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Report Highlights:

Farmers attack Monsanto's greenhouse, *Fresh controversy over Monsanto Bt cotton*,
Stringent limit to pesticides residues in beverages proposed, *Derailed wheat traders fail
to tap global market*, *Trade cautious as palm oil cargo clearance begins*, *Bangladesh:
Government and Opposition agree on pursuing biotech to increase food output*,
Bangladesh: Indian mills sell 100,000 tons of sugar to Bangladesh.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled 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 in this report. Significant issues will be expanded upon in subsequent reports from this office.

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FARMERS ATTACK MONSANTO'S GREENHOUSE

Police arrested 29 rampaging farmers for attacking Monsanto Corporation's greenhouse located on the campus of the Indian Institute of Science in Bangalore. Prof. Nanjundaswamy, the farmer leader said: "We timed the attack to draw the attention of those attending the ongoing WTO meeting at Cancun, Mexico." He said Monsanto should be kicked out of India because they are selling a genetically modified variety of seeds, which will not only damage the bio-diversity of India but will also impoverish the tillers of the soil. Mr. Nanjundaswamy's followers had attacked the office of Cargill Seeds and a retail outlet of Kentucky Fried Chicken in Bangalore several years ago. (Source: Pioneer, 09/12/03)

FRESH CONTROVERSY OVER MONSANTO BT COTTON

Monsanto's Bt cotton is in the news once again. Suman Sahai, Director of the NGO, "Gene Campaign", drawing on the official report of the government of Andhra Pradesh on the performance of Monsanto's Bt cotton varieties, claimed that out of 3,709 farmers surveyed, almost one-third were neutral in terms of the incidence of bollworm, and a majority under-rated the Monsanto seeds in term of its yield and quality of its produce vis-à-vis indigenous seeds. After carrying out its own survey on 100 farmers – 25 from Maharashtra and 75 from Andhra Pradesh, Gene Campaign argued that the Monsanto variety gives lower yields in spite of higher investments. However, a Monsanto spokesperson claimed that in a survey carried out by Mahyco (Monsanto's Indian joint-venture partner), using 1,090 farmers in 52 districts, much larger than the Gene Campaign survey, showed that there was a 60 to 70 percent reduction in pesticide cost, 30 percent rise in yield, and about rs. 7,000 (\$152) per acre rise in income. (Source: Business Standard, 09/09/03)

STRINGENT LIMIT TO PESTICIDES RESIDUES IN BEVERAGES PROPOSED

On August 26, 2003, the Department of Health, Ministry of Health and Family Welfare, issued a draft Gazette notification under the Prevention of Food Adulteration Act (PFA), proposing very stringent limits on poisonous metals and pesticides residues in beverages (soft drinks, fruit and vegetable juices, fruit pulp, etc.). If implemented, these amendments would have a significant negative impact on US exports of fruit juices, etc. to India. The proposal is open for comment from interested parties until September 25, 2003. For further details refer IN3085.

DERAILED WHEAT TRADERS FAIL TO TAP GLOBAL MARKET

India's global competitiveness and its large wheat stocks have failed to make a large impact on the global trade in the last few months, mainly due to a shortage of railcars. "It is a case of sheer irony. There is no dearth of buyers, the world supply scenario is tight, Indian wheat is highly competitive, stocks with the government are ample, yet we are unable to export," an independent grain analyst said. According to the Managing Director of the Food Corporation of India, fresh export allocations are unlikely before December, when pressure on domestic grain supply commitments should ease. (Source: Economic Times, 09/11/03)

TRADE CAUTIOUS AS PALM OIL CARGO CLEARANCE BEGINS

Malaysian and Indonesian traders remained cautious about whether future palm oil shipments to India would also face delays, as Indian customs officials check cargoes for compliance with the government's new rule, which requires crude palm oil and palm olein to have an acid value of 2 percent and a carotenoid value of 500 to 2,500 mg per kg. India's palm oil imports from Indonesia and Malaysia declined in August after the customs authorities started detaining cargoes to check for compliance with the new rule. Freight brokers said India's imports could reach 300,000 tons in September, down from 320,000 tons in August and 370,000 tons in July. (Source: Business Line, 09/10/03)

BANGLADESH: GOVERNMENT AND OPPOSITION AGREE ON PURSUING BIOTECH TO INCREASE FOOD OUTPUT

The government has agreed to pursue agricultural biotechnology to raise food production, while the main opposition Awami League (AL) has pledged support for getting a biosafety act passed in parliament. The government's proclamation and the opposition's commitment came at a dialogue on 'Sustainable Agricultural Growth in Bangladesh: Should We Go for Biotechnology for Rice Improvement?' Lawmakers, agricultural scientists, agro-biotechnologists, economists, NGOs and civil society activists, and other government officials took part in the three-hour discussion. The agriculture minister said the government would encourage agro-biotechnological research, while keeping an eye on any negative fallout and the associated risk factors. (Source: The Daily Star, 09/09/03)

BANGLADESH: INDIAN MILLS SELL 100,000 TONS OF SUGAR TO BANGLADESH

Indian sugar mills have sold at least 100,000 tons of sugar to private traders in Bangladesh after Dhaka waived restrictions on opening letters of credit for imports a week ago, traders said in Ahmedbad yesterday. Bangladeshi traders, looking to meet an expected surge in sugar demand ahead of the month of Ramzan in November, have paid between \$230-232 per ton (C&F) for delivery at Chittagong port in September and October. Bangladesh produces about 200,000 tons of sugar against an annual requirement of about 500,000 tons. (Source: The Independent, 09/05/03)

RECENT REPORTS SUBMITTED BY FAS/NEW DELHI

REPORT #	SUBJECT	DATE SUBMITTED
IN3082	Weekly Highlights & Hot Bites, #36	09/05/03
IN3083	Monsoon Progress Report, No. 8	09/10/03
IN3085	FAIRS Product Specific – Amendment to PFA Rule relating to Beverages	09/11/03

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