

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

IMD says monsoon likely to be normal this year, *FTA with EU stuck on non-trade barriers*, *AP decided not to increase price of Bt cottonseed*, *GOI rules out confining GM testing to greenhouses initiative*, *India's meat exports developing in new markets*, *India biofuels fail to take off*, *EU halts grape imports from India*.

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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IMD SAYS MONSOON LIKELY TO BE NORMAL THIS YEAR

In what should bring cheer to millions of Indians, the southwest monsoon, which provides 75 to 90 percent of total annual rain in the country, is expected to be normal this year. The Indian Meteorological Department (IMD), in its first official forecast for the 2010 June-September rains, said monsoon this year would be 98 percent of the long term average. Normal rains in 2010 after last year's worst drought in decades should lead to a healthy farm growth, easing concerns over rising food prices and boost rural consumption thereby translating into higher GDP. (Source: Financial Express, 04/24/10)

Post Comment: Details regarding IMD monsoon forecast for 2010 can be accessed from: www.imd.gov.in/section/nhac/dynamic/pressrelease.pdf

FTA WITH EU STUCK ON NON-TRADE BARRIERS

Apart from trade issues, the free trade agreement (FTA) negotiations between India and the European Union (EU) continue to be stuck over non-trade issues like human rights, child labor and environment. Ahead of the start of a new round of trade talks, EU parliamentarians, who are on a trip to India to step up the engagement between India and the EU, maintained that non-trade issues remain a critical part of the India-EU trade negotiations. India has already expressed opposition in earlier negotiations to having non-trade issues linked to FTA negotiations and has said there are other forums for addressing these issues. (Source: Economic Times, 04/17/10)

AP DECIDED NOT TO INCREASE PRICE OF BT COTTONSEED

The Andhra Pradesh government has decided not to increase the price of Bt cottonseed in the state. However, they have asked seed companies to increase remuneration for seed growers to

account for rising cost of production. The decision might hurt Monsanto and other Bt technology providers as it means lower trait value. There has been a lot of speculation for the last few weeks whether the government will increase cotton seed price or not. Monsanto has sought to restrain the state government's action through the Andhra Pradesh High Court. (Source: Business Line, 04/25/10)

GOI RULES OUT CONFINING GM TESTING TO GREEN HOUSES INITIATIVE

In an affidavit before the Supreme Court of India, the Government of India has ruled out limiting testing of genetically modified (GM) crops to greenhouses. The affidavit was filed in response to a writ petition filed by an anti-GM activist to ban all GM field trials. The government said that expression of any trait, irrespective of being a GM or conventional crop, needs to be evaluated in real time natural conditions, i.e. field conditions. (Source: Hindustan Times, 04/30/10)

INDIA'S MEAT EXPORTS DEVELOPING IN NEW MARKETS

The roadblock over India's meat exports to Egypt seems to have eased for the time being with Agricultural and Processed Food Export Development Agency (APEDA) agreeing to put in place more stringent norms adhering to Egypt's food safety rules. Official sources alleged that vested interest are behind the controversy over safety standards of Indian meat products, which has now gained a dominant share in the Egyptian market. APEDA officials recently met Egyptian agriculture and health department officials to discuss the issue and agreed to follow Egyptian safety standards as well. Frozen meat and meat product exports from India has witnessed a steady growth in the last few years, and Vietnam, Malaysia and Egypt are the three top destinations. The official data estimates India's exports of meat and meat products during April-December 2009 at Rs. 58.59 billion (\$1.3 billion). (Source: The Financial Express, 04/27/10)

INDIA BIOFUELS FAIL TO TAKE OFF

Failure of jatropha plantation in India has stunted investment (estimated at \$5 billion) made by private and public sector companies, mostly due to smaller land holdings, lack of high-quality drought tolerant seeds and proper care during initial years of growth. India's national biofuel policy had directed that jatropha be grown on a sufficiently large scale to produce 'green' fuel, enough to replace as much as 20 percent of petrol and diesel consumption by 2017. This would require bio-energy plantations between 30 million and 40 million hectares, more than the total area under wheat production today. Jatropha plantation for production of biodiesel was supposed to replace a fifth of India's diesel consumption by 2011 – a projection that led the government to identify 400,000 square kms (98 million acres) of land where it could be grown. (Source: Business Standard, 04/26/10)

EU HALTS GRAPE IMPORTS FROM INDIA

Out of 4200 Indian grape containers, EU rejected 3000 containers worth approx Rs. 3 billion on the basis of residues of lihocin (chlorocholine chloride) found after doing the random testing at the point of entry. Grapes from 1000 containers were sold before the analysis. Though the Grape Growers Federation suspects imposition of non tariff barrier by the EU to protect its farmers and has sought the intervention of Indian Prime Minister Mr.Manmohan Singh, Food and Agriculture Minister Sharad Pawar and APEDA. More than 90 percent of these grapes are from Maharashtra and the rest from Andhra Pradesh. According to sources, the commerce ministry has assured to take up the issue with EU representatives for an early solution. (Source: Business Standard, 04/22/2010)

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