportunities for unemployed youth and to avoid middleman. Meat board could be established at national level to supervise all areas of meat processing, products, transport, storage, marketing, export etc.

---

## 2.7 CONVENIENCE MEAT PRODUCTS – A FAST GROWING MARKET

---

Technological advancements have made big strides in the development of convenience foods according to the necessity, taste and nutritional requirements of consumers. Convenience foods are designed to suit all systems of the population. The demand for such foods including convenience meat products is growing at a fast pace due to increase in urbanization, changing socio-economic patterns and food habits and off-course, improved buying power.

Convenience meat products are those meat foods that have undergone major processing by the manufacturer and require little or no further processing before consumption. They add to convenience of consumers by reducing or eliminating the preparation time. Thus, apart from warming, thawing, cooking, frying and diluting, the products are ready-to-eat. Besides, ready-to-cook products are also covered under broad definition. Other than creating a good market demand, convenience meat products provide economic advantage to the producer with better utilization of the commodity. Convenience increases the marketability of a commodity.

## 2.8 MEASUREMENT OF CURRENT MARKET DEMAND

In marketing, it is very important to establish :

- i) Total marketing demand.
- ii) Area market demand.
- iii) Actual sales.
- iv) Market share of the product.

**Total market demand** of the product is the total volume that will be brought by a defined consumption graph in a year. It is calculated as

$$D = N \times Q \times P$$

where D = Total market demand

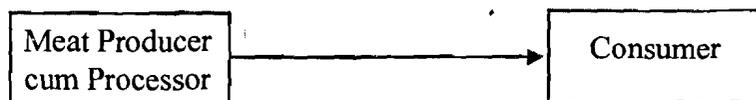
N = Number of buyers in the specific product / market

Q = Quantity purchased by an average buyer per year

P = Price of an average unit

**Market share** refers to the volume of sale of particular product manufactured by a particular firm in relation to the total volume of sale of that product. With the knowledge of actual sales and market share, a firm can evaluate its performance and fix up future target.

The total demand varies from year to year. Hence a good and accurate forecasting becomes a key to the success of marketing. In fact, forecasting is the act of anticipating the demand of a product under a given set of conditions. You should also work out the anticipated demand of your meat products. You may have to decrease the production of meat food items during *navaratri* days and the entire *shravan* month when meat consumption is prohibited in many Hindu families.



### Check Your Progress

- 1) Answer in True or False:
  - i) Chilled and aged meat is desired by Indian consumers. (.....)
  - ii) Scalding is necessary for the preparation of good quality dressed chicken. (.....)
  - iii) Cooperative marketing is very popular mode of broiler disposal in Punjab. (.....)
  - iv) Ready-to-cook meat product may also be put in the category of convenience product. (.....)
  - v) There is lot of seasonal variation in the demand of meat products. (.....)

vi) Lack of refrigeration facilities in retail shop is one of major impediments in the marketing of meat products. (.....)

2) Fill in the blanks.

i) Marketing of raw pork is controlled by .....

ii) Wholesale marketing of carcasses is a common practice in medium sized ..... abattoirs.

iii) There are no ..... in direct marketing system.

iv) Production, processing and marketing are handled by the same management in .....

v) Packaging of meat and meat products in black polyethylene is .....

vi) Cooked meat products have a better .....

3) What is the difference between direct and indirect marketing?

.....  
.....  
.....  
.....  
.....  
.....

4) What do you mean by vertical integration system of marketing?

.....  
.....  
.....  
.....  
.....  
.....

5) What are the problems encountered in the marketing of meat and meat products in India?

.....  
.....  
.....  
.....  
.....  
.....

---

## 2.9 LET US SUM UP

---

Marketing of meat and meat products is in private sector and mostly unorganized. Fresh meat marketing has remained confined to a particular section of the society. However, processing is being taken up by other people also.

Still, less than 2% of meat production is commercially processed as meat products. Direct marketing of fresh meat is prevalent in rural areas. In urban areas, both direct and indirect marketing systems are followed. Most of the processed meat market is confined to the urban consumption centers. Processing of fresh meat to meat products increases the shelf life as well as profit margins. It can be undertaken at a small scale with low capital investment. Although there are several problems in the marketing of meat products, some of them can be easily sorted out by you. Convenience meat products are a growing market. So you should endeavour to process such products and register your presence with good profit margins. It is always beneficial to assess the market demand and chalk out your production plans accordingly.

---

## 2.10 KEY WORDS

---

- Convenience Foods** : Foods that have undergone major processing by the manufacturer and require little or no further processing before consumption.
- Direct Marketing** : In this system producers sell their product directly to the consumers without the involvement of middleman.
- Indirect Marketing** : In this system products reach to the consumers from the producers through the agency one or more middleman.
- Market Share** : It refers to the volume of sale of particular product manufactured by a particular farm in relation to the total volume of sale of that product.
- Marketing Channel** : It indicates the route or pathways through which the product moves from the time it leaves the producer unit to the time it reaches the consumer.
- Thawing** : It is the process to bring the frozen meat to the normal condition.

---

## 2.11 SOME USEFUL BOOKS/REFERENCES

---

Gary F. Stasko (1997). *Marketing Grain and Livestock*. Technology & Engineering - Iowa State University Press

Stewart G.F. and Abbott J.C. (1972). *Marketing Eggs and Poultry*. 3rd edition. FAO publication, Rome.

Palmer A. (2004). *Introduction to Marketing: Theory and Practices*, Oxford University Press.

William H Lesser (1990). *Marketing Livestock and Meat*. Amazon.com.

---

## 2.12 ANSWERS TO CHECK YOUR PROGRESS

---

- 1) True / False
- |          |          |            |
|----------|----------|------------|
| i) False | ii) True | iii) False |
| iv) True | v) True  | vi) True   |

2) Fill in the blanks

- i) butchers                      ii) urban                      iii) middlemen/brokers  
iv) vertical integration      v) not recommended      vi) shelf life

3) The differences between direct and indirect marketing are as follows:

In Direct marketing producers/processors directly sell their products to the customers. No middleman is involved in this system. In indirect marketing producers produce or the processors process their products and sell the products to the consumers not directly but through the agency of a middleman, wholesaler, retailer, supermarkets etc.

4) Vertical Integration System of marketing is a system in which all the phases of business are carried out under single coordinated management. This is now mostly observed in broiler industry. The management involves in producing broilers, processing and distribution of dressed chicken, ready-to-cook and ready-to-eat chicken products. A large quantity of produce goes to supermarkets, departmental stores and retail outlets having cold storage facilities.

5) The problems encountered in the marketing of meat and meat products in India are listed below:

- Slaughter in unhygienic conditions and sale of meat through ill maintained retail outlets.
- Short shelf life of meat products.
- Lack of cold storage facilities.
- Lack of special delivery van.
- Seasonal fluctuation in meat prices.
- Religious taboo.