

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

Use grain stocks to rein in prices, *Seed Bill is put on hold*, *IFFCO to form dairy UJV with foreign Co.*, *Cause here is so large that its worth leaving comfort zone: Sangeeta Talwar, new MD and CEO, NDDB Dairy Services*, *Europe tightens norm for seafood imports: forces exporters to look East*, *KRAFT seeks manufacturing allies*.

General Information:

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 and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

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USE GRAIN STOCKS TO REIN IN PRICES

The Prime Minister's economic advisory council has underlined the need to have an effective policy for supply and prices of wheat and rice as well as other agricultural commodities like cotton. The council recommended leveraging the current 'more than comfortable' government food stocks through gradual and sustained release in the open market, both for bulk and retail consumers, through 2010/11 to keep the prices in check. The release should necessarily be at lower than market prices to improve the offtake under the open market sale scheme (OMSS) by bulk users and state governments for sales through the public distribution system (PDS). The council also suggested developing additional distribution channels at state levels besides the PDS. (Source: [ECONOMIC TIMES](#), 07/24/2010)

SEED BILL IS PUT ON HOLD

The Ministry of Agriculture has decided to hold the proposed Seed Bill following strong objections from various Members of Parliament (MP) mainly on pricing and penalty clauses. The Ministry planned to introduce the bill in the ongoing monsoon session of Parliament, and convened a meeting of 40 MPs on July 28 to seek their opinion on the bill. After the meeting Agriculture Minister Pawar said that two main issues need to be discussed further. Earlier the Andhra Pradesh state government also suggested various amendments to the bill including regulation of prices, technology fees, etc. (Source: [ASIANAGE](#), 07/29/2010)

IFFCO TO FORM DAIRY UJV WITH FOREIGN CO

The Indian Framers Fertilizer Co-operative (IFFCO) is negotiating with global players to set up an

integrated dairy project in the forthcoming SEZ at Nellore in the state of Andhra Pradesh. It will require an investment of more than USD 200 million. According to IFFCO the project will begin with 6,000 hybrid cattle stocks and a processing capacity of one million liters of milk a day. IFFCO will sell its dairy products under its brand name and is targeting both national and foreign markets. The news has come out after the country's nodal agency for dairy production, National Dairy Development Board (NDDB) has chalked out a 15 year National Dairy Plan (NDP) worth USD 36 billion last week, for bovine productivity and milk production. (Source: [THE ECONOMIC TIMES](#), 07/27/2010)

**CAUSE HERE IS SO LARGE THAT ITS WORTH LEAVING COMFORT ZONE:
SANGEETA TALWAR, NEW MD AND CEO, NDDB DAIRY SERVICES**

Tagged as one of the most successful women executives in India, Sangeeta Talwar is all set to join as MD and CEO of NDDB dairy services, a subsidiary of the National Dairy Development Board, on September 1, 2010. Doubling the milk production in India by 2021 through enhanced bovine productivity stands as one of her focus areas. She also has eyes on strengthening the infrastructure for procurement, processing and marketing of milk in India. She supports the availability of milk not only to the urban but rural children too, and finds it a big challenge to ensure milk availability to each and every child in the nation. In a candid interview with Economic Times correspondent Sutanuka Ghosal, Ms. Talwar reveals the real challenges of the dairy sector in India and her strategy in the coming days to meet those challenges. (Source: [THE ECONOMIC TIMES](#), 07/28/2010)

EUROPE TIGHTENS NORM FOR SEAFOOD IMPORTS: FORCES EXPORTERS TO LOOK EAST

With seafood exports to India's biggest export destination, the EU, facing turbulent days ahead, the trade is beginning to look to the east for succor and safety. According to Mr Anwar Hashim, President of the Seafood Exporters Association of India, "Exports to the EU are beginning to get tougher and costlier as new conditions such as inspection of 20 per cent of aquaculture export consignments have become mandatory. This additional inspection will entail a delay of 10 days that will affect both the importers and exporters as well." The EU was the biggest export destination for Indian marine products and accounted for around 30 per cent of the total value of exports last year. The year also saw the east over taking the west with China, South East Asia and Japan accounting significant percentages of the value of exports. According to the exporters Indian seafood exports to new destinations such as Russia and Vietnam have great potential. With active promotion of both the governments, Indian seafood exports to Russia and Vietnam are becoming more favorable.

(Source: [THE HINDU BUSINESS LINE](#), 07/28/2010)

KRAFT SEEKS MANUFACTURING ALLIES

Kraft foods, the world's second largest foods company, is in talks with at least three biscuit makers including Cremica group, Surya Food & Agro for manufacturing alliance in India as makers of Oreo biscuits looks to tap the country's USD 1.4 billion organized biscuit market. The three officials close to Kraft said the company is unlikely to set up a local manufacturing base for biscuits at least in the short to mid-term. But it wants to establish a foothold in key emerging markets in India by leveraging Cadbury's well-entrenched distribution network. The Cadbury acquisition will help Kraft make inroads into India's organized biscuits market dominated by Vijay and Sharad Chauhan-controlled Parle Products and Nusli Wadia's Britannia Industries. Kraft, which has not met with much success in India in the past as an independent entity, has till now had a small presence here through four brands- Tang flavored powder drink, Oreo biscuits, Ritz crackers and Toblerone chocolates. But these are being distributed through two separate companies- universal Corporation and Barkat Foods & Tobacco. (Source: [ECONOMIC TIMES](#), 07/26/2010)

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REPORT #	SUBJECT	DATE SUBMITTED
IN1065	Weekly Hot Bites, #29	07/23/2010

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