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Agricultural Situation

Weekly Highlights and Hot Bites, #8

2004

Approved by:

Chad R. Russell

U.S. Embassy, FASNEWDELHI

Prepared by:

A. Govindan, V. Shunmugam

Report Highlights:

Government plans additional pest risk analysis, *Ministry favors eco-friendly transgenic crops*, *India to go slow on trade agreements*, *Clouded farms*. *New Secretary of Agriculture appointed*.

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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GOVERNMENT PLANS ADDITIONAL PEST RISK ANALYSIS

In a recent presentation made by Mr. Prem Narain, Joint Secretary (Plant Protection), Ministry of Agriculture, at the "National Conference on Agriculture for Kharif Crops, 2004," there was an indication that the Agriculture Ministry plans to develop a pest data base for 39 new commodities by June 2004 and a detailed Pest Risk Analysis (PRA) for these products in the next three years (13 commodities yearly). The identified products, for which the PRA will be conducted, include crops of keen interest to the US, such as wheat, corn, apples, grapes, cotton, peas, lentils, pears, and citrus fruits. There is also a proposal for the establishment of a National PRA Unit within six months, and organization of a PRA training/Workshop involving national/international experts for prioritizing crops/commodities for conducting the PRAs. (Source: [http://agricoop.nic.in/Kharif2004/JS\(PP\).ppt](http://agricoop.nic.in/Kharif2004/JS(PP).ppt))

MINISTRY FAVORS ECO-FRIENDLY TRANSGENIC CROPS

The Agriculture Minister, speaking at the opening ceremony of Transgenic Plant Development Center in Delhi, admitted the need for the development of genetically engineered crops to increase production and productivity to cope with the increasing demand. However, he cautioned that such crops should be monitored properly to ensure that it does not harm human health and the environment. The Center (Federal Government) would focus on developing genetically engineered medicinal plants and food crops (especially oilseeds and pulses) tolerant to biotic and abiotic stresses, with improved fertilizer use efficiency and nutritional traits. (Source: Financial Express, Government of India Press Release 3/1/04)

INDIA TO GO SLOW ON TRADE AGREEMENTS

The Indian government has decided to go slow on preferential and free trade agreements, following protests from domestic industries. The Ministry of Finance has also raised the issue of revenue loss due to such trade pacts. The Commerce Secretary has reportedly asked his colleagues to be selective in deciding on future free trade and regional trade agreements. In the case of some proposals, like the one received from the Gulf Cooperation Council, certain sections of the government have raised security concerns. Over the past year, India has committed itself to a number of free and preferential trade agreements, including those with Thailand; the Association of South-East Asian Nations (ASEAN); Mercosur; Bhutan, India, Myanmar, Sri Lanka, Thailand, Nepal-Economic Cooperation (BIMST-EC); Singapore; etc. As a result, a number of tariff anomalies have crept into the system. (Source: Business Standard, 03/01/04)

CLOUDED FARMS

Indian agriculture registered a 4 percent annual growth rate in the 1980s, which almost halved in the decade of 1990s. Now it is in danger of halving again, and falling well below the rate of population growth. Economists had earlier cautioned that the money going into agriculture sector was increasingly in the form of subsidies, and not as an investment, which would affect production at a later stage. As nearly 70 percent of the country's population is

still dependent on agriculture, and if agricultural output is not growing, farm income isn't either. "If there is no money in the countryside, there is going to be serious unrest there", according to T.N. Ninan, author of the editorial. Crop yields in India are stagnant, partly because there are no new, higher-yielding seeds, despite a plethora of agricultural research institutions. Policies on cropping patterns, pricing, trade, and many other issues are stuck in a groove. As the country has failed to respond to changing realities, the agriculture sector has to hide behind high tariff walls. (Source: Business Standard, 02/28/04)

NEW SECRETARY OF AGRICULTURE APPOINTED

Ms. Radha Singh was appointed as Secretary, Department of Agriculture and Cooperation, Ministry of Agriculture, effective March 1, 2004. Ms. Singh joined the Indian Administrative Service in 1969, and has vast experience in the area of water resources and integrated water management. She had a long tenure with the World Bank, Washington, D.C., working in areas of water and environment. Prior to this assignment, she was Secretary, Department of Animal Husbandry, Ministry of Agriculture. (Source: Government of India Press Release 3/2/04)

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