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Weekly Highlights and Hot Bites, #37

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Report Highlights:

Lobbies working to cut maize import duty, *Bt cotton raises hopes for growers in Punjab*,
Pantaloon independent supermarket likely in big cities, *Indo-Chile PTA in the works*,
Government to amend seeds act, *Minister proposes food park in each constituency*,
Greens petition European community to show red for marketing GM rice.

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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LOBBIES WORKING TO CUT MAIZE IMPORT DUTY

A commentary in Business Line spoke out against the removal of the tariff-rate quota for maize imports that currently restricts Indian corn imports to 500,000 tons at a 15 percent duty per year. The commentary said that the Indian feed industry should, instead of relying on cheaper imports, work with farmers to develop the contract farming system to supply its burgeoning need for maize. As reasons against allowing increased imports of corn from the United States, the commentary cited the possibility that bioengineered US corn could be diverted for human consumption in India and the high levels of domestic subsidies for the US corn industry. (Source: Business Line, 9/22/04)

BT COTTON RAISES HOPES FOR GROWERS IN PUNJAB

The introduction of new hybrid Bt cotton crop which is likely to be approved by the federal government soon has raised fresh hopes among the cotton growers in Punjab state. A report by Asian News International estimates that about 100 tons of seed have been marketed by private traders to cover an area of 300,000 hectares in two key cotton growing belts of the state. According to this report, these seeds were produced from the unofficial trials taken up by the farmers of illegal Bt cotton. (Source: Business Line, 9/22/04)

Post Comment: Pending applications for commercial approval of Bt cotton hybrids for the northern states, including the state of Punjab, await a decision by the Genetic Engineering Approval Committee. Field trials are underway. These Bt cotton hybrids, if approved, would only be useful to the farmers beginning June 2005.

PANTALOOON INDEPENDENT SUPERMARKET LIKELY IN BIG CITIES

The Pantaloon retail chain is looking to expand its Food Bazaar chain as an independent entity. The retail chain has identified cities like Bangalore, Calcutta, Mumbai and Hyderabad, where it will have four to eight supermarkets. Pantaloon's retail head indicated that food retail accounts for 30 percent of its total business. (Source: Economic Times 9/18/04)

INDO-CHILE PTA IN THE WORKS

In an effort to spur bilateral trade, India and Chile are reportedly ready to launch negotiations soon to complete a Preferential Trade Agreement (PTA) for signing in mid January when the president of Chile, Ricardo Lagos, is scheduled to visit New Delhi. According to Jorge Heine, Ambassador of Chile to India, approximately 800 products from Chile and 300 products from India have already been identified for negotiation and inclusion in a PTA. (Source: Business Line, 9/21/04)

GOVERNMENT TO AMEND SEEDS ACT

In its upcoming winter session, the Indian parliament plans to amend the 1966 Seeds Act to mandate the testing and registering of seeds before sale. The proposed legislation aims to

protect farmers from the sale of spurious seeds by providing for compensation by seed companies and dealers if performance goals are not met. Its scope also includes bioengineered and imported seeds. (Source: Pioneer, 9/21/04)

MINISTER PROPOSES FOOD PARK IN EACH CONSTITUENCY

Although India is the second largest producer of fruits and vegetables in the world, the country processes only 1.3 percent of total production. The challenges facing the industry are the multiplicities of food laws, inadequate warehousing facilities, lack of grading, and state laws like the Agricultural Produce Marketing Committee Act that make it difficult for the corporate sector to purchase directly from farmers. The Minister for Food Processing Industries has proposed setting up a food park in each of the 543 parliamentary constituencies, which will have facilities like warehouses, cold storage, and a grading system. He also reiterated his government's commitment to the enactment of an Integrated Food Law. (Source: Pioneer, 09/20/04)

GREENS PETITION EUROPEAN COMMUNITY TO SHOW RED FOR MARKETING GM RICE

Three environmental groups, including two from India, have petitioned the European Community not to grant commercial approval for GM rice. This plea was made fearing that the use of GM rice as animal feed in the EU would also encourage its sowing in India, thereby affecting its biodiversity. (Source: Business Line, 9/17/04)

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IN4101	Government of India lowers tariff value of vegetable oils	09/23/04

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