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Report Highlights:

* President unveils pro-poor agenda ...*, *... Pawar: Discounted foodgrains a legal challenge*,
* Govt incurs Rs 2.8 billion loss on sale of imported edible oils*, * Eight climate missions by
year-end*, *GM food slipping into India*, * FTP to simplify perishable goods exports
clearance*, * Bharti Wal-Mart first store kicks off*, * Amul wants no special deal for EU
products*, * A fresh bird flu outbreak confirmed in Uttar Dinajpur district of West Bengal*.

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.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. government agency's point of view or official policy.

President unveils pro-poor agenda ...

Armed with a mandate for inclusive growth, equitable development and a secular plural India, the newly elected Manmohan Singh government used the President's address to the Parliament to spell out its first hundred days' "pro aam aadmi" (towards the common man) agenda. The most dramatic promise made was a proposal to enact a National Food Security Act. This means, "every family below the poverty line in rural as well as urban areas will be entitled, by law, to 25 kilograms of rice or wheat a month at Rs. 3 a kg."

(SOURCE: Hindu, 06/05/09)

... Pawar: Discounted foodgrains a legal challenge

Food and Agriculture Minister Sharad Pawar said that it was a challenge to legally provide 25 kilograms of rice or wheat at Rs. 3 per kg to all Below Poverty Line categories of the Public Distribution System clientele and his Ministry was working towards it. On a day when President Pratibha Patil said in her address to the Parliament that the government would bring a law to provide food security to vulnerable sections, Mr. Pawar said that it was not an easy task in a country like India where even one failure of the monsoon could affect foodgrain production. "In a country like ours, even [with] one monsoon failure, there is a problem. In such a situation, if we are going to take the legal responsibility to supply a fixed quantity to a particular population at a fixed rate, [it] is not easy, probably," he said. He said that in some "bad years" the country had to depend on imports and "it is not that simple. That is why this is a challenge before us. We have to accept this challenge. And we have to see that such programs are successful," he said.

(SOURCE: Hindu, 06/05/09)

Govt incurs rs 2.8 billion loss on sale of imported edible oils

The government has incurred a loss of about Rs 2.8 billion on account of selling nearly 88,000 tonnes of imported edible oil in the open market, although it was originally meant for sale through PDS stores. The government had launched a scheme in July 2008 to distribute up to one million tonnes of edible oils to states at a subsidy of Rs 15 per kg. The scheme was introduced to provide relief to the poor as during that time retail prices had gone up and were hovering over Rs 80 a litre. However, prices later fell to Rs 50-60 a litre, ending demand from states for imported edible oil. The union government had in March stopped the scheme. Out of 360,000 tons of edible oil imported through State Trading Enterprises like MMTC, PEC, STC

and the agricultural-co-operative firm National Agricultural Cooperative Marketing Federation of India (NAFED) until then, States and Union Territories had lifted 261,000 tons by March 31, 2009. Sources said that while the loss so far on selling the imported oils in the open market is about Rs 2.8 billion, it could increase further as about 12,000 tons of imported oils are still lying with these trading firms. The government had asked the four trading firms to offload the stocks in the open market, while agreeing to bear the loss in the process. India imports about half of its requirements of about 12 million tonnes due to lower domestic output.

(SOURCE: PTI and the Hindu, 06/03/09)

Eight climate missions by year-end

Addressing the joint session of the newly elected lower house, President Pratibha Patil said that the government is proactively addressing the issues of climate change through the eight missions, and some of these missions will be launched by the year-end. Among others, the National Mission on Sustainable Agriculture will be launched by the year-end to make agriculture more resilient and adaptable to climate change. Several concerned ministries have already submitted their action agenda to the Prime Minister's Council on Climate Change.

(SOURCE: Economic Times, 06/05/09)

GM food slipping into India

India's affluent consumers could be munching imported genetically modified food despite a ban because a written undertaking from importers is enough to clear them as non-GM food. A consignment of a premium brand of corn chips detained at the Mumbai Port on suspicion of containing GM food was later released after a written undertaking from the importer that he will liable for prosecution if it is later found to contain GM food. The Genetic Engineering Approval Committee while clearing the consignment ordered that a few random samples be kept for testing if necessary.

(SOURCE: Hindustan Times, 06/05/09)

FTP to simplify perishable goods exports clearance

The shipping of perishable goods will soon be free from all delays as the government plans to accord them a "green channel" status that would require only one official inspection of a sample of the consignment. The forthcoming Foreign Trade Policy (FTP) will also have a provision for a simple and user-friendly single export document. The Agricultural and Processed Foods Export Development Authority (APEDA) will be the nodal body for the single export document for perishable goods. The document will have an interface with the Customs

department through a hyper-link to help the department verify the related documents and tests. Too many documents delay the clearance of perishable goods, leading to their spoilage. Therefore, a separate treatment plan was drawn for perishable goods to avoid huge losses suffered by exporters owing to delays in clearances.

(SOURCE: The Financial Express, 05/30/09)

Bharti Wal-Mart first store kicks off

Bharti Wal-Mart Private Limited, the joint venture between Bharti Enterprises and U.S. based retail giant Wal-Mart stores, opened its first store in Amritsar, Punjab. The company has also announced plans to set up 15 more outlets across India and invest \$100 million in the next two to four years. According to the Vice-Chairman of Bharti Enterprises, the company aims to bring the latest and most modern advances in retailing to serve the engine of India's retail sector, the wholesalers and business owners. Branded as "Best Price Modern Wholesale", the store will serve as a one-stop shop that meets the day-to-day needs of restaurant owners, hoteliers, caterers, fruit and vegetable resellers, neighborhood retailers, offices and institutions. The store would offer an assortment of around 6,000 items and over 90 percent of these goods and services are being sourced locally.

(SOURCE: The Hindu, 05/31/09)

Amul wants no special deal for EU products

The Gujarat Co-operative Milk and Marketing Federation (GCMMF)-Amul has urged the Commerce Ministry to reject the EU request for removal of all dairy products from India's negative list under the Free Trade Agreement (FTA). Amul representatives claimed that such a step would be detrimental to its business in the domestic and foreign markets unless issues of large-scale farm level subsidies and market access were resolved. According to the Deputy Manager of the GCMMF, the EU extends subsidies to dairy farmers ranging from 30 to 60 percent, giving them a competitive advantage in the world markets. Therefore, if the EU products are imported into the Indian market with zero import duties then the livelihood of about 2.7 million Indian farmers will be lost.

Ministry officials later assured that all such apprehensions would be taken into consideration before the negative list is finalized. Furthermore, the Ministry confirmed that India will sign major FTA's with the EU, Japan, Korea, and the ASEAN in the next six-seven years, and more than 80 percent of India's exports and imports will be affected. However, the Ministry will hold stakeholders' consultations to ensure that all domestic concerns are noted.

A fresh bird flu outbreak confirmed in Uttar Dinajpur district of West Bengal

On May 27, 2009, the Ministry of Agriculture confirmed an outbreak of the H5N1 strain of avian influenza in the Uttar Dinajpur district of the West Bengal State. The test results from the dead birds samples collected from the outbreak area were confirmed by the High Security Animal Disease Laboratory (HSADL), Bhopal. The Ministry has issued a notification to the state government to follow the required avian influenza control and containment procedures. It has been decided that all poultry within a radius of three kilometers of the focus of infection should be culled.

(SOURCE: The Department of Animal Husbandry, Dairy and Fisheries, Ministry of Agriculture Website)

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REPORT #	SUBJECT	DATE SUBMITTED
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IN9072	FAIRS: Amendment to India's Import Protocol on Bovine Semen	05/29/09
IN9073	FAIRS: GOI Defers the Implementation of the Amendment to the PFA Rules on Standards for Dairy Products	06/03/09

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