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Report Highlights:

India will not be impacted by failure of Cancun, *Scientists find Bt cotton mixed with other varieties*, *Apple prices crash on bumper crop*, *Government wants soft drinks to label caffeine, calories, contents*, *Domestic farm reforms can help trade talks*, *Public awareness on food quality safety norms low*, *Falling rice stocks not to hamper pledged exports*.

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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INDIA WILL NOT BE IMPACTED BY FAILURE OF CANCUN

Rajnath Singh, India's Minister of Agriculture said that India would not be negatively impacted by the failure of the Cancun Ministerial to reach an agreed framework for further agricultural liberalization. India provided leadership, and the developed countries were put on the defensive for the first time, said the Minister. The negotiations' inability to rein in subsidies of the developed countries poses no risk to Indian agriculture. He further declared that India, a market of over 1 billion, is too large for developed countries to ignore. As a side bar, Arun Jaitley, Minister of Commerce and head of India's WTO delegation at Cancun, returned a hero to bands playing at the airport and to headlines cheering his accomplishments. (Source: The Hindu, 09/19/03)

SCIENTISTS FIND BT COTTON MIXED WITH OTHER VARIETIES

A team of scientists have come across a varietal mix of Bt and non-Bt cotton in the central part of the country due to unrestrained cultivation of Bt cotton. The growers are ignorant of the mix, as varietal adulteration seems to have happened at the seed procurement stage. The team observed that the Bt technology was being abused across the country despite the Genetic Engineering Approval Committee (GEAC) giving approval only to the central and southern zone for growing approved Bt cotton varieties. With these varieties being grown in non-approved areas across the country, yields may potentially fall below expectations, and there will be a tendency to unfairly blame the Bt technology itself. (Source: Business Line 09/17/03)

APPLE PRICES CRASH ON BUMPER CROP

With the bumper apple crop flooding the market, apple prices have taken a severe beating. To the delight of the consumers, better quality apples are selling at rs. 25-30/kg compared to last year's rate of rs. 50-55/kg. In Asia's supposedly largest wholesale market of Delhi, about 700 truckloads of apples are entering daily, which is about 150-200 truckloads in excess of normal supplies. The price realization by the growers has gone down to rs. 300-350 for a 20 kg box against rs. 600-650/box realized last year. Reports from the apple growing areas of Himachal Pradesh indicate that growers are finding it hard to sell their produce. The growers have heaped apples along roadsides in growing areas waiting to be loaded for delivery to markets. (Source: Business Line 9/17/03)

GOVERNMENT WANTS SOFT DRINKS TO LABEL CAFFEINE, CALORIES, CONTENTS

The Indian government is planning to make it mandatory for all soft drink producers to publish a 'statutory warning' on bottles. These warnings would provide information on two factors – caffeine content in all cola products and number of calories. The food-processing ministry has already initiated a process to amend the existing rules. "The draft notification is ready. The issue will be discussed with the industry and other agencies, after which the new set of rules will be notified," according to a top government source. The decision comes in the wake of the recent controversy when a Delhi-based NGO, Center for Science and

Environment, alleged that there is high level of pesticide residue in Pepsi and Coke, which was found to be untrue by government laboratory tests. (Source: Economic Times, 09/16/03)

DOMESTIC FARM REFORMS CAN HELP TRADE TALKS

Whatever happens to farm subsidies in rich countries, it is unlikely that India can gain much unless it pushes domestic farm reforms. Indian agriculture confronts poor rural infrastructure and credit delivery systems, and low crop yields. India also does what developed countries do, i.e., pay high prices to help farmers produce more, protect farmers through import barriers, and subsidize exports of grains directly or indirectly, only the scale is less due to lack of funds. (Source: Business Standard, 09/15/03)

PUBLIC AWARENESS ON FOOD QUALITY SAFETY NORMS LOW

Public awareness about the food safety and quality issues with enforcement agencies remains dismally low, according to an interim study report by the Consumer Coordination Council (CCC), a coalition of consumer groups. The study, sponsored by the Ministry of Food Processing Industries, is part of a project "National Campaign for Food Quality Literacy and Awareness Among Consumers." Over ninety percent of consumers surveyed preferred to buy fresh food products compared to processed foods. Consumers were most concerned about the manufacturing details of the food products and quality seal. Recommendations to increase consumer awareness about food safety norms include campaigns in schools and colleges and TV and print media campaigns. (Source: Business Line, 09/15/03)

FALLING RICE STOCKS NOT TO HAMPER PLEDGED EXPORTS

The inter-ministerial high-level committee on foodgrains has decided that all rice export contracts for which the Food Corporation of India (FCI) has already received payments should be honored. This is despite the fact that government rice stocks are expected to fall to just half of the stipulated buffer stock level of 6.5 million tons on October 1. FCI was holding 8 million tons of rice on August 1. After an offtake of 2.5 million tons per month in August and September, the stipulated buffer stock level would drop to just 3 million tons on October 1. (Source: Economic Times, 09/13/03)

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