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Global Agricultural Information Network

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Report Highlights:

Afghanistan seeks India help to boost agriculture sector, *Trade talks with EU to conclude by spring 2011: Sharma*, *Oil meals exports up 42 percent in November, 2010*, *Decision on raising cotton exports cap on December 13: Khullar*, *FMC mulls allowing sugar futures trade in 8-10 days*, *India's Food and Agriculture Minister bats for GM crops to ensure food security*, *Germany, UK seek nod for cattle semen export to India*, *India may export Bt cotton seeds to Pakistan*, *Record 16.5 million tons pulses production likely this year in India*, *EU rejects three okra consignments from India*, *Monsanto to double Dekalb corn acreage*, *Wheat sowing picks up after initial lag*, *Food inflation rises marginally to 8.69%*, *Gov't allows setting up of pulses processing units in SEZ*.

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.

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AFGHANISTAN SEEKS INDIA HELP TO BOOST AGRICULTURE SECTOR

Afghanistan is looking to strengthen its investment relationship with the private sector in the field of agriculture (value chains of fruits and vegetables, animal products, medicinal herbs etc) in India. The Agriculture, Irrigation and Livestock Minister of Afghanistan said on the sidelines of CII Agrotech 2010, "We want private companies from India to set up their units in Afghanistan to create more jobs. We are ready to provide the companies with the legal framework, land for cultivation purposes, and credit to the farmers and other basic infrastructure to operate." On fruit import duties, exporters from Afghanistan have appealed to the Indian government to reduce various duties charged on fresh fruits and dry fruits by 50 percent to give a boost to exports to India. Also, farmers are requesting a cut in the freight and handling charges at Indian airports. (Source: [Financial Express](#), 12/06/2010)

TRADE TALKS WITH EU TO CONCLUDE BY SPRING 2011: SHARMA

Negotiations on the proposed India-European Union Free Trade Agreement (FTA) would be concluded by "Spring 2011", according to the Commerce and Industry Minister, Mr Anand Sharma. Meanwhile, a senior Commerce Ministry official told reporters on Thursday that the FTA (that will be called Broad-based Trade and Investment Agreement or BTIA) will be inked by 2011 and will be operational by 2012. The official also said India will ensure that all its sensitivities – including in agriculture, generic drugs and the auto industry, as well as labor and environmental standards are protected, adding that New Delhi will not make any compromises in these areas. He said India is demanding more access for its farm products such as rice, sugar, fruits and vegetables and processed foods, besides fisheries, poultry and milk items in the European markets, while the EU is seeking market access in India for its cars, machineries, wines and spirits. (Source: [Hindu Business Line](#), 12/10/2010)

OIL MEALS EXPORTS UP 42 PERCENT IN NOVEMBER, 2010

Oilmeal/extraction exports during November jumped 42 percent to 492,740 metric tons as against 346,859 tons the same period last year, according to latest data compiled by the Solvent Extractions' Association of India (SEA). Better price realization coupled with rising overseas demand and increased activities in crushing boosted the overall meal export. Oilmeal exports aggregated 2.4 million tons during April-November 2010, a jump of 26 percent from 1.9 million tons during the same period of the previous year. Export of soyameal in November jumped to 443,000 tons (297,340 tons) while that of rapeseed meal nearly doubled to 41,604 tons. Soyameal extraction price, which was in the range of \$350/ton in the first quarter of this financial year, also shot up to \$411 in November. Meanwhile, Europe has re-started importing soyameal from India and about 50,000 tons were shipped in November and SEA predicts that this is likely to

rise in the coming months.

(Source: [Hindu Business Line](#), 12/06/2010 and [SEA](#))

DECISION ON RAISING COTTON EXPORTS CAP ON DEC 13: KHULLAR

The government will decide whether to hike the cap on cotton exports in the current season beyond the existing ceiling of 5.5 million bales on December 13, said Commerce Secretary Rahul Khullar. Cotton production is expected to total 33.5 million bales in 2010-11, whereas domestic demand is pegged at 26.6 million bales. According to industry sources, prices of cotton yarn have increased by about 85 percent in the last nine months. Total cotton yarn production is estimated at 3.46 billion kg in 2010-11, while domestic demand is pegged at 2.65 billion kg. The textiles industry has been clamoring for restrictions on the export of cotton and cotton yarn, arguing that high prices are making their operations unviable. India's cotton exports increased to 8.3 million bales during October-September, 2009-10, cotton season, compared to 3.5 million bales in the same period of 2008-09, as per official estimates. (Source: [Business Standard](#), 12/08/2010)

FMC MULLS ALLOWING SUGAR FUTURES TRADE IN 8-10 DAYS

More than two months since the ban on sugar futures lapsed, commodity markets regulator FMC said it is mulling granting permission to commodity bourses to relaunch sugar contracts for futures trading in about 10 days time. Sugar contracts from January onwards are likely to be made available for futures trading after a meeting with stakeholders and the exchanges. The government has allowed the ban on sugar futures to lapse on September 30, 2010. The ban on the commodity was imposed in May 2009 when prices were rising. After the lapse of the ban however, the regulator did not permit an immediate relaunch of sugar futures before knowing the country's likely sugar production this year. According to official estimates, after a gap of two seasons, India is estimated to see higher production of 24.5 million tons of sugar in the 2010-11 season. This is higher than the country's demand of 23 million tons. (Source: [Business Standard](#), 12/09/2010)

INDIA'S FOOD AND AGRICULTURE MINISTER BATS FOR GM CROPS TO ENSURE FOOD SECURITY

Mr. Sharad Pawar, India's Minister of Food and Agriculture Minister advocated for the introduction of Genetically Modified (GM) food crops to meet foodgrains requirement under the proposed National Security Bill. In his address to the delegates at the Confederation of Indian Industry (CII) meeting in Chandigarh, Mr. Pawar said, "The ultimate solution to produce more (to achieve food security) requires quality seeds, whether hybrid or genetically-modified food". At present the Government of India has allowed GM seeds in non-food crops. Among food crops, the government has put a moratorium on release of Bt Brinjal (eggplant), owing to opposition from various quarters. (Source: [Business Standard](#), 12/05/2010)

GERMANY, UK SEEK NOD FOR CATTLE SEMEN EXPORT TO INDIA

Germany and the UK are keen on exporting cattle semen to India and are awaiting confirmation from the Indian government. According to Egbert Feddersen, Director of German Holstein Association, "We are yet to obtain a health certificate from the Ministry of Agriculture in India to start selling cattle semen. An agreement however, has been signed between the two governments but few modalities are to be worked out before we start the process by spring next year." On the other hand the UK wants to export the semen of Jersey and Holstein breeds to India and has already appointed an agent in the northern part of the country. French companies are also keen on exploring the Indian market with the two companies-Axe-real and Kuhn already set up shop in

India. (Source: [Financial Express](#), 12/07/2010)

INDIA MAY EXPORT BT COTTON SEEDS TO PAKISTAN

Indian companies are planning to export *Bacillus thuringiensis* (Bt) cotton seeds to Pakistan for trial purposes due to growing demand for hybrid varieties. In the last three months at least three Indian companies have gotten the nod from India's bio-tech regulator, the Genetic Engineering Appraisal Committee (GEAC), for export of Bt cotton seeds. The Indian media has reported that these seeds will be used to conduct field trials in different climatic zones in Pakistan. (Source: [The Express Tribune](#), 12/04/2010)

RECORD 16.5 MILLION TONS PULSES PRODUCTION LIKELY THIS YEAR IN INDIA

According to the Minister of Food and Agriculture in India, Mr. Shard Pawar, India is likely to harvest a record of 16.5 million tons of pulses this year. The Minister said that though India presently imports a large quantity of pulses, the use of new production technologies, new agronomic practices, and government support will lead to self-sufficiency. (Source: [Press Information Bureau](#), 12/05/2010)

EU REJECTS THREE OKRA CONSIGNMENTS FROM INDIA

The European Union (EU) has rejected three consignments of okra from India this year as they contained pesticide residues higher than the prescribed limits. In addition, the EU has issued notices on the presence of residues in four other consignments of okra and one consignment of drumstick (moringa). Higher levels of monocrotophos, acephate and triazaphos residues were found in these consignments. The EU has a tolerance limit of 0.05 mg/kg for monocrotophos residue in okra, while for acephate and triazophos, the maximum residue limit is 0.02 mg/kg and 0.01 mg/kg respectively. In the consignment that was rejected on November 10, the monocrotophos residue level was 0.13 mg/kg and that of acephate 0.13 mg/kg. In a consignment that was rejected on February 17, the presence of triazophos was found to be 0.11 mg/kg. Monocrotophos has been found toxic to birds and humans. All the three pesticides can cause excessive sweating, headache, weakness, giddiness, diarrhoea, abdominal cramps, nausea, vomiting, difficulties in breathing and cardiac problems. (Source: [The Hindu Business Line](#), 11/30/2010)

MONSANTO TO DOUBLE DEKALB CORN ACREAGE

Monsanto India Ltd (MIL) plans to double the area planted under 'Dekalb 900M Gold' — a high-yielding hybrid corn variety in Karnataka. Karnataka has the highest corn acreage in the country. Speaking to reporters at the Dekalb Harvest Mela, Mr Ashutosh Nanoti, Regional Sales Manager, Monsanto India, said: "In kharif 2009, we were able to cover Dekalb 900M Gold in 35,000 acres in the State of which north Karnataka districts' share was 22,000 acres,". (Source: [Hindu Business Line](#), 12/02/2010)

WHEAT SOWING PICKS UP AFTER INITIAL LAG

Wheat sowing has picked up following early signs of lag. In the case of sugarcane, dispute between growers and mills over pricing have delayed start of crushing operations, thereby preventing fields from being vacated for timely sowing of wheat. But now with both cane-crushing gathering steam and much of paddy harvesting completed, the planting of wheat has begun picking up, particularly

in Uttar Pradesh (UP). On the other hand, progressive sowing of rabi oilseeds (especially rapeseed-mustard) and pulses (gram) continues to lag, mainly due to reduced coverage in Madhya Pradesh and UP, where rains have been scanty on the whole. (Source: [Hindu Business Line](#), 12/03/2010)

FOOD INFLATION RISES marginally TO 8.69 %

Snapping a seven week declining trend, food inflation went up marginally to 8.69 percent for the week ending November 27. While some experts believe the mild rise will not impact the overall downward trend, others fear that steeper inflationary pressures, such as rising global commodity prices (particularly oil), will continue to drive food inflation. The marginal rise in food inflation is due to the increase in prices of onions, fruits and milk. However, food inflation still looks under control if compared with the 20 percent-plus increase during the corresponding week of last year. The government says it is optimistic to contain food prices, an issue that haunted it for much of the year due. (Source: [Hindu](#), 12/10/2010)

GOVT ALLOWS SETTING UP OF PULSES PROCESSING UNITS IN SEZ

Despite it being a banned export item, the government has allowed four firms to set up units to process pulses in SEZs provided they import the raw material. Special economic zones (SEZs) are export oriented entities and contributed about 35 percent to the country's outward shipments in 2009-10. "They can set up units if all the pulses (for processing) will be imported and no procurement will be made locally or from Domestic Tariff Area (DTA) till prohibition on exports continue," a Commerce Ministry official said. The government has prohibited exports of agriculture commodities like non-basmati rice and pulses, as prices of these essential items were skyrocketing in domestic markets. India imports about 4 million tons of pulses every year to meet domestic demand. Pulses production is pegged at nearly 16 million tons in the 2010-11 season, compared to the anticipated domestic demand of 18-19 million tons. The shortfall in supply is being met through imports. Of the 580 SEZs approved, 114 are in operation. (Source: [Business Standard](#), 12/07/2010)

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