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## India

### Agricultural Situation

### Weekly Highlights & Hot Bites, #38

2004

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**Report Highlights:**

\*Dairy industry seeks new position at WTO\*, \*Poultry import ban to stay until December 2004, as bird flu fears linger\*, \*Food & Beverage growth pegged at 10 percent\*, \*Bt cotton may be introduced in Punjab next year\*, \*Rasi seeds forays into Bt contract farming\*.

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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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### **DAIRY INDUSTRY SEEKS NEW POSITION AT WTO**

The 33rd Dairy Industry Conference recently held in Delhi recommended that India renegotiate its WTO bound tariff on skimmed milk powder and butter oil to check unnecessary imports. It suggested that efforts should be directed toward raising the bound tariff to 100 percent for both the products from the existing bound rate of 60 percent for skimmed milk powder and 40 percent for butter oil. The conference also recommended that the government take advantage of special safeguard measures to stop imports. (Source: Business Standard, 09/29/04)

### **POULTRY IMPORT BAN TO STAY UNTIL DECEMBER 2004, AS BIRD FLU FEARS LINGER**

Quoting industry officials, this article claims that poultry products import ban would be extended by the Indian government until the end of December 2004, following reports of more incidents of Highly Pathogenic Avian Influenza (HPAI) in South East Asian countries. In August, however, the ban was lifted for a few poultry and pork products for those countries that have reported free from HPAI. (Source: Financial Express, 9/27/04)

*Post Comment:* Following widespread incidents of HPAI across South East Asian countries, the Government of India banned imports of all poultry and pork products from all origins for a period of six months ending August 2, 2004 (see IN4010). With pressure from the domestic lobby and exporting countries, the GOI exempted certain products from HPAI-free countries from the ban, while continuing the ban on other products for a period of six months (i.e. February 5, 2005) or until such time it is withdrawn (see IN4086). Industry sources predict that the ban will not be withdrawn until December 2004.

### **FOOD & BEVERAGE GROWTH PEGGED AT 10 PERCENT**

A study by the Federation of Indian Chambers of Commerce and Industry (FICCI) estimates growth in the food and beverage sector in FY 2004 at ten percent. With the changing consumer lifestyles and rising disposable income of the middle class, branded and convenience foods are gaining popularity, with the market for these products growing annually at 10-15 percent. Semi-processed and ready-to-eat foods are growing by 20 percent. However, the study pertains mostly to urban areas, and not much of the rural areas, the latter of which account for over 70 percent of the country's population. (Source: Financial Express, 9/27/04)

### **BT COTTON MAY BE INTRODUCED IN PUNJAB NEXT YEAR**

The central government may soon give its approval for cultivation of Bt cotton in North India (Punjab, Haryana and Rajasthan). An official from the Punjab Agriculture University (PAU) stated that results of various field trials of Bt cotton in the state were encouraging and environmentally friendly. PAU has recommended approval to the central government. (Source: Tribune, 9/29/04)

**RASI SEEDS FORAYS INTO BT CONTRACT FARMING**

Rasi Seeds Private Limited, a leading provider of hybrid and Bt cottonseeds in Southern India, has initiated contract farming in the state of Tamil Nadu with its first approved Bt cottonseed variety RCH 2Bt. Two commercial banks, two yarn manufacturers, the State Agriculture Department, and other service providers also plan to participate in this venture. The company is planning to increase the area under contract farming from the current level of 2,400 hectares to 4,000 hectares during the next season. (Source: Business Line, 9/29/04)

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