



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

Date: 6/6/2008

GAIN Report Number: IN8061

India

Agricultural Situation

Weekly Highlights & Hot Bites, #23

2008

Approved by:

Oliver Flake

U.S. Embassy

Prepared by:

A. Govindan, Santosh Singh, Sayed Sarwer Hussain

Report Highlights:

Economy grows 9% in 2007-08, *Costlier fruits, milk drive up inflation to 8.1%*,
Government planning autonomous body to regulate GM crop development, *GEAC calls for
socio-economic survey of BT Brinjal*, *Experts call for bio-security as pest, diseases enter
India*, *BANGLADESH: Record production of Boro rice expected*, *BANGLADESH: Slow
pace in layer chicken farming may lead to egg price hike*.

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.

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.

ECONOMY GROWS 9% IN 2007-08

Buoyancy in the agricultural sector lifted India's economic growth to 9% in IFY 2007/08 (Apr-Mar) from the earlier projection of 8.7%. This will be the third year in a row when the Indian economy grew at the rate of 9% or above. In 2005/06, the economy grew by 9.4% followed by 9.6 percent in 2006/07. Agriculture and the allied sector grew by 4.5% in 2007/08 compared to the earlier estimate of 2.6%. However, the manufacturing sector witnessed some slow down growing at 8.8% from the earlier estimate of 9.4%. (Source: Times of India, 05/31/08)

Post Comment: For sector wise growth of the economy please see:
http://mospi.nic.in/pressnote_gdp2007_08_30may08.pdf

COSTLIER FRUITS, MILK DRIVE UP INFLATION TO 8.1%

Continuing its upward trend, the annual Wholesale Price Index-based inflation rose to a 44-month high of 8.1 percent for the week ending May 17, up from a year-on-year increase of 7.82 percent the previous week driven mostly by edible oils, fruits, dairy products, and steel. "The 8.10 percent inflation is worrisome....," said the Finance Minister. "We will do our best to contain, moderate, and reverse headline inflation. We are doing out best and [will] continue to do our best," he said. Continuing the trend of upward revisions in inflation numbers, inflation for the week ended March 22 was revised to 7.85 percent from the earlier provisional figure of 7 percent. (Business Line, 05/31/08)

GOVERNMENT PLANNING AUTONOMOUS BODY TO REGULATE GM CROP DEVELOPMENT

The government is planning to set up a new autonomous body, the National Biotech Regulatory Authority (NBRA), to regulate the development and release of genetically modified crops, livestock, and food, as well as recombinant pharma and industrial products. The Department of Biotechnology (DBT) has drafted the National Biotechnology Regulatory Bill 2008 for setting up the proposed authority. Although the Food Safety and Standard Authority (FSSA) is empowered to regulate GM foods, the DBT proposal suggests coordination of the safety assessment of GM foods between FSSA and NBRA. The NBRA can undertake risk assessment on behalf of FSSA and submit the report for approval. The government plans to conduct a series of public consultations on the proposed bill. (Source: Financial Express 06/02/08)

GEAC CALLS FOR SOCIO-ECONOMIC SURVEY OF BT BRINJAL

The Genetic Engineering Approval Committee (GEAC) has decided to ask the National Center for Agriculture Economics and Policy Research (NCAP), an affiliate institute of the Indian Council of Agricultural Research, to conduct a socio-economic survey of Bt eggplant (brinjal) developed by Indian company Mahyco with the technology sourced from Monsanto. GEAC's

cautious move follows the sharp criticism from Professor P.M. Bhargava about the lack of health and biological safety data of GM crops in the country. Earlier, the Supreme Court of India had asked GEAC to invite Professor Bhargava and Professor M.S. Swaminathan to the GEAC meetings for review of GM crop approvals. Although GEAC has called for a socio-economic survey of Bt egg plant, it is yet to take a decision on the biosafety and health concerns expressed by Professor Bhargava. (Source: Financial Express 05/24/08)

EXPERTS CALL FOR BIO-SECURITY AS PEST, DISEASES ENTER INDIA

Amidst growing global concerns on food security, there is a growing concern about entry of alien pests and diseases in India that could affect food production. Experts have suggested that the government should put an effective mechanism on the lines of the bio-terrorism law of the United States to address these concerns. The National Bureau of Plant genetic Research says there are incidences of exotic pests and diseases not known to previously occur in India. It includes *Pernospora manshuria* on soybeans from the U.S., tomato black ring virus on French beans from Columbia and *Anthonomus grandis* on cotton from the U.S. (Source: Indian Express 06/06/08)

BANGLADESH: RECORD PRODUCTION OF BORO RICE EXPECTED

Agriculture department officials on Monday predicted the yield of boro rice in the country would hit an all-time high. The country has produced 19.72 million tons from 4.7 million hectares. In 2006-07, the country produced nearly 16.12 million tons, and about 15.50 million tons in 2005-06. Out of the total land cultivated this season, hybrid rice was cultivated on one million hectares, high-yielding varieties (HYVs) on 3.5 million hectares, and local varieties on nearly 1.2 million hectares. Yields per hectare were better compared to that of previous years which were nearly 5 tons for hybrids, 4.0-4.5 tons for high-yielding varieties and 1.38 tons for local varieties, while in 2006-07, yields per hectare were 4.70 tons for hybrids, 3.64 tons for high-yielding varieties and 1.36 tons for local varieties. The high price of rice in the market inspired farmers to toil hard for more production, and the favorable weather became a major factor in boosting per unit production of boro rice. (Source: The New Age, 06/03/08)

BANGLADESH: SLOW PACE IN LAYER CHICKEN FARMING MAY LEAD TO EGG PRICE HIKE

While broiler chicken farming marks a slow recovery, layer chicken farming is not picking up amid farmers' worry over the possible return of bird flu the coming winter, according to industry operators. They fear eggs, a key nutrition source, might turn dearer on such worry among the layer chicken farmers. Sources said a day-old chick requires over five months to start laying eggs, meaning that for harvesting eggs layer farms will have to wait until October, a month that may experience outbreak of the avian influenza which resulted in unwillingness on the farmers' part to go for layer chicken farming. Breeders said they had to lower day-old layer chicks output gradually due to the fall in the demand. Now the weekly production of day-old layer chicks stands at 350,000 compared to 550,000 a year ago. The increased demand for both poultry meat and eggs has also resulted in rise in prices of the items. According to the retail market, broiler chicken is currently selling at Taka 125 (\$1.84) a kg, up from Taka 90 (\$1.32) end of March. The price of eggs per dozen also shot up to Taka 70 (\$1) from Taka 50 (\$0.72) early this year. (Source: The Daily Star, 06/03/08)

RECENT REPORTS SUBMITTED BY FAS/NEW DELHI

REPORT #	SUBJECT	DATE SUBMITTED
IN8059	Weekly Highlights & Hot Bites, #22	05/30/08
IN8060	FAIRS Product Specific: Raw Hides and Skins: GOI Provides a Temporary Exemption from the Restricted List of Imports	06/02/08

WE ARE ON THE NET

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.