

Venky's set to capitalise on rising demand in India for poultry products

When it comes to poultry processing, India presents some amazing opportunities and to find out about these International Meat Topics recently visited the first poultry processing facility in India.

Venky's (India) Ltd's processing plant, between Mumbai (Bombay) and Pune, was opened in 1986 and, after various additions, now processes some 4,000 birds per hour. Many of these birds are stripped of their meat for further processing, but more about this later.

New plant in Bengaluru

Venky's are currently bringing a second plant into production near Bengaluru (Bangalore), which is being constructed to the latest export standards.

The slaughtering operation is now operational and killing 6,000 birds per hour and soon the second phase of this development – a cooking operation that will process all the production – will be coming on stream.

This company supplies all the fast food operators in India, including national and international fast food chains and various pizza chains like KFC, Pizza Hut and Domino's.



The reason behind this has several facets to it, which help to explain the situation in India today.

Firstly, poultry products (meat and eggs) are the preferred animal protein source because beef and pork are culturally not acceptable to the vast majority of Indians and fish is very expensive (\$US10 per kg

compared to poultry meat at \$US3-4). Lamb is eaten but there is no organised processing of this meat.

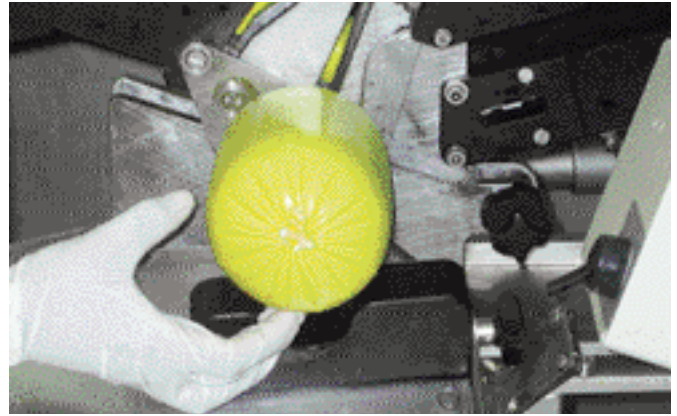
Even though the population is over a billion, average per capita consumption of poultry meat is just 3.2kg per year.

Then, we have to understand the total

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Left, every bird is inspected and, right, the breast line.





Further processing. The emulsifier, left, and chicken ham block ('sausage') formation, right. Far right, chicken sausages on the packing line.

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market place for poultry meat. Over 95% of poultry meat is still sourced through the wet market, which has thousands of outlets across the country.

In this market sector the consumer buys his bird live and then, if he so desires, can watch it be killed, bled, scalded defeathered and, if required, skinned by the vendor.

Thus, processed poultry products currently occupy a very small percentage of a market place which has huge potential for growth in per capita consumption terms.

In this context it should be remembered that India has a large protein hungry middle class and that its young people are now travelling a lot and seeing meat readily available and being eaten in other countries!

Bright future

As the young get older the percentage of the population wanting to eat more meat will, obviously, steadily increase. These people will not be prepared to go to the wet market and then cook their own meat – they will want convenience and ready to eat poultry meat products!

International retail chains like Tesco and Walmart are now in the country and their stores are giving poultry products greater visibility and, interestingly, when visibility goes up consumption also goes up.

The future looks bright for retailing and fast food outlets! The future looks bright for Venky's!

The choice for siting this first processing plant in India was based on several key, but

also logical, facts. The plant is located by a highway that goes straight to Mumbai which, originally, was its main market.

Then, and very importantly, the location has a permanent, good quality water source, which, unlike supplies in other parts of India, does not dry up in the dry season.

Total chain control

Finally, and very importantly, Venky's have farms in the area, including their own farms and contract growers, that are under their control in terms of sourcing day olds and feed, management advice and veterinary inputs.

Control of this backwards integration enables Venky's to satisfy discerning international customers on such key things as traceability, bird welfare and medicines.

The actual processing plant is HACCP certified by the Dutch company FoodCert.

Interestingly, the Indian government gave the Indian certification industry a good shakedown with the result that there are now only a select number of companies allowed to audit and certify major food production facilities.

Qualified inspectors

The slaughterhouse is similar to many in the industry. People entry is strictly controlled with visitor declarations, company clothing and hand sanitisation.

Prior to being hung on the line lorries of live birds are held in a specially designed and



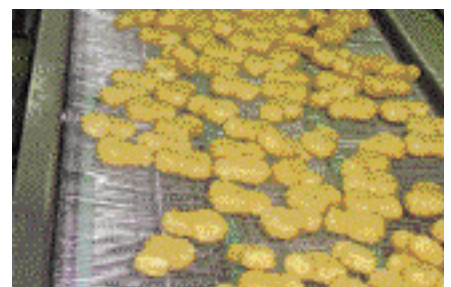
ventilated area so that they can settle down before being processed.

All birds are killed by an approved Halal method that is appropriately inspected. Birds then pass through a scald tank and defeathering machines before proceeding to automated evisceration.

Inspection is undertaken by qualified inspectors and gizzards and other offal are manually removed and bulk packed.

Birds then pass to the cutting shackle line where breast and leg meat is removed with one cutting line for each meat type.

From here meat can be destined to one of





The area where Indian products are made.



a variety of products. For example, on the day we visited much of the boneless breast meat was earmarked for KFC's Zinger Burgers.

In the further processing area a variety of products are produced including sausages, burger patties, popcorn chicken and nuggets, the last product being an important one for the company.

There is a special section for making Indian chicken based further processed products and many of these involve spices and marinades and include samosas, kheemas and sheek kebabs.

Widespread acclaim

The further processed products are acclaimed across India and further afield and five gold medals were won at a recent international sausage and processed meats competition in Austria.

Winning products included their chicken bacon, chicken liver pâté, chicken breast ham and chicken mortadella.

This international success will surely be a key stone in the foundations of a success story which will unwind in India over the coming few years in the world of further processing!

The test kitchen and, finally, just rewards from Austria.



Venky's Xprs is the company's own chain of fast food outlets that markets rotisserie roasted chicken and favourite Indian fast foods direct to an Indian middle class that has money to spend and wants to eat poultry products.

All the stores are of similar design and are compact and hygienic. Purchases can be eaten on the premises (either inside or, in many instances, at tables outside on the pavement) or taken home. In the case of the latter this is often to a family gathering.

The menu contains products that one sees around the world like Buffalo wings, albeit with an Indian flavour, drumsticks, roasted chicken and nuggets as well as some typically Indian products.

Venky's Xprs are strongest in Venky's home territory of western and central India, but they are moving across the country and aim to be a nationwide Indian fast food outlet chain.

With Venky Group's recent acquisition of the English Premiership football club, Blackburn Rovers, and the large Indian population in the UK one wonders whether Venky's Xprs will soon be seen in the UK!

