

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

Vegetables to be double tested for pesticides, *Food inflation drops to 3-month low of 9.52 percent*, *Sugar exports on hold as Ministries spar*, *Oilmeal exports double in February*, *India likely to receive a normal monsoon rainfall in 2011*, *India's agricultural exports gain pace: pulses, guar gum and meat products trade rises*.

General Information:

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

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VEGETABLES TO BE DOUBLE TESTED FOR PESTICIDES

The Delhi High court tasked a committee of lawyers to collect the samples of vegetables and fruits from ten different places in the city for simultaneous testing at a Delhi Government laboratory, as well as one certified by National Board for Testing and Calibration, for presence of residue of pesticides. The committee of lawyers also got directives to file a report in the court after getting the laboratory test results. The court has been hearing a petition on the basis of a media report about the use of banned pesticides in fruits and vegetables in the capital city. (Source: [Hindu](#), 03/10/2011)

FOOD INFLATION DROPS TO 3-MONTH LOW OF 9.52 PERCENT

According to the data released by Ministry of Commerce and Industries, food inflation fell to below double digits at 9.52 percent for the week ended February 26, from 10.39% in the previous week, the decline in inflation is attributed to lower prices of potatoes, pulses and wheat. The price of wheat declined by 1.07% on an annual basis, pulses fell by 3.91 percent and potatoes by 9 percent on a year-on-year basis. Egg, meat and fish were 15.38 percent costlier, while vegetables and fruit prices rose by 9.23 and 18.75 percent respectively and milk by 8.42 percent on an annual basis. Food inflation has fallen to single digits for the first time since December 4, 2010. Single digit inflation is expected to give a breather to the government, which has been under increasing pressure to rein in inflationary pressure. (Source: [Financial Express](#), 03/11/2011)

SUGAR EXPORTS ON HOLD AS MINISTRIES SPAR

The food ministry wants clarity on cane production and yield numbers before allowing exports. Divergent views between the food ministry and the agriculture ministry over the production and yield numbers are holding up the export of 500,000 tons of sugar under the open general license (OGL), despite the industry pressing for it in the face of huge losses and a mounting debt of Rs 40 billion to farmers till the end of December. The GL is a permit the government gives to mills to export sugar, without any restrictions and conditions. The food ministry has sought clarity on the sugarcane production and yield numbers before allowing exports, while the agriculture ministry wants exports to be allowed. The exports, which were announced by then Food and Consumer Affairs Minister Sharad Pawar in December, have yet not been cleared because of concerns over rising inflation. Officials said an empowered group of ministers to whom the matter was referred has asked for inter-ministerial consultations before the exports of 500,000 tons of sugar is finally okayed. (Source: [Business Standard](#), 03/11/2011)

OILMEAL EXPORTS DOUBLE IN FEBRUARY

Export of oilmeals, used as cattle and poultry feed, more than doubled to 704,000 tons in February, driven by recovery in soybean meal shipments and better crushing margins, according to an industry body. The country had shipped 329,448 tons in the same month last year, Mumbai-based Solvent Extractors Association (SEA) said in a statement. "During the last five months, recovery in soybean meal exports coupled with good crush margin and better oil prices boosted the exports". Out of 703,400 tons of oilmeals exported from the country during last month, the share of soybean meal lead with 540,360 tons, followed by rape mustard seed meal at 147,655 tons, castor meal at 13,110 tons, groundnut extraction at 1,475 tons and rice bran at 800 tons. SEA data showed oilmeal shipments to South East Asia stood at 538,000 tons, Middle East at 111,000 tons and Europe at 53,605 tons last month. Soybean meal exports rose to 540,000 tons last month from 220,000 tons in February 2010, it said, adding soybean meal shipments to the European market is expected to rise in the coming months. The overall export of oilmeals through February this fiscal year also reported a jump of 50 percent to 4.5 million tons as against 3 million tons in the same period last year. (Source: [Business Standard](#), 03/07/2011)

INDIA LIKELY TO RECEIVE A NORMAL MONSOON RAINFALL IN 2011

National climatic Center (NCC) has forecasted normal monsoon rainfall in 2011. According to the Mr. D. Sivanand Pai, director NCC, "there are no abnormal global signals in the weather system to hint that there could be a drought this year". The positive forecast has raised hopes of higher farm output that could help the government tame high inflation in food prices. India's main weather office, The Indian Meteorological Department (IMD), will come out with its first forecast on the 2011 monsoon season (June-September) in April with a periodic review as the four month season progresses. (Source: [Financial Express](#), 03/07/2011)

INDIA'S AGRICULTURAL EXPORTS GAIN PACE: PULSES, GUAR GUM AND MEAT PRODUCTS TRADE RISES

India's exports of agricultural and processed food products are set to increase significantly, despite declines of basmati rice shipments. According to the latest data released by the Agricultural and Processed Food Products Export and Development Authority (APEDA), during April-November 2010, India registered a 10% increase in volume of trade over the same period in the previous year. According to APEDA, this increase has been possible because of significant growth in exports of pulses, guar-gum, and meat products. (Source: [Financial Express](#), 03/09/2011)

RECENT REPORTS SUBMITTED BY FAS/NEW DELHI

REPORT #	SUBJECT	DATE SUBMITTED
IN1119	Oilseeds and Products	3/7/2011
IN1120	Weekly Hot Bites, #9	3/4/2011
IN1122	Amendment to Guidelines for Import/Export of Bovine Germplasm	3/8/2011

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