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Report Highlights:

New grain export scheme likely to be delayed, Biotech industry to push for national policy*, *Revamping the Genetic Engineering Approval Committee (GEAC): Government has its task cut out for it*, *Government amends plant quarantine norms: Pulse trade upset over Methyl Bromide stipulation*, *Seed manufacturers will have to register their seeds*, *India's GDP grows at 8.1 percent in FY 2003/04*.

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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NEW GRAIN EXPORT SCHEME LIKELY TO BE DELAYED

The GOI's Commerce Ministry is "not in a hurry" to implement its new foodgrain export policy before the beginning of the new wheat marketing season beginning April 1. "We are working on the guidelines for determining the extent of reimbursement of costs to be made to the exporters and the necessary documentation procedures. The export policy announced by the government last month envisages exporters undertaking direct grain purchases from the grain markets and claiming reimbursement of freight, port handling, and other "WTO compatible" expenses. Mr. D.P. Singh, Chairman of the All India Grain Exporters' Association said that time is running out, and "we need a clear picture now, so that the country can take advantage of a bumper crop and farmers are given a choice to sell their wheat to buyers other than FCI." (Source: Business Line, 02/09/04)

BIOTECH INDUSTRY TO PUSH FOR NATIONAL POLICY

According to Ms. Kiran Mazumdar Shaw, Chairman of the Confederation of Indian Industries (CII) Panel on Biotechnology, the country's biotechnology industry will shortly push for a 'harmonious' national biotech policy that will resolve some of the unyielding regulatory issues. Bangalore Bio 2004, a biotech trade show and conference in May 2004, should initiate a debate among the key players in the sector and the regulators, and aims to come up with a white paper that would serve as the basis for the national policy. (Source: Business Line 2/10/04)

REVAMPING THE GENETIC ENGINEERING APPROVAL COMMITTEE (GEAC): GOVERNMENT HAS ITS TASK CUT OUT FOR IT

Ms. Kiran Mazumdar Shaw, a renowned biotech entrepreneur, expressed her concerns over the present Indian biotech regulatory mechanism. She criticized the framework as cumbersome and slow, with stiff norms for conducting trials and for imports of biological samples. Though she largely touched upon the pharmaceutical biotechnology sector, a follow-up editorial published the following day said that her views apply to agricultural biotechnology also, where the GEAC's ad hoc and non-transparent decision-making has reduced the existing three-tier approval system to a farce. The editorial argues for reforms in the present system of GEAC (rather than a single window system), such as, consistency in decision-making, accountability, and transparency. It calls on the regulators to limit themselves to the health and environmental concerns of the GM crops and not to the economic viability, which is the prerogative of the farmers. (Source: Financial Express 2/11/04)

GOVERNMENT AMENDS PLANT QUARANTINE NORMS: PULSE TRADE UPSET OVER METHYL BROMIDE STIPULATION

The February 6 amendment (IN4012, see below) to the controversial plant quarantine regulations that came into force on January 1, 2004, has left the pulse trade agitated, as none of its concerns have been addressed. One such concern was the required use of Methyl

Bromide for pulses destined for India. Consistent with the Montreal Protocol, Methyl Bromide is being phased out in many countries due to environmental concerns. Furthermore, the GOI's requirement to include the Indian import permit number on the phytosanitary certificate issued by the authorities of the exporting country had left many in the trade infuriated. (Source: Business Line 2/12/2004)

SEED MANUFACTURERS WILL HAVE TO REGISTER THEIR SEEDS

Addressing the media after the final discussion of the members of the MS Swaminathan Panel, which is considering reforms in the Indian biotech regulatory system, Mr. RCA Jain, Secretary of the Ministry of Agriculture, mentioned that the government is considering an amendment to make it mandatory for companies to register their seeds (including genetically engineered varieties) with the Ministry, irrespective of their approval by Genetic Engineering Approval Committee (GEAC). This was in response to the wide-spread sale of illegal Bt cotton seeds by a Gujarat-based company to local farmers. (Source: Bio Spectrum, February 2004)

INDIA'S GDP GROWS AT 8.1 PERCENT IN FY 2003/04

The Central Statistical Organization (CSO) of the GOI recently revised India's FY 2003/04 (Apr-Mar) GDP growth rate upward to 8.1 percent, making India the world's second fastest growing economy after China. The growth rate in the agricultural sector is now estimated at 9.1 percent compared to a negative growth rate of 5.2 percent in FY 2002/03. (Source: Economic Times, 02/10/04)

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IN4011	FAIRS Product Specific – Additional Declarations for Pet Food Importers	02/10/04
BG4002	Grain and Feed Annual	02/12/04
IN4012	FAIRS Product Specific – Plant Quarantine (Regulation of Import into India) Order, 2004	02/12/04

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