

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

Wheat exports may be allowed soon, *Field Fresh Foods plans foray in new markets*, *Food inflation returns to single digit*, *Population growth of India falls 4 percent in a decade*, *Domestic retailers may get incentives for tieups with farmers' firms*, *Central Government wants to consult states on inviting FDI in multi-brand retail*, *Food Safety and Standards Authority of India (FSSAI) reconstitutes scientific panel*.

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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WHEAT EXPORTS MAY BE ALLOWED SOON

The government is considering allowing wheat exports as the country gets ready to harvest a record wheat crop this year. The government has imposed an export ban on wheat since 2007.

Minister of State for Agriculture said that the decision to export may be considered by April/May only after ensuring that the domestic requirement is fully met. The wheat harvest has begun in some states and the Food Corporation of India (FCI), the nodal agency for procurement and distribution of food grains, has started buying wheat from farmers at the minimum support price announced at the beginning of the season. The FCI has set a higher procurement target of 26.2 million ton for the 2011/12 marketing year compared to 22.51 million ton done in 2010/11.

(Source: [Financial Express](#), 03/30/2011)

FIELD FRESH FOODS PLANS FORAY IN NEW MARKETS

Field Fresh Foods, who has a manufacturing unit that produces processed food and beverages under the Del Monte label, is planning to enter newer regional markets and smaller towns. The Business Head of the company announced that the company spread the Del Monte product range across the northern and southern region, and parts of western region through key metros and cities in 2009/10. Now they have shifted their focus to eastern region starting from Kolkata. Del Monte plans to expand its B2B presence through national and regional hotel, restaurants and catering sectors and food service businesses. (Source: [Financial Express](#), 03/29/2011)

FOOD INFLATION RETURNS TO SINGLE DIGIT

According to data released by the Ministry of Commerce, food inflation declined to 9.5 percent during the week ending March 19. Inflation in the edible segment, measured on the basis of wholesale prices, had soared to 10.5 percent in mid-March after remaining in single digits for two weeks in a row. For the week ending March 19, prices of pulses declined by 4.40 percent, vegetables became costlier by 5.52 percent, prices of fruits soared by 24.67 percent while eggs, meat and fish became dearer by 15.34 percent. Economists said a higher WPI rate in the same period last year has helped food inflation to come back to single digits this week. (Source: [Financial Express](#), 04/01/2011)

POPULATION GROWTH OF INDIA FALLS 4 PERCENT IN A DECADE

According to provisional Census 2011 data released on March 31, India's population stands at 1.21 billion after witnessing an increase of over 181 million in the past 10 years. The country's population comprises 623.7 million males and 586.5 million females. The report, released by

India's register-general and census commissioner, states that the population of India is almost equal to that of the combined populations of the United States, Indonesia, Brazil, Pakistan, Bangladesh and Japan. The good news is that the country's population growth rate has actually declined. The growth rate in 2011 is 17.64 percent which is roughly a 4 percent fall from the 21.15 percent growth rate reflected in the 2001 census. The government's attempts at improving literacy levels in the country through the introduction of revolutionary laws and programs like the Right to Education Act and Sarva Shiksha Abhiyaan appear to be bearing fruit. The literacy figures also showed an upward trend, with literates constituting 74 percent of the total population aged 7 and above. The literacy rate has gone up from 64.83 percent in 2001 to 74.04 percent in 2011. (Source: [Asian Age](#), 04/01/2011)

DOMESTIC RETAILERS MAY GET INCENTIVES FOR TIEUPS WITH FARMERS' FIRMS

The government of India is developing incentives for domestic organized retailers if they tie up with farmer co-operatives or agricultural firms to improve back end operations, such as cold chains. This move will benefit big Indian retailers in reducing wastage and checking food price volatility. A senior farm ministry official hopes that this will create a climate for bigger investment in infrastructure, and will help in building consensus on opening up multi brand retail to foreign investment. (Source: [Economic Times](#), 03/26/2011)

CENTRAL GOVERNMENT WANTS TO CONSULT STATES ON INVITING FDI IN MULTI-BRAND RETAIL

The central government has assured Parliament that a decision on allowing FDI in multi brand retail would be taken only after building a larger consensus and consulting the states. The existing government policy allows for 51 percent FDI in only single brand retail trade, subject to specified conditions. No FDI is permitted in multi-brand retail. Indian Finance Minister believes that roping in State governments for a larger consensus on allowing FDI in multi brand retail is significant. Several trade bodies and investors have already made representations and suggestions to the central government for allowing FDI in multi brand retail. (Source: [The Hindu Business Line](#) & [The Hindu](#), 03/26/2011)

FOOD SAFETY AND STANDARDS AUTHORITY OF INDIA (FSSAI) RECONSTITUTES SCIENTIFIC PANEL

The Food Safety and Standards Authority of India (FSSAI) has reconstituted scientific panels with only independent scientific experts on them. The move was taken following a recent directive from the Supreme Court. The panels earlier comprised representatives from large food and consumer goods majors. The composition of these panels was challenged in the Supreme Court of India by the Centre for Public Interest. The petition filed stated that the appointment was not in consonance with section 13 (1) of the Food Safety and Standards Act, and having industry representatives on panel may bring in a conflict of interest. The reconstituted panels have only independent experts and not representatives of the industry as per the Apex court's order. (Source: [The Hindu Business Line](#), 03/26/2011)

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