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Report Highlights:

India's rice exports ban a temporary move, *Wheat procurement to hit 21 million tons*,
India slips in competitiveness ranking, *Operation Kirana: Mom & Pop shops eye coop to
take on big retail*, *Organized stores to capture 25 percent of retail revenues by 2011:
Study*, *Bird Flu in Darjeeling, culling begins*.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade 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 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'S RICE EXPORTS BAN A TEMPORARY MOVE

India and Vietnam have indicated that their independent restrictions on the export of certain varieties of rice are "temporary, short-term management tools that they need for their own particular situations," according to the Association of South East Asian Nations Secretary General, Surin Pitsuwan. Answering questions on current concerns about food security, Mr. Surin said that "all the countries in the [East Asia Summit] region, particularly the rice producers, pledge to follow free trade in food and agricultural commodities." India, a key member of this Summit, "has expressed interest, too," in joining the other members to address "the highly volatile fluctuations of prices of staple foods, of commodities such as rice." (Source: The Hindu, 05/09/08)

WHEAT PROCUREMENT TO HIT 21 MILLION TONS

Wheat procurement by the Food Corporation of India (FCI) and state government agencies for the ongoing marketing year (2008/09) is set to nearly double to a record 21 million tons by the last week of May, compared to 11.1 million tons procured last year. The record wheat procurement follows after two years of shortfall forcing the government to import wheat. The government had set a procurement target of 15 million tons for the current year to ensure that there is enough wheat for the buffer stocks and Public Distribution System. The Agriculture Ministry has stated that wheat procurement will continue as long as farmers offer wheat at the minimum support price of Rs. 10,000 per ton. (Source: Financial Express, 05/16/08)

INDIA SLIPS IN COMPETITIVENESS RANKING

India has become a less competitive economy in the past year, with the country slipping two positions in the latest world's competitiveness index. According to the annual World Competitiveness Yearbook, released on May 15 by the Switzerland-based IMD Business School, India has slipped to the 29th position, from 27th position in the previous year. India has been given a score of 60.62 points, while that of China is 73.75. The overall competitiveness scoreboard is calculated by combining four factors of competitiveness – economic performance, government efficiency, business efficiency, and infrastructure. (Source: Financial Express, 05/16/08)

OPERATION KIRANA: MOM & POP SHOPS EYE COOP TO TAKE ON BIG RETAIL

Indian kirana (Mom & Pop) stores are exploring cooperative options to take on the retail biggies like Reliance and Big Bazaar. Bhartiya Udyog Vyapar Mandal, a national association of mom & pop stores that comprises of 17,000 state and district associations, is planning to form a cooperative to help its members benefit from common sourcing and shared infrastructure (logistic, storage, etc.) platform. The cooperative will negotiate directly with manufacturers to do away with any middlemen. The move is expected to immensely benefit neighborhood stores as it will not only boost the purchasing power of the members but also

improve their goodwill due to their collective buying. The association will start with members who own provision (food, grocery and consumables) stores but may later include other retailers. A pilot project comprising 3,000 shopkeepers is going on in Mumbai. (Source: Economic Times 5/16/08)

ORGANIZED STORES TO CAPTURE 25 PERCENT OF RETAIL REVENUES BY 2011: STUDY

As per a study done by the accounting firm, 'Deloitte Haskins and Sells', organized retail in India is growing faster than expected and could account for a quarter of total retail revenues by 2011 from the current share of 8 percent. India's retail industry both organized and unorganized, is worth \$295 billion (Rs 12.3 trillion) at present. New stores, more spending power and access to credit had led to organized retail's 50 percent growth in 2007. 'Walmart' and 'Marks and Spencers Plc' have announced plans for the Indian market, spurred by this explosive growth. Despite protests and in face of opposition from India's small retailers, large retailers are said to gain market share at their expense. Organized retail has been growing at 38-39 percent a year. But last year, some formats, particularly supermarkets and hypermarkets grew very fast. Other segments such as apparel have seen steady growth. (Source: HT Mint, 05/12/08)

BIRD FLU IN DARJEELING, CULLING BEGINS

The culling of birds has commenced in 42 villages of the Darjeeling district of West Bengal, where avian flu was detected on May 9, 2008. According to the district magistrate, the High Security Animal Disease Laboratory in Bhopal has confirmed that the samples of dead birds received from the district are AI positive. Trading and business in poultry products has been banned in the affected areas. Official sources report that the state government would pay compensation of Rs 30 per broiler, Rs 40 per household bird and Rs 10 per chick. Medicines would also be distributed in the affected areas. (Source: Business Standard, 05/10/08)

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IN8050	India: FAIRS Product Specific: GOI Releases the Final Import Protocol for Pet Food	05/13/08
BG8006	Bangladesh: Cotton Annual	05/15/08
IN8052	India: Coffee - Annual	05/16/08
IN8053	India: FAIRS Product Specific: Proposed Amendments to Plant Quarantine Order with Provisions for Imports of Apples & Specified Planting Materials	05/16/08

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