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Report Highlights:

U.S.-India Knowledge Initiative on Agricultural Education, Teaching, Research, Service and Commercial Linkages, *Bt brinjal handed over to public sector*, *No progress in farm talks so far - Commerce Secretary*, *Low wheat stocks prompt more rice in public distribution system*, *Indians gorging on snacks*, *Bangladesh tenders for rice imports*, *Leather sector targets 4.5% of global trade by 2010*.

Includes PSD Changes: No
Includes Trade Matrix: No
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[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.

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U.S. - INDIA KNOWLEDGE INITIATIVE ON AGRICULTURAL EDUCATION, TEACHING, RESEARCH, SERVICE AND COMMERCIAL LINKAGES

During Indian Prime Minister Singh's recent visit to Washington, President Bush and he announced the "U.S.-India Knowledge Initiative on Agricultural Education, Teaching, Research, Service, and Commercial Linkages." This initiative will focus on agricultural teaching, research, and service. The full text of the Initiative's fact sheet can be found at www.state.gov/p/sa/rls/fs/2005/49733.htm

Post Comment: The following is an excerpt from Prime Minister Manmohan Singh's July 19 address to the Joint Session of the US Congress. "I am very happy to say that President Bush and I have decided to launch a second generation of India-US collaboration in Agriculture. The new initiative will focus on basic and strategic research for sustainable development of agriculture to meet the challenge of raising productivity in conditions of water stress. It seeks to take information and know-how directly to the farming community and promote technologies that minimise post harvest wastage and improve food storage. It will also help Indian farmers to meet phytosanitary conditions and enable them to participate more fully in global agricultural trade."

BT BRINJAL HANDED OVER TO PUBLIC SECTOR

Under the USAID/India funded Agricultural Biotechnology for Sustainable Productivity program II (ABSP II), seeds of the first local transgenic variety of eggplant were recently handed over to Tamil Nadu Agriculture University (TNAU) for further testing, trials, and seed multiplication.

In a unique partnership supported by ABSP II, public and private partners in India Bangladesh, and the Philippines have developed the fruit and shoot borer (FSB)-resistant transgenic eggplant. Maharashtra Hybrid Seed Company (MAHYCO), a joint venture involving Monsanto, developed the Bt eggplant variety for further trials by the seven ABSP II partners. (Source: USAID/India)

NO PROGRESS IN FARM TALKS SO FAR – COMMERCE SECRETARY

Negotiations to open the global farm goods market are not progressing satisfactorily, according to the Indian Commerce Secretary. Developed countries have not adequately responded to the concerns of the developing nations, he said. Blaming developed countries for maintaining foodgrain prices at artificial levels, he said that food aid should not be used as a guise to circumvent elimination of export subsidies. Commerce Ministry officials said India, along with other developing countries, was of the view that food aid to the needy countries should be given in the form of grants. "There is a tendency by countries, like the United States to ensure that poor countries remain net food importing countries, so that the US can continue to provide subsidy to its own farmers and depress international food prices," an official said. According to the Commerce Secretary, as developing countries did not have

any aggregate measure of support, they should not be asked to cut their *de minimis*. (Source: Economic Time; Business Standard, 07/20/05)

LOW WHEAT STOCKS PROMPT MORE RICE IN PUBLIC DISTRIBUTION SYSTEM

Low wheat stocks are prompting the government to channel more rice into the public distribution system (PDS) and the food-for-work program, with effect from August onward. The government expects to substitute about one million tons of rice for wheat over the following year. The buffer stock norms stipulate that the government should have 9.8 million tons of rice and 17 million tons of wheat as of July 1. The actual stocks at that time were 10 million tons of rice and 14.5 million tons of wheat. (Source: Times of India, 07/22/05)

Post Comment: Substituting rice for wheat in the PDS and other programs will be constrained by relatively low rice stocks, which on July 1, 2005 were close to the buffer stock level.

INDIANS GORGING ON SNACKS

Indians have become fervent consumers of branded snack foods, called "Namkeens." In 2004/05 (Apr-Mar), the market for branded packaged *Namkeens* grew by 34 percent, according to ACNielsen's list of fastest growing categories and brands. "The urban lifestyle lends itself to the 'snacking and grazing' consumption behavior one observes in more developed countries. As Indian consumers increasingly move to a more cosmopolitan lifestyle, snack foods that are easily portable and hygienic have become a ready substitute for hot-snacks," according to the Executive Director, ACNielsen South Asia. (Source: Business Line, 07/20/05)

Post Comment: US snack food exports to India have also registered significant growth, with exports this US Fiscal Year through May already reaching a record \$1.6 million.

BANGLADESH TENDERS FOR RICE IMPORTS

Bangladesh has floated a tender to import 50,000 tons of parboiled rice in order to meet a procurement shortfall, a senior Bangladeshi Food and Disaster Management Ministry official. The Food Ministry could only procure 600,000 tons of rice from local farmers against a target of one million tons, the official added. The tender will close on August 29. Bangladesh imported 2.3 million tons of foodgrains in 2003/04, including 800,000 tons of rice and 1.5 million tons of wheat. (Source: Business Line, 07/19/05)

LEATHER SECTOR TARGETS 4.5 % OF GLOBAL TRADE BY 2010

The Indian Council for Leather Exports set an export target of \$5.1 billion by 2010, thereby securing a 4.5 percent share in the global trade versus the current 2.5 percent. The Council proposed leather industry parks in Chennai, Agra, and Kolkata in order to attract large investments to achieve an annual average export growth of 13.5 percent. The Chairman of the Council mentioned that increasing wages, energy bills, and currency problems in China are making India an attractive source for European and American leather goods manufacturers. (Source: Financial Express, 7/18/05)

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REPORT #	SUBJECT	DATE SUBMITTED
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IN5079	India: Monsoon Progress Report No. 4	07/19/05
IN5080	India: FAIRS Country Report	07/22/05

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