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Report Highlights:

High-level Biotech Panel proposes new Regulatory Body, *No compromise at WTO, says Ag Minister*, *Exports of wheat and rice ruled out*, *National Biotech Policy in the cards*, *Tariff value on crude soybean oil reduced*, *Edible oil sector seek import protection*, *BANGLADESH: American food promotion begins in Dhaka*, *BANGLADESH: Danish support for country's agro-processing industry*, *BANGLADESH: Bangladesh Garment Manufacturers and Exporters Association (BGMEA) hesitant to join global move to defer MFA phase-out*.

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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HIGH-LEVEL BIOTECH PANEL PROPOSES NEW REGULATORY BODY

The key recommendation of the MS Swaminathan taskforce's report, which was submitted to the Minister of Agriculture on June 2, 2004, is to set up an autonomous "National Biotech Regulatory Authority (NBRA)." The report also proposes that the NBRA contain two separate wings, one for the food and agriculture sector and another for pharmaceutical and industrial applications. The other key recommendations of the taskforce as reported in the leading daily newspapers include:

- Pending the setting up of the NBRA, the Genetic Engineering Approval Committee (GEAC) continues to take care of biosafety and Indian Council of Agricultural Research continues to test Genetically Modified varieties for agronomic traits
- Concurrent evaluation of biosafety and agronomic traits
- Farmer's participation in evaluation procedures
- Ban on transgenic research in crops where India's international trade interests may be jeopardized
- Government-sponsored insurance for GM crops and seeds

Explaining the salient features of the taskforce report, Dr. Swaminathan said that the bottom line is to ensure the economic well-being of the farmers, along with food, health, and environmental security for the stakeholders. The panel also recommended that an allocation of \$265 million be made by government of India over three years for capacity building and infrastructure for development, evaluation, and application of biotechnology.

Interestingly, the taskforce also recommended that ICAR devise a mechanism to run trials to assess the "Value for Cultivation and Use (VCU)", to aid the GEAC in its final clearance of transgenic varieties. This comes from the philosophy that the GM option should only be explored if other options to achieve the objectives are not available or not feasible. (Sources: Financial Express, Business Standard, Indian Express 6/3/04)

Post Comment: If implemented, the report could lead to a streamlined biotechnology regulatory mechanism. It is as yet unclear if and how the recommendations will be implemented. Post will work on the report with additional reporting.

NO COMPROMISE AT WTO, SAYS AG MINISTER

India's Minister for Agriculture and Food, Mr. Sharad Pawar, made it clear that India would not succumb to the possible pressure from developed countries at the next meeting of the World Trade Organization (WTO), but would take a pragmatic view on various issues. He said that although India was a leader in several agricultural crops, Indian farmers were not global players. "The government will set up a mechanism to enable our farmers to become global players," he added. (Source: Financial Express, 06/01/04)

EXPORTS OF WHEAT AND RICE RULED OUT

Putting in limbo the proposed rs. 6 billion (\$133 million) grain export subsidy scheme, the Indian government ruled out resuming subsidized grain exports from the central pool this year, saying that stocks were barely sufficient for the country's own requirements. A decision on the resumption of wheat and rice will be taken only after an assessment of the monsoon. (Source: Financial Express, 05/31/04)

NATIONAL BIOTECH POLICY IN THE CARDS

The new Minister of State for science and technology, stressed that adopting a national biotech policy is essential to have a vibrant biotech sector in the country. Citing the example of the IT industry in the country, the minister said that a national policy is essential for coherent growth and increased foreign direct investment in this "sunrise" industry, rather than the individual states introducing their own promotional policies. The minister added that concrete steps to that effect have been taken, and a future course of action will be announced soon. The minister also revealed that steps to simplify regulatory procedures that hamper growth of the pharma and biotech industries would soon be taken. (Source: Financial Express 6/3/04)

TARIFF VALUE ON CRUDE SOYBEAN OIL REDUCED

Following a sharp fall in global soybean oil prices, the government reduced the tariff value on crude soybean oil imports to \$628 from \$710 per ton. An edible oil trade analyst reportedly told the media that the current FOB price of crude soybean oil is around \$460/ton and the landed price could be around \$510/ton, meaning that there is scope for further cuts in the tariff value for crude soybean oil. The current downward revision of the tariff value on crude soybean oil is expected to result in a reduction in domestic prices by about \$28 a ton, and reduce the price differential between refined soybean oil and refined palm oil to 2-3 cents/kg compared with the current price differential of 9 cents/kg in favor of refined palm oil. (Source: Business Line and Economic Times 6/1/04)

EDIBLE OIL SECTOR SEEK IMPORT PROTECTION

The Central Organization for Oil Industry and Trade (COOIT), an apex body of the oilseeds trade and industries, suggested in their pre-budget memorandum to the new government that the following trade measures be imposed to protect the domestic edible oil sector:

- Raise the import duty on palm oil and palmolein
- Remove the excise duty on refined edible oils and Vanaspati (hydrogenated vegetable oil) and compensate the revenue loss by re-imposing the Special Additional Duty on edible oil imports
- Oilseeds and edible oils should not be included in preferential trade agreements
- Tariff value regime be extended from crude soybean oil to include refined soybean oil
- Relaxe/remove the minimum carotenoid content stipulation for importers of crude palm oil

COOIT also demanded the creation of a fund to boost domestic production of oilseeds in order to help reduce dependence on vegetable oil imports. (Source: Business Standard 5/24/04)

BANGLADESH: AMERICAN FOOD PROMOTION BEGINS IN DHAKA

A weeklong American Food Promotion began at the Dhaka Sheraton Hotel. State Minister for Civil Aviation & Tourism inaugurated the festival. US Ambassador to Bangladesh Harry K Thomas also attended the inaugural function. The Dhaka Sheraton Hotel and Emirates Airlines jointly organized the festival to mark the inauguration of the airline's new non-stop Dubai-New York flights. (Source: The Daily Star, 06/03/04)

BANGLADESH: DANISH SUPPORT FOR COUNTRY'S AGRO-PROCESSING INDUSTRY

As part of the DANIDA Private Sector Development (PSD) Program, the Danish Government granted Tk 46 million (US\$780,000) to cover training, technical assistance, and a loan for equipment in order to support the establishment of a modern rice processing facility. The DANIDA support to the agro-processing industry aims to open a new avenue for exports of value-added, ready-to-cook spiced rice to the super markets in Europe and the USA. The overall objective of this program is to contribute to the economic and social development of Bangladesh by attracting Danish technology and investment into the Bangladeshi private sector. (Source: The Financial Express, 05/31/04)

BANGLADESH: BANGLADESH GARMENT MANUFACTURERS AND EXPORTERS ASSOCIATION (BGMEA) HESITANT TO JOIN GLOBAL MOVE TO DEFER MFA PHASE-OUT

At least 72 textile and apparel trade bodies in 36 countries have started a movement to influence the World Trade Organization to extend the deadline for the phasing-out of the multi-fibre arrangement by at least three years. The trade bodies, grouped under the Fair Textile Trade Alliance, have already urged the WTO director general to extend the deadline to December 31, 2007. But, stakeholders of Bangladesh's apparel sector, which is likely to bear the brunt of a quota-free regime beyond 2004, have so far stayed away from joining what is known as the 'Istanbul Declaration'. However, the Federation of Bangladesh Chambers of Commerce and Industry, the Bangladesh Knitwear Manufacturers and Exporters Association, and the Bangladesh Textile Mills Association have endorsed the movement. (Source: The New Age, 06/01/04)

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REPORT #	SUBJECT	DATE SUBMITTED
IN4052	Weekly Highlights & Hot Bites, #20	05/28/04
IN4055	FAIRS Product Specific – Plant Quarantine (Regulation of Import into India) Third Amendment Order, 2004	06/07/04

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