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Global Agricultural Information Network

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Report Highlights:

India for middle path to reach trade deal in Doha round, *Food, farm ministries clash over wheat exports*, *Food inflation rises up at 8.74 percent after three weeks*, *Milk producers in India want milk prices to go up*, *Seafood exports from India cross \$2.67 billion mark as U.S. demand rises 104%*, *ADB warns rising food prices likely to push millions into poverty*, *Farm produce prices soar on high demand*, *India seeks postponement of decision on Endosulfan ban at Geneva*, *India's dependence on imported veg oil to decline to decline to 3-year low*, *Alphonso delay forces stocking of other mangoes, imported fruits*.

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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INDIA FOR MIDDLE PATH TO REACH TRADE DEAL IN DOHA ROUND

Commerce and Industry Minister Anand Sharma said that India advocated finding a middle ground for reaching a deal on the WTO talks to avoid any kind of failure that would hurt world trade. The trade ministers of key WTO member countries will meet on the sidelines of the OECD meeting in Paris in the last week of May where the three negotiating groups on agriculture, industrial goods and services will be present. The Minister added that India's position that any global agreement must have a developmental dimension for developing countries. (Source: [Hindu](#), 04/27/2011)

FOOD, FARM MINISTERIES CLASH OVER WHEAT EXPORTS

Key ministries in the government disagree over wheat exports. Food Minister K.V. Thomas said that they are against wheat exports as it will impact domestic prices at a time of high food inflation. Agriculture Minister Sharad Pawar has consistently advocated for exports to allow farmers to get better prices for their produce. Indian wheat exports are competitively priced at only \$ 305/ton (FOB) in a tight world market. Local wheat prices have been under pressure as India is sitting on food grain stocks of 44 million tons, not including the new bumper wheat crop which is currently being harvested. Uncertainty over the proposed food security law may also be the reason for not allowing wheat exports. A senior Ministry of Food official said that the decision to allow exports of wheat or rice will occur only after taking stock of the requirement under the new food security law. (Source: [Economic Times](#), 04/26/2011)

FOOD INFLATION RISES UP AT 8.74 PERCENT AFTER THREE WEEKS

Due to the rising prices of fruits and onions, food inflation rose again after declining for three weeks in a row. According to a statement from the Ministry of Commerce and Industry on April 21, food inflation rose to 8.74 percent for the week ending April 9 from 8.28 percent reported in the previous week. The rise in food inflation is also attributed to higher prices of protein-based items. (Source: [Financial Express](#), 04/22/2011)

MILK PRODUCERS IN INDIA WANT MILK PRICES TO GO UP

Milk producers in the organized dairy sector in India are planning to raise milk prices further by the end of May. They are concerned over the increased cost of production. According to the chairman of National Dairy Development Board, "The dairy industry is seeing a visible and very rapid increase in demand for milk due to rising purchasing power of both rural and urban people, leading to a shift from consumption of cereals to vegetables, milk and meat. At the same time, farmers are struggling to cope with higher feed and other costs and asking for a higher price to meet the

increased cost of production.” (Source: [Business Standard](#), 07/27/2011)

SEAFOOD EXPORTS FROM INDIA CROSS \$2.67 BILLION MARK AS US DEMAND RISES 104%

India exported seafood worth more than \$2.67 billion during financial year 2010-11 (April 2010-March 2011). According to the Marine Product Exports Development Authority (MPEDA), exports to the United States registered a remarkable growth of 104 % in value (in dollar) terms and 47% in volume terms. The reason for this growth was accredited to a rise in demand from the United States. There is a considerable increase in export of frozen shrimp and frozen squid during the period. (Source: [Financial express](#), 04/25/2011)

ADB WARNS RISING FOOD PRICES LIKELY TO PUSH MILLIONS INTO POVERTY

The Asian Development Bank (ADB) has warned that rising food prices in India might push millions of people into extreme poverty. According to the report, a 10 percent increase in food prices will push as many as 23 million Indians living in rural areas and 6.68 million in urban zones below the poverty line. These findings have come amidst the Planning Commission’s preliminary data that the country’s poverty is estimated to have declined to 32 percent in 2009-10 from 37.2 percent five years ago. (Source: [Financial Express](#), 04/27/2011)

FARM PRODUCE PRICES SOAR ON HIGH DEMAND

There has been an across the-board increase in the prices of farm commodities from south India. This includes items of daily consumption such as coffee, poultry, eggs and coconut oil, industrial raw materials like rubber, spices such as pepper, cardamom and chillies, snack food like cashew nuts and premium food items like shrimp. Apart from upsetting the family budget, the soaring prices have led to a change in buying pattern. Coffee prices have jumped from Rs 65 per kg in April 2010 to Rs 100 per kg in April 2011. Coconut oil price went up from Rs 49 per liter to Rs 95 per liter during the period. Poultry prices have increased from Rs 75 per kg to Rs 100 per kg. The average price of an egg rose from Rs 2.17 to Rs 2.23. Supply constraints pushed the price of rubber up from Rs 168.50 per kg in April 2010 to Rs 239.50 in April 2011. Cashew nut saw a sharp increase from Rs 265 per kg to Rs 450 per kg. Chilli prices rose from Rs 55 per kg to Rs 90 while shrimp prices shot up from Rs 350 per kg to Rs 380 per kg. (Source: [Economic Times](#), 04/28/11)

INDIA'S DEPENDENCE ON IMPORTED VEG OIL TO DECLINE TO 3-YEAR LOW

Imports fell a staggering 16 percent in the first four months of the 2010-11 oil year (November-October). India’s dependence on imported vegetable oil is likely to decline by six percentage point to the lowest in three years due to higher production from domestic sources. Higher oilseed output and favorable crushing parity have helped mills to produce more from domestic sources and reduce reliance on imports. Experts believe that the contribution of imports in overall vegetable oil consumption will decline this year to 47 percent as compared to a staggering 53 percent last year. Between November 2010 and March this year, vegetable oil imports plunged to 3 million tons as against 3.6 million tons in the corresponding period of the previous year. Domestic oil production, meanwhile, is estimated to surpass all previous records and set the new benchmark at 8.52 million tons this year as against 7.77 million tons last year. The Agriculture Ministry estimated total oilseed output to rise to 30.25 million tons in 2010-11 as against 24.8 million tons last year. Soybean production is estimated at 12.6 million tons and groundnut production at 7.1 million tons. On basis of the additional production of about 6 million tons of oilseeds, India would be

producing an additional 2 million tons of oil during the current year. (Source: [Business Standard](#), 04/22/11)

INDIA SEEKS POSTPONEMENT OF DECISION ON ENDOSULFAN BAN AT GENEVA

India is seeking a postponement of the decision on a global ban on Endosulfan to the next meeting of the conference of parties to the Stockholm Convention in 2013. C. Jayakumar and Dr. Mohammed Asheel, observers from Kerala to the ongoing conference of parties to the Convention in Geneva, said in an email message that India had distributed a draft of its proposal among the Asia Pacific group of countries seeking their support for the postponement. The Committee is required to suggest alternatives, taking into consideration technical feasibility, costs and socio-economic considerations. However, adequate data for a large number of proposed alternatives was not provided. (Source: [The Hindu](#), 04/26/2011)

ALPHONSO DELAY FORCES STOCKING OF OTHER MANGOES, IMPORTED FRUITS

Mango production this year has taken a hit due to untimely rains and cold weather in October-November. However, arrivals of the prime mango variety, Alphonso, may firm up by the end of the month as weather conditions improve in India's main growing areas. The shortage of Alphonso has prompted organized retailers such as the Future Group, Hyper City Retail and Aditya Birla Retail to promote other mango varieties, melons or exotic fruits from Thailand. Even in smaller retail fruit bazaars, such as Mumbai's Crawford market, vendors are touting mangosteen and sweet tamarind, which are cheaper than the higher grades of Alphonso. Alphonso has a good demand in domestic and overseas markets, and the higher grades typically cost between Rs 500 (US\$ 11) and Rs 1,000 (US\$ 22) a dozen. (Source: [Economic Times](#), 04/25/2011)

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