



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 12/10/2004

GAIN Report Number: IN4130

India

Agricultural Situation

Weekly Highlights & Hot Bites, #47

2004

Approved by:

Michael Riedel
U.S. Embassy, New Delhi

Prepared by:

A. Govindan, Santosh Kr. Singh, V. Shunmugam

Report Highlights:

Cola bottles now need to display pesticide warning label, *Poultry farmers association advocates against poultry ban removal*, *Textile companies oppose move to subsidize cotton exports*, *Five-year plan to revamp to focus on agriculture, manufacturing*.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN1]
[IN]

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 in this report. Significant issues will be expanded upon in subsequent reports from this office.

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.

COLA BOTTLES NOW NEED TO DISPLAY PESTICIDE WARNING LABEL

India's Supreme Court ruled that Pepsi and Coca Cola would have to display on their bottles a warning that their soft drinks may contain pesticide residues. Both Pepsi and Coke contend that it is impossible to ascertain the exact content of pesticides in their drinks, but agreed to print on the bottle that, although the soft drink may contain pesticides, it conforms to packaged water standards. Coke's Counsel said the presence of pesticide residues was because of its extensive use in agriculture. This led to the entry of pesticides into water and sugar, which are the raw materials for soft drinks. "Our products conform to the highest international standards, which ensure consumer safety. On receipt of the Court Order, we will decide on the further course of action," said Pepsi spokesperson. (Source: Indian Express, 12/07/04)

Post Comment: It is unclear how the Court Order will be implemented and when. Typically, issues relating to food and health are administered by the Ministry of Health, under the Prevention of Food Adulteration Act and Rules. Furthermore, it is Post's understanding that under the WTO TBT agreement, member countries making changes in their food labeling requirements are required to notify the WTO. However, in several past instances, India has not complied with this requirement.

POULTRY FARMERS ASSOCIATION ADVOCATES AGAINST POULTRY BAN REMOVAL

A petition was filed by the Akhil Maharashtra Poultry Farmer's Welfare Association at the High Court of Mumbai, seeking directions to make poultry imports tougher. The petitioners question the ability of the government to protect the industry and the consumers against the Highly Pathogenic Avian Influenza, in light of the removal of the import ban on some poultry and poultry products effective August 6, 2004 (ref: GAIN report IN4086). Petitioner also blames the government for the lack of infrastructure and trained personnel at the ports to test the livestock and products in a scientific manner. (Source: Poultry Trade)

Post Comments: This petition has yet to come for a hearing. Trade sources believe that the points in the petition are contradictory, and hence may not even be granted a hearing. They also mentioned that the Department of Animal Husbandry and the importers of grandparent stock and pet foods are geared up to oppose this petition.

TEXTILE COMPANIES OPPOSE MOVE TO SUBSIDIZE COTTON EXPORTS

Textile companies have raised objections to the proposal by Agriculture Minister Sharad Pawar to subsidize cotton exports in the wake of the record cotton production this season. In a letter to the Finance Minister, the Indian Cotton Mills Federation warned that such step will make Indian cotton available to competitors at cheaper price. They also claim that this export assistance would only enrich cotton traders who export, rather than the farmers. (Source: Financial Express 12/10/04)

FIVE-YEAR PLAN REVAMP TO FOCUS ON AGRICULTURE, MANUFACTURING

Montek Singh Ahluwalia, the Deputy Chairman of Planning Commission, hinted at a major re-designing of India's Tenth Five-Year Plan priorities (2002–2007), with the focus on a "basic redirection" of agricultural growth patterns and a giant push to the manufacturing sector. "India's target of achieving a sustainable 8 percent GDP growth would be contingent on doubling the growth of agriculture out put which is 1.8 percent at present," he said. Pointing out that the agricultural growth rate has gradually decelerated from 3.8 percent in the mid-nineties to 1.8 percent at present, he said India needed to move away from cereal-based production and towards a diversified production in horticulture, poultry, floriculture, etc. (Source: Financial Express, 12/07/04)

RECENT REPORTS SUBMITTED BY FAS/NEW DELHI

REPORT #	SUBJECT	DATE SUBMITTED
IN4128	Weekly Highlights & Hot Bites, #46	12/03/04
IN4129	Cotton Update - December	12/07/04

WE ARE ON THE NET

We are available at www.usembassy.state.gov/posts/in1/www43.html or visit our headquarter's home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

FAS/NEWDELHI EMAIL

To reach FAS/New Delhi, email us at Agnewdelhi@usda.gov.