

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary _ Public

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India

Post: New Delhi

India May Allow New Package Sizes

Report Categories:

FAIRS Subject Report

Policy and Program Announcements

Retail Foods

Trade Policy Monitoring

Sanitary/Phytosanitary/Food Safety

Beverages

Coffee

Dairy and Products

Exporter Guide

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Report Highlights:

The Government of India (GOI) has mandated standard retail package sizes for foods and beverages effective November 1, 2012. Package sizes at price points below 10 rupees (approximately 18 cents at the current exchange rate) need not be labeled as deviating from this mandate. Package sizes deviating from the standard and selling at price points above 10 rupees will be permitted only if the manufacturer or importer formally requests the Government of India (GOI) to grant a waiver and submits a

justification for introducing a different pack size. Such packaging will have to be labeled as deviating from the standard size. Such waivers will be valid for no more than one year; however, if justified, the package size specified in the waiver may be added to the list of standard sizes.

General Information:

The <u>Legal Metrology (Packaged Commodities)</u> Rules, 2011, which implement the Legal Metrology Act (LMA), 2009, establish uniform standards of weight and measures, and regulate trade in goods sold/distributed by weight, measure or number.

On June 5, 2012, the Department of Consumer Affairs (DCA), Ministry of Consumer Affairs, Food and Public Distribution, issued notification G.S.R. 426 (E), amending the Legal Metrology (Packaged Commodities) Rules, 2011, which stipulates "the proviso to the rule 5 shall be omitted from November 2012." As a result, from November 1, 2012, the commodities listed under schedule II (also amended via notification G.S.R 427 (E) on June 5, 2012) of the rules will have to be packed for sale, distribution or delivery in standard quantities as specified in that schedule, but will not require the declaration 'not a standard pack size under the Legal Metrology (packaged commodities) Rules, 2011' or 'non standard size under the Legal Metrology (packaged commodities) Rules, 2011', on the packages. Therefore, with the deletion of the proviso to rule 5, India will have only standard sizes for packaging foods and beverages. Previously, the deleted language to the proviso was to have come into effect as of July 2012 (amendment to the rules via GSR 784, see GAIN report <u>IN2038</u>). Various trade bodies expressed their concerns regarding GSR 784 (see GAIN report IN2046). As a result, on June 5, 2012, the Ministry of Consumer Affairs amended the Legal Metrology (packaged commodities) rules, 2011, via notification number GSR 426 (E), and postponing the effective date for standard packaging size to November 1, 2012 (see GAIN report IN2077). The notification neither specifies a comment period for stakeholders (domestic or trading partners), nor has been notified to the World Trade Organization.

Trade concern:

As the United States, Europe, Canada, and Australia do not impose specific standards for packaging size, if India proceeds with the adoption of standard packaging size requirement, imported products would likely come under increased scrutiny by the Ministry of Consumer Affairs. This could potentially have a negative effect on trade.

However, a senior official from the DCA said that the ministry's decision to switch back to standard pack size will not hamper trade. According to this official, as of November 1, 2012, the commodities listed under Schedule II (also amended via notification G.S.R 427 (E) on June 5, 2012) of the rules will have to be packed for sale, distribution or delivery in standard quantities as specified in that schedule, but will not require the declaration 'not a standard pack size under the Legal Metrology (packaged commodities) Rules, 2011' or 'non standard size under the Legal Metrology (packaged commodities) Rules, 2011' on the packages. The government has further amended the Legal Metrology (Packaged Commodities) Rules, 2011, via notification number 427 (E), providing the manufacturer or importer the option of introducing "value based" packs priced at Indian National Rupee (INR) 1 to INR 10, of any weight. If the manufacturer or the importer wants to introduce a product in any other size (beyond what is given in schedule II and beyond value based packages), she or he is required to submit a request to the

Government of India (GOI) specifying the needs-based criteria for introducing a new package size.

The GOI advised that after assessment the genuineness of a case stated in the application, it will permit a manufacturer or packer or importer to pack or sell the packages in sizes other than those specified in Schedule II for a maximum of one year by relaxing the rules. The GOI may introduce the new size as standard size within that one year period or subsequently. The GOI advises that it is aware of the trade concerns of India's trading partners and offers assurance that the government will not let the development hamper trade with other countries, but rather will take every possible measure to tackle the issue (see GAIN report IN2078).

Any concerns may be reported to:

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MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

(Department of Consumer Affairs)

NOTIFICATION

New Delhi, the 5th June, 2012

G.S.R. 426(E).—In exercise of the powers conferred by sub-section (1) read with clause (j) and (q) of sub-section (2) of Section 52 of the Legal Metrology Act, 2009 (1 of 2010), the Central Government hereby makes the following rules further to amend the Legal Metrology (Packaged Commodities) Rules, 2011, namely:—

- These rules may be called the Legal Metrology (Packaged Commodities) (Second Amendment)
 Amendment Rules, 2012.
 - (2) They shall come into force on the date of their publication in the Official Gazette.
- In the Legal Metrology (Packaged Commodities) (Third Amendment) Rules, 2011.—
 - (i) for sub-rule (2) of rule 1, the following sub-rule shall be substituted, namely :-
 - "(2) Save as otherwise provided, these rules shall come into force from 1st July, 2012."
 - (ii) in rule 2, for clause (a) the following clause shall be substituted, namely :--
 - "(a) The proviso to rule 5 shall be omitted from 1st November, 2012."

[F. No. WM-11 (13)/2010]

RAJIV AGARWAL, Secy.

Note: The principal rules were published in the Gazette of India, vide, notification number G.S.R. 202(E), dated 7th March, 2011 and last amended, vide, notification number G.S.R. 784(E), dated 24th October, 2011.

MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (Department of Consumer Affairs) NOTIFICATION

New Delhi, the 5th June, 2012

- **G.S.R. 427(E).**—In exercise of the powers conferred by sub-section (1) read with clause (j) and (q) of sub-section (2) of section 52 of the Legal Metrology Act, 2009 (1 of 2010), the Central Government hereby makes the following rules further to amend the Legal Metrology (Packaged Commodities) Rules, 2011, namely:-
 - (1) These rules may be called the Legal Metrology (Packaged Commodities)
 Amendment Rules, 2012.
 - (2) Save as otherwise provided, these rules shall come into force on the date of their publication in the Official Gazette.

2027 61/12-2

- In the Legal Metrology (Packaged Commodities) Rules, 2011,-
 - (a) rule 5 shall be numbered as sub-rule (1) thereof and after sub-rule (1) as so numbered the following sub-rules shall be inserted, namely:-
 - "(2) When one or more packages intended for retail sale are grouped together for being sold as a retail package on promotional offer, every package of the group shall comply with provisions of rule 6.
 - (3) Notwithstanding anything contained in the Second Schedule, the manufacturer or importer may sell the value based package in terms of Rs.1/-, Rs.2/-, Rs.3/-, Rs.4/-, Rs.5/-, Rs.6/-, Rs.7/-, Rs.8/-, Rs.9/- and Rs.10/- after making the other declarations specified in rule 6."
 - (b) in rule 6,-
 - (i) in sub-rule (1), for the words "Prevention of Food Adulteration Act, 1954 (37 of 1954)" the words "Food Safety and Standards Act, 2006 (34 of 2006)" shall be substituted;
 - (ii) after sub-rule (6), the following sub-rule shall be inserted, with effect from 1st day of January, 2013, namely:-
 - '(7) Every package containing the genetically modified food shall bear at the top of its principal display panel the words "GM".'
 - (c) rule 33 shall be numbered as sub-rule (1) thereof and after sub-rule
 - as so numbered the following sub-rule shall be inserted, namely:-
 - "(2) The Central Government may, after ascertaining the genuineness of a case stated in the application permit a manufacturer or packer or importer to pack or sell of the packages other than specified in the Second Schedule for a maximum period of one year by relaxing the rules."
 - (d) for the Second Schedule, the following Schedule shall be substituted, namely:-

***THE SECOND SCHEDULE**

(See rule 5)

Commodities to be packed in specified quantities

The following commodities shall be packed in such quantities by weight, measure or number as are specified in the corresponding entries against them.

SI. No.	Quantities in which to be packed	
1.	2.	3.
1.	Saby food	25g, 50g, 100g, 200g, 300g, 350g, 400g, 450g, 500g, 600,g, 700 g, 800 g, 900g, 1 kg, 2kg, 5 kg and 10 kg.

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	2.	Weaning food.	Below 50g no restriction, 50 g, 100g, 200g, 300g, 400g, 500g, 600g, 700g, 800g, 900g, 1 kg, 2 kg, 5 kg and 10 kg.
	3.	Biscuits	25g, 50g, 60g, 75g, 100g, 120g, 150g, 200g, 250g, 300g, thereafter in multiples of 100g up to 1 kg and thereafter in multiples of 500g up to 5 kg.
	4.	Bread Including brown bread but excluding bun.	50g and there after in of multiples 50g upto 500g and above 500g in the multiples of 100g.
	5.	Un-canned packages of butter and margarine	Below 25g no restriction, 25 g, 50 g, 100 g, 200 g, 500 g, 1 kg, 2 kg, 5 kg, and thereafter in multiples of 5 kg.
	6.	Cereals and Pulses	Below 100g no restriction, 100g, 200g, 500g, 1 kg, 2 kg, 5 kg and thereafter multiples of 5 kg
	7.	Coffee	Below 25g no restriction, 25g, 50g, 75g, 100g, 150g, 200g, 250g, 500g, 1kg, 1.5kg, 2kg and thereafter in multiples of 1kg.
	8.	Tea	Below 25g no restriction, 25g, 50g, 100g, 125g 250g, 500g, 1kg and thereafter in multiples of 1kg.
	9.	Materials which may be constituted or reconstituted as beverages.	Below 50g no restriction, 50 g, 75g, 100 g, 200 g, 250g, 400g, 450g, 500 g, 750g, 1 kg and thereafter in multiples of 1 kg. (56g and 61g for medical purpose only)
r	10	Edible Oils Vanaspati, ghee, butter oil	50 g, 100 g, 200 g, 250g, 500 g, 1 kg, 2 kg, 3 kg, 5 kg and thereafter in multiples of 5 kg. If net quantity is declared by volume then 50ml, 100ml, 200ml, 250ml, 500ml, 1 litre, 2 litre, 3 litre, 5 litre and thereafter in multiple of 5 litre and the net quantity must be declared by mass also in the same size of letters/ numerals
P V	11.	Milk Powder.	Below 50g no restriction, 50 g, 100g, 150g, 200g, 250g, 500 g, 1 kg and thereafter in multiples of 500 g.
	12.	Non-soapy detergents (powder)	Below 50 g no restriction, 50g, 75g, 100g, 150g, 200g, 250g, 500g, 700g, 750g, 1kg, 1.5 kg, 2 kg and thereafter, in multiples of 1 kg.

THE GAZETTE OF INDIA: EXTRAORDINARY [PART II—Sec. 3					
13.	Rice(powdered), flour, atta, rawa and su).	100g, 200g, 500g, 1kg, 1.25kg, 1.5kg, 1.75kg, 2kg, 5 kg and thereafter in multiples of 5 kg.			
14.	Salt	Below 50g in multiples of 10g, 50g, 100g, 200g, 500g, 750g, 1 kg, 2 kg, 5 kg and thereafter in multiples of 5 kg.			
15.	Soaps				
	(a) Laundry Soap	25g, 50g, 75g, 100g, 125g, 150g and thereafter in multiples of 50g.			
-	(b) Non-soapy detergent cakes/ bars.	Below 50g no restriction, 50g, 75g, 100g, 125g, 150g, 200g, 250g, 300g and thereafter in multiples of 100g			
	(c) Tollet Soap including all kinds of bath soap (cakes).	15g, 25g, 50g, 60g, 75g, 100g, 125g, 150g and thereafter in multiples of 50g.			
16.	Aerated soft drinks, non- alcoholic beverages.	65 ml (fruit based drinks only), 100 ml, 125ml(fruit based drinks only), 150 ml, 160ml, 175ml, 180ml, 200 ml, 240ml, 250 ml, 300 ml, 330ml(in cans only), 350ml, 400ml, 475ml, 500 ml, 600ml, 750 ml, 1 litre, 1.2 litre, 1.25 litre, 1.5 litre, 1.75 litre, 2 litre, 2.25 litre, 2.5 litre, 3 litre, 4 litre and 5 litre.			
17.	Mineral water and drinking water	100 ml, 150 ml, 200 ml, 250 ml, 300 ml, 500 ml, 750 ml, 1 litre, 1.5 litre, 2 litre, 3 litre, 4 litre, 5 litre and in multiples of 5 litre.			
18.	Cement in bags.	1 kg, 2 kg, 5 kg, 10 kg, 20 kg, 25 kg, 40 kg (for White cement only) and 50 kg.			
. 19.	Paint varnish etc.				
	(a) Paint (other than paste paint or solid paint) varnish, varnish stains, enamels.	50 ml, 100 ml, 200 ml, 500 ml, 1 litre, 2 litre, 3 litre, 4 litre, 5 litre and thereafter in multiples of 5 litre.			
	(b) Paste paint and solid paint	500g, 1 kg, 1.5 kg, 2 kg, 3 kg, 5 kg, 7kg and thereafter multiple of 5 kg.			

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(c) Base paint: 100ml, 250ml, 400ml, 450 ml, 500 ml, 900 ml, 925 ml, 950 ml, 975 ml, 1 litre, 1.5 litre, 2.0 litre, 2.5 litre, 3.5 litre, 3.6 litre, 3.7 litre, 3.8 litre, 3.9 litre and 4 litre and no restriction above 4 litre.

(e) in the Fourth Schedule, against serial number 15, for the entry in column 3 the entry "weight or volume" shall be substituted.

[F. No. WM-11(13)/2010] RAJIV AGARWAL, Secy.

Note: The principal rules were published in the Gazette of India, vide, notification number G.S.R.202(E), dated 7th March, 2011 and last amended, vide, notification number G.S.R. 784 (E), dated 24th October, 2011.