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**SERVICE ECONOMIQUE REGIONAL**

Press Review

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## Indian Agriculture and Food Industry

### [India clocks record foodgrain production in 2018-19](#)

*As per the final estimate for 2018-19 released by agriculture ministry, the country achieved record production of rice and wheat at 116.48 million tonnes and 103.60 million tonnes respectively. The production of coarse grains and pulses, however, are slightly down from 2017-18 at 43.06 million tonnes and 22.04 million tonnes.*

Economic Times, February 12, 2020

NEW DELHI: The country registered **record food grain production in 2018-19 clocking 285.17 million tonnes**, which is slightly higher than foodgrain output of 285.01 million tonnes in 2017-18. As per the final estimate for 2018-19 released by agriculture ministry, the **country achieved record production of rice and wheat at 116.48 million tonnes and 103.60 million tonnes respectively**. The production of **coarse grains and pulses, however, are slightly down** from 2017-18 at 43.06 million tonnes and 22.04 million tonnes.

The production figures in the fifth and final estimate has been upwardly revised from fourth advance estimate. In the fourth advance estimate, the foodgrain production was estimated 284.95 million tonnes. Similarly, the production of rice and wheat has also been upwardly revised to set new records. However, the production estimates of pulses have come down from 23.40 million tonnes in fourth advance estimates to 22.04 million tonnes in the final estimate.

Agriculture minister Narendra Singh Tomar said that the **target of pulses production for 2019-20 is 26.30 million tonnes**.

“We are on track to become self-sufficient in production of the protein-rich commodity and will further boost the output to meet global demand,” he said.

According to the final estimates, the production of sugarcane is estimated at 405.38 million tonnes – 6.7% more than 2017-18. It is also around 5 lakh tonnes more than the fourth advance estimate released six months back. The output of oilseeds has also gone up from 31.46 million tonnes in 2017-18 to 31.52 million tonnes in 2018-19.

#### Final Production Estimate of 2018-19:

Crops	2018-19	2017-18	Difference
Rice	116.48	112.76	3.72
Wheat	103.6	99.87	3.73
Coarse Grains	43.06	46.97	-3.91
Pulses	22.04	25.42	-3.38
Total Foodgrain	285.17	285.01	0.16
Oilseeds	31.52	31.46	0.06
Sugarcane	405.38	379.9	25.48

*in million tonnes*

### [Marine food production increases to 6.6 per cent reaches 134 lakh tons](#)

Agro and Food Processing, February 15, 2020

Marine and fish production in the country has increased by **6.6 per cent, thus taking the figure to 134.22 lakh tons (lt) in 2018-19**, comparing 125.9 lt in 2017-18, as per the provisional estimates released by Minister for Fisheries, Animal Husbandry and Dairying Giriraj Singh in Lok Sabha recently.

The state of **Andhra Pradesh maintained its top position as the fish producing State**, with a collective produce of marine and inland fish cultivation of 39.92. And it increased its production by 15.7 per cent over the previous year's 34.50 lt, while **West Bengal, ranked second with increased the production marginally to 17.70 lt.**

Suggestively, Odisha beat Gujarat to come up as third biggest fish producing state with 7.33 lt. At 7.30 lt, fish production in Tamil Nadu too exceeded Gujarat which slid 13 per cent to 7.25 lt over 2017-18.

Quoting a Food and Agriculture Organization report, The State of World Fisheries and Aquaculture 2018, Singh said that **per capita consumption of fish in India is approx 5 to 10 kg annually.**

### [Organic Food Segment grows at a CAGR of 10% during 2016-20](#)

*India's Organic Food Business expected to reach Rs.75,000 Crores by 2025 3 day Food Festival Aims to strengthen Organic Market and Encourage Women Entrepreneurs: Harsimrat Kaur Badal National Organic Festival to be organised in New Delhi*

Agro and Food Processing, February 15, 2020

With an aim to empower women and promote organic produce, Ministry of Food Processing Industries (MoFPI) is organizing a National Organic Festival with a special focus on women entrepreneurs, said Harsimrat Kaur Badal, Union Minister for Food Processing Industries(FPI). Announcing the 3-day long Food festival, during a press meet in New Delhi on 13th February 2020, FPI Minister shared that more than 150 women Entrepreneurs and Self Help groups (SHG's) from all over the country will be exhibiting their organic products in various segments such as fruit & vegetables, ready to eat Products, Spices and condiments, Honey, cereals, dry fruits etc.. Pushpa Subrahmanyam, Secretary in the Ministry was also present.

In order to boost the organic products and promote women entrepreneurship in the area of production and processing of organic products, the MoFPI and Ministry of Women and Child Development (Mo WCD) have joined hands for organising a three-day festival from February 21-23, 2020 at Jawaharlal Nehru Stadium, New Delhi.

The festival cum exhibition that is being held under the theme "Unleashing India's Organic Market Potential" will be inaugurated by Harsimrat Kaur Badal, Minister of Food Processing Industries. Women entrepreneurs and SHGs from all over the country will be exhibiting their organic products in various segments such as fruit & vegetable, ready-to-eat products, spices and condiments, honey, cereals, dry fruits, beverages, medicinal plants, oil and value-added products like jam, jelly, murabba, chutney etc. Entrepreneurs and SHGs from 24 states are participating in the festival.

Apart from showcasing the organic products, the event will focus on facilitating business linkages and empowering women entrepreneurs through pre-arranged B2B and B2G meetings. Other softer elements of the exhibition will include, organic food quiz, live culinary sessions, Chef speaks, cultural events, nukkadnatak etc.

Harsimrat Kaur Badal shared that the Ministry of Food Processing Industries (MoFPI) and Ministry of Women and Child Development (MoWCD) have recently signed an MoU to help women entrepreneurs get connected with Government financial schemes like MUDRA (Micro Units Development and Refinance Agency), Startup India and also meet the compliance needed for being competitive in the global market.

Skill development capacity building training programs for women entrepreneurs and SHGs will be organized to facilitate post-harvest management, value addition and new innovations towards enhancing production efficiency as well to impart comprehensive knowledge about various aspects of the supply chain of organic products. Training on packaging, marketing and innovations on renewable energy will also be imparted to help the producers cater to a broader consumer base. Training on organic certification and FSSAI regulations will be organized as well to familiarize producers with the regulatory processes.

Awareness sessions for consumers on benefits of incorporating organic in daily diet will be held. Also, success stories of entrepreneurs will be highlighted in an exclusive segment. For facilitating business linkages and

empowering women entrepreneurs through financial inclusion pre-arranged B2B and B2G meeting will be organized during the exhibition, said the Union Minister.

Talking about the benefits of the Organic food, Harsimrat Kaur Badal said: “How your food is grown or raised can have a major impact on your mental and emotional health as well as the environment. Organic foods often have much more beneficial nutrients, such as antioxidants, than their conventionally-grown counterparts”

India’s Organic Market Potential

With **9th largest World’s Organic Agricultural land and largest number of producers India is fast growing in the organic food segment.** India produced around **1.70 million MT (2017-18) of certified organic products** which includes all varieties of food products **namely Oil Seeds, Sugar cane, Cereals & Millets, Cotton, Pulses, Medicinal Plants, Tea, Fruits, Spices, Dry Fruits, Vegetables, Coffee etc.**

On the demand side, increasing disposable incomes, increasing awareness around health and wellness and increasing acceptability are driving the growth in the organic food segment which is expected to **grow at a CAGR of 10% during the period 2016-21.**

At the same time the demand for Indian organic food products is on constant increase worldwide with **India exporting organic products worth \$ 515 million in 2017-18 with organic products being exported to USA, European Union, Canada, Switzerland, Australia, Israel, South Korea, Vietnam, New Zealand, Japan etc.** The major demands under the organic product category are for oil seeds, cereals & millets, sugar, fruit juice concentrates, tea, spices, pulses, dry fruits, medicinal plant products etc.

As per the Indian Organic Sector – Vision 2025 report, India’s organic business has immense potential to reach the INR 75,000 crore mark by 2025 from INR 2,700 crore (in 2015).

## Government Policies and Initiatives

### [Budget 2020: Custom of duty hikes makes a grand return](#)

*Food to furniture to EVs, imports set to cost more as Gol bets on Make in India push.*

Economic Times, February 1, 2020

NEW DELHI | KOLKATA | MUMBAI: **Consumers can expect to pay more for imported food and grocery items, shoes, ceiling fans, wooden furniture, kitchenware, appliances, hairdryers, shelled walnuts** and other items with the budget raising basic customs duty to as much as 100% on some of them to encourage local producers.

Electric vehicles are also set to get pricier with customs duty on imports of fully built and semi and completely knocked down vehicles raised by 5-15 percentage points. Duty has been imposed on items such as sacramental wine and angostura bitters. At the other end of the spectrum, feature phone prices could increase with basic customs duty doubled to 20% from 10% on printed circuit board assemblies (PCBAs) used in making the devices.

“IKEA is disappointed with the customs duty hike... which impacts furniture and many other home furnishing categories,” said Peter Betzel, CEO of IKEA India.

**Duties have been raised on butter, cheese, shoes, ceiling fans, food grinders, iron, room heaters, tea and coffee makers, kitchenware and hairdryers to 20% from 10%. In the case of margarine, peanut butter, chewing gum and infant food, duty has been hiked by 30% and more. The duty on shelled walnuts, durum wheat seeds and margarine has been raised to 100%.**

“There is no scope to absorb the duty hike and nor does sales volume justify local production,” said the chief executive of a leading small appliances maker. “Prices will go up and the discount offered to consumers will

come down.”

Puma India managing director Abhishek Ganguly said about 70% of the footwear sold by the company is imported. “We don’t have the kind of technologies, expertise and skillset required to manufacture high-end shoes in India. Until then, it’s a double whammy,” he said. “Ultimately, it will impact the consumers as prices will go up by at least 10%.”

The import substitution push is in service of the government’s ‘Make in India’ initiative.

‘Will Prevent Dumping by Chinese companies’

Bajaj Electricals chairman Shekhar Bajaj said the move will prevent the dumping of goods by China because of US sanctions. “Chinese companies have surplus capacities and this duty will prevent any indiscriminate imports,” he said.

The government has also increased import duties on components for home appliances which may lead to a marginal hike in the price of refrigerators, washing machines and air-conditioners by a few hundred rupees. The duty on refrigerator and AC compressors has been increased to 12.5% from 10%, and that on small motors to 10% from 7.5%...

### [Focus on farm mechanization need of the hour for increasing productivity](#)

Agro and Food Processing, February 1, 2020

Farm mechanization in India is quite low at 40-45 per cent compared to other countries such as USA (95 per cent), Brazil (75 per cent) and China (57 per cent)

As the land and water resources are shrinking as well as the labour force going down, the load goes on mechanization of production and post-harvesting operations. There is a linear relationship between availability of farm power and farm yield and Government has decided to **enhance farm power availability from 2.02 kW per ha (2016-17) to 4.0 kW per ha by the end of 2030 to cope up with increasing demand for food grains.**

Understanding how important is growth of farm mechanization sector in the country, a sub mission on Agricultural Mechanization was launched in 2014- 15. Under the scheme, **assistance is provided to State governments to impart training and demonstration of agricultural machinery, provides assistance to farmers for procurement of various agricultural machineries and equipment and for setting up of Custom Hiring Center.**

Under the scheme, **total funds allocated during 2014-15 to 2018- 19 was Rs 3377.07 crore and during 2018-19 it was Rs 1027.46 crore.** In the last four years, Government has given massive thrust to promoting latest agricultural machineries, like laser leveler, happy seeder technology, combine harvesters and small equipment like power weeders.

The rise of mechanization in farm sector is evident from steady growth in the sale of tractors.

Indian tractor industry is the largest in the world, accounting for one-third of the total global production. During the past four decades, the tractor industry grew at a compounded annual growth rate (CAGR) of 10 per cent. Farm mechanization market in India has been growing at a CAGR of 7.53 per cent during 2016-2018 due to thrust given by various government policies.

### [Govt aims to raise fishery exports to ₹1 lakh crore by 2024-25: FM](#)

Business Line, February 1, 2020

The government aims to raise India's fishery exports to ₹1 lakh crore by 2024-25, Finance Minister Nirmala Sitharaman said on Saturday.

By 2022-23, the government also proposes to raise fish production to 200 lakh tonnes, Sitharaman said while presenting the Union Budget for 2020-21 in the Parliament.

“Growing of algae, sea-weed and cage culture will also be promoted. Our government will involve youth in fishery extension through 3,477 Sagar Mitras and 500 Fish Farmer Producer Organisations. We hope to raise fishery exports to ₹1 lakh crore by 2024-25,” she said.

## [A boost shot for the Blue Economy](#)

Business Line, February 1, 2020

Amid slowing growth in the marine fisheries sector, the Budget initiatives are expected to boost fish production and reinvigorate the country's fisheries economy.

The sector is presently faced with problems of excess fishing capacity, low catch per unit effort, wide income disparities among the sectors of the fishing community and resultant socio economic conflict. The stagnant sea production warrants the need for expanding the aquaculture sector to meet the requirements of the growing population, A Ramachandran, Vice Chancellor, Kerala University of Fisheries and Ocean Studies (Kufos) told BusinessLine.

With over exploitation of resources and excess fishing pressure in the coastal waters, he said, the target of increasing fish production from the present 140 lakh tonnes to 200 lakh tonnes by 2022 is possible only with concerted efforts in the aquaculture sector.

Both State governments and the private sector have a role to play in grabbing the opportunity for aquaculture expansion by identifying the appropriate species for different regions. Production can be increased by both area expansion and productive use of the current 172,000 hectares of ponds.

India stands second in fish production in the world, with a total production of 13.7 mt in 2018-19, of which 65 per cent was from the inland sector, said Ramachandran.

The Budget allocation will also help overcome the weakness in the supply chain. The main constraint in fish utilisation in India is the lack of proper cold chain transport network connecting the landing centres to the processing, marketing and consumption centres, he added.

P Shinoj, senior scientist at the Central Marine Fisheries Research Institute, said cage farming, seaweed mariculture and other associated segments can be looked at to bring a quantum jump in production.

On the setting up of 500 fish farmers producer organisations, he said the FPO's in the agricultural sector has been set up with a view to instill professionalism in primary production. “While extending the model to fisheries sector, it is important to address several vulnerabilities that the existing FPO's are grappling with, particularly in terms of leadership, managerial competency, technological and financial support,” he added.

Even though the country has strong R&D network focussed on fisheries and aquaculture, there is a huge vacuum in the realm of taking promising technologies from 'lab to land', developing skills and business incubation. The Sagar Mitra initiative is expected to bridge this gap, Shinoj said.

According to Charles George, State president of the Kerala Matsya Thozhilali Aikya Vedi (TUCI), the involvement of coastal communities is vital for achieving the goals of Blue Economy and the government should address the concern of over 90 lakh fish-workers before moving ahead. “Today, more focus has been given to culture fishery than capture fishery. Equal importance should be given to inland as well as coastal fishing by extending adequate financial support, procurement facilities and attractive price for the produce,” he said, adding that instead of looking at products alone, fish producers should also be taken care of.

## [Budget 2020: PM KUSUM to be expanded to 20 lakh farmers, Finance Minister](#)

*New scheme for supporting farmers for setting up solar projects on barren land also announced*

Business Line, February 1, 2020

The Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyan (PM KUSUM) Scheme will be expanded to cover 20 lakh farmers.

“The Government has provided financial sovereignty to farmers through the KUSUM scheme...The scheme will be expanded to include **20 lakh farmers. Farmers will be supported for setting up stand-alone solar pumps,**” Finance Minister, Nirmala Sitharaman said during the Union Budget speech 2020-2021.

“We shall also **help another 15 lakh farmers solarise their grid connected pump sets.** In addition, a **scheme to enable farmers to set up solar power generation capacity on their barren land and to sell it to the grid will be operationalised,**” Sitharaman said.

“This is a major step forward in which **farmers with barren land will be helped to set up solar power projects on their land, sell the power to the grid and make a living,**” she added.

In February 2019, the Union Cabinet had approved the KUSUM scheme. An official statement said that there will be three components of the proposed scheme. **The first component proposes 10,000 MW of de-centralised ground- mounted grid-connected renewable power plants. The second envisages installation of 17.50 lakh standalone solar powered agricultural pumps and the third is for solarisation of 10 lakh grid-connected solar-powered agricultural pumps.**

Under the original scheme, on a per pump basis, the **Centre will subsidise 30 per cent of the cost, the State will do the same, and 30 per cent of the amount will be offered as a loan. The farmer has to give an upfront cost of 10 per cent and then pay the instalments to the bank.**

KUSUM was envisaged to replace nearly 2 crore electric and 75 lakh diesel pumps over 10 years.

Under the scheme approved by the Cabinet, the Centre will provide ₹10,000 crore for four years. The Indian Renewable Energy Development Agency (IREDA) will borrow ₹6,000 crore for the first phase (lasting for a year) to fund the Centre’s contribution. IREDA will next borrow ₹15,000 crore for the second phase that will last for a year.

The Government had proposed this scheme in the Union Budget 2018-2019 and eyed to solarise every agricultural pump and connect all the grid connected pumps with solar power.

A Central Financial Assistance (CFA) then envisaged for the scheme was ₹ 48,000 crore for 10 years. A similar amount was to be parked by the states and the financing institutions.

In January 2020, the Ministry of New and Renewable Energy has allowed more flexibility to power distribution companies (Discoms) for utilising the Centre’s financial support under the KUSUM Scheme.

## [Budget 2020: Aviation Ministry to launch Krishi Udan scheme, says Finance Ministry](#)

Business Line, February 1, 2020

Finance Minister Nirmala Sitharaman on Saturday said the **Aviation Ministry will launch the Krishi Udan scheme to assist farmers in transporting agricultural products so that it improves their “value realisation”.**

“Krishi Udan will be launched by the Ministry of Civil Aviation **on international and national routes.** This will immensely help **improve value realisation** (on agricultural products), **especially in the north-east and tribal districts,**” said Sitharaman during her budget speech.

The Modi government had launched Udan Scheme in 2016 to improve regional connectivity.

Under the scheme, financial incentives in terms of concessions from the Centre, state governments and airport operators are extended to selected airlines to encourage operations from unserved and underserved airports, and keep airfares affordable.

As at least half of the seats in Udan flights are offered at subsidised fares, and the participating carriers are provided a certain amount of viability gap funding (VGF) -- an amount shared between the Centre and the state concerned.

In Udan 4.0, the VGF has been enhanced for aircraft having more than 20 seats and that would operate in priority areas -- Ladakh, Jammu and Kashmir, Himachal Pradesh, Uttarakhand, and northeastern states, Andaman and Nicobar Islands and Lakshadweep.

### [Govt to double the India's milk processing capacity; allocates Rs 2.83 lakh crore](#)

Agro and Food Processing, February 3, 2020

Budget 2020 has given an impetus to India's dairy industry. According to the Finance Minister Nirmala Sitharaman the government aims to **take India's milk processing capacity to double the current levels**. While the country processes 53.5 million metric tonnes currently, the same will be scaled up to 108 million metric tons by 2025. With this, India's per capita milk availability will also increase by about 394 grams per day.

India has already multiplied its milk production by more than 10 times since 1950, following the White Revolution brought in by Dr. Verghese Kurien.

India's dairy production and consumption is on the rise the per capita consumption of milk has **increased from 4.3 litre per month in urban areas in 1988 to 5.4 litres in 2012**, according to government data. In rural areas as well, **consumption has jumped from 3.2 litres per month to 4.3 litres per month**. Previously, NITI Aayog had projected that the **country's milk production will touch 330 million tons by 2033**.

To enhance the condition of cattle and livestock, the government plans to remove diseases associated with them.

The FM **declared that the government intends to eliminate Foot and Mouth Disease (FMD) and Brucellosis in cattle and also PPR in sheep and goat by 2025**.

The government has allocated **Rs 2.83 lakh crore for agriculture, irrigation and allied sectors for FY21**. The government also reiterated its goal of doubling the farmers' income by 2022 and has announced a 16 points action plan for alleviating the agriculture sector.

### [TN wants restriction on import of peas via Thoothukudi eased](#)

*CM writes to Goyal; says curb hurting dhal traders, flour mills*

Business Line, February 6, 2020

Tamil Nadu Chief Minister Edappadi K. Palaniswami has urged Union Commerce and Industry Minister Piyush Goyal **to relax import restriction on peas through the Thoothukudi port for the welfare of dhal and flour-milling trade in Tamil Nadu and the neighbouring States**.

The request comes following a public notification issued by the **Director General of Foreign Trade on December 18, 2019, restricting the import of peas to 1.5 lakh tonnes for the entire country**. The restriction has led to drastic increase in the price peas to over ₹65 per kg in Tamil Nadu. It has also affected dhal and flour mills operating as MSME units in Tamil Nadu, hurting labourers and others who are dependent on the trade, says a letter written by Palaniswami to Goyal. Peas, mainly used for the preparation of traditional and region-



specific snacks, are cultivated in an area of 5.40 lakh hectares across India with an annual estimated production of 54.22 lakh tonnes. Peas cultivation is taken up in cooler regions, and hence, Tamil Nadu's share is only marginal; green peas, in particular, is cultivated on 120 hectares with production of about 1,960 tonnes.

Since there is a heavy demand for peas, which is used for preparing the traditional snacks, in Tamil Nadu, Puducherry and Kerala, **more than 1,000 micro, small and medium dhal and flour mills are functioning in Tamil Nadu for processing the peas**, providing direct employment to around 50,000 labourers and indirectly to over 65,000 persons. **The average requirement of peas in Tamil Nadu would be around two lakh tonnes**, of which a maximum of 10,000 tonnes alone are being transported from the northern states.

Supply from North

Due to heavy demand for peas in other States, **the cost of peas transported from the northern states is very high and can range up to ₹60 per kg**. Hence, **dhal traders and flour mills functioning in Tamil Nadu import peas from countries such as Australia, Canada and Russia** through the Thoothukudi port at cheaper rates.

"I request that the Union Government may kindly permit the import of peas with HSN Codes 07131010 (yellow peas), 07131020 (green peas) and 07131090 (Other) through the Thoothukudi port for the welfare of the dhal and flour milling trade in Tamil Nadu, and neighbouring southern states. This lifting of restriction on import of peas through the Thoothukudi port will hardly affect the domestic market in northern states, which are broadly self-sufficient with in-house production of peas. I strongly recommend this case and request your favourable action," says the letter, which was released to the media by the State government.

### [MPEDA proposes Rs 2500 crore project to modernise fishing harbours](#)

*The Marine Products Export Development Authority (MPEDA) with the assistance of the Centre will take up the upgradation and modernisation 25 fishing harbours in the country at a proposed outlay of Rs 2500 crore.*

Economic Times, February 6, 2020

Kochi: The Marine Products Export Development Authority (**MPEDA**) **with the assistance of the Centre will take up the upgradation and modernisation 25 fishing harbours in the country at a proposed outlay of Rs 2500 crore.**

The project will start with two harbours namely Thoppumpady in Kochi in Kerala and Nizampatnam in Andhra Pradesh, MPEDA chairman K S Srinivas said. Preparation of the detailed project report (DPR) has been entrusted to Ernst and Young.

"After getting approval for the DPR **a special purpose vehicle (SPV) will be formed to implement the project**. We expect around Rs 100 crore for the upgradation of one harbour," he told media persons on Thursday on the eve of three-day 22nd India international seafood show (IISS) beginning here on February 7. The idea is to **set up processing facilities at the harbour itself** to add value to the product.

The chairman stressed the need to increase value addition of marine products which was around 5% in India compared with 50% in South East Asian countries.

Srinivas said the current coronavirus scare virus has not affected the consumption of shrimp in China as the disease is limited to a small province of Wuhan. However, the visit of Indian trade delegation to China to discuss the issue of presence of white spot syndrome virus (WSSV) in some of the Indian seafood consignments has been put off because of the coronavirus outbreak.

**India's seafood export to China reached \$1 billion by November. But it has slowed down after the detection of WSSV residue in nine consignments.** "The virus is present in most countries including China. So as per WTO

guidelines the country already having this virus in cannot put restriction on consignments with same virus from other countries," he said.

The **seafood export in the FY20 has shown a 5% decline till December**. "It has been attributed to shortfall in catches due to cyclone and climate changes. However, **the aquaculture production is expected to be higher this year**," Srinivas said. **Indian seafood export touched \$6.7 billion in 2018-19 and MPEDA has targeted \$10 billion by 2022**.

In all 1500 delegates are expected to attend the international seafood show, including 57 from overseas. The show, jointly organised by MPEDA and SEAI will have the theme 'blue revolution-beyond production to value addition.' It will be inaugurated by Kerala governor Arif Mohammed Khan. Union minister of state for commerce Som Prakash and Kerala fisheries minister J Mercikutty Amma will attend.

### [MPEDA sets up new microbiology lab](#)

*MPEDA sets up new microbiology lab, giving major push to seafood exports in India*

Agro and Food Processing, February 10, 2020

Marine Products Export Development Authority (MPEDA) has inaugurated its **first state-of-the-art microbiology laboratory, thereby giving a major push to seafood exports in India**.

Union Minister of State for the Ministry of Food Processing Industries, at the inauguration stated that the new laboratory at MPEDA headquarters would help the seafood sector overcome the stiff competition in the global export market, particularly on the quality front.

While MPEDA Chairman K.S. Srinivas explained **that the laboratory would be used to test all sorts of seafood at various stages, including during production and prior to export, to avoid the presence of any bacteria**. It will ensure that exporters are not faced with rejection of their products by any country on the grounds of sub-standard quality.

The laboratory was **necessitated by the fact that the US, the European Union and other major seafood importers were tightening their quality norms on a regular basis in the interest of the health of their population**. This has prompted India's seafood exporters to go for enhancement of the quality of their products to survive the competition.

It is very important that all other sectors under the food processing industry, including tea growers in Assam and elsewhere, would go for such a laboratory to promote quality and give a fillip to exports.

The other laboratories are in **Kochi (Kerala), Bhimavaram and Nellore (Andhra Pradesh) and Bhubaneswar (Odisha)**.

### [FSSAI to fix the dispute on labelling regulations for packaged food products](#)

Agro and Food Processing, February 10, 2020

The Food Safety and Standards Authority of India (FSSAI) has begun a nutrient threshold study, as it is in the process of overhauling the labelling regulations for packaged food products and this step is taken to assess the current market scenario.

The **draft regulations propose colour-coded labelling to enable consumers to identify products that are high in fat, salt and sugar (HFSS) products is in controversy** as the industry had called these nutrient thresholds "impractical", and has raised concerns that if implemented in the current form, would require majority of products to display red-colour coding on their labels.

The red-colour coding display on packages mean if levels of saturated fat, salt and sugar are higher than the prescribed threshold levels. The industry associations in their submission said that stringent thresholds will have an adverse impact on product quality and may lead to loss of consumer preference. In addition, industry associations also raised concerns on the specified thresholds of salt, sugar and fat and requested to contextualise thresholds based on Indian scenario.

And the Ministry of Food Processing has also urged the FSSAI to constitute a working group to review the thresholds.

The Scientific Panel concerned deliberated upon the comments and recommended to constitute a Working Group and to initiate a study to obtain market-validated, category-wise baseline data for reviewing the thresholds. Accordingly, as per the Scientific Panel's recommendation, the FSSAI has initiated a nutrient threshold study to assess the current Indian market scenario.

## International Trade and Cooperation

### [Tighter origin norms for FTA benefits, high onus on importer](#)

*The government has inserted a new chapter in the Customs Act on administration of rules of origin under trade agreements giving the government the power to suspend and refuse the preferential tariff treatment in case of incomplete information or verification and noncompliance.*

The Economic Times, February 2, 2020

**New Delhi: Importers claiming preferential rates of duty under any trade agreement will now have to declare that the goods qualify as originating goods and must possess sufficient information about their origin criteria, and regional value content.**

The government has inserted a new chapter in the Customs Act on administration of rules of origin under trade agreements giving the government the **power to suspend and refuse the preferential tariff treatment in case of incomplete information or verification and noncompliance.**

It also states that a submission of a certificate of origin "shall not absolve the importer of the responsibility to exercise reasonable care".

"In the coming months, we shall **review Rules of Origin requirements, particularly for certain sensitive items**, so as to ensure that FTAs are aligned to the conscious direction of our policy," said finance minister Nirmala Sitharaman while announcing the budget.

**In certain cases, the certificate of origin shall be marked inapplicable.**

The move comes in the wake of the government trying to curb imports through tighter origin norms in trade pacts **as the trade deficit was a whopping \$118.1 billion in the April-December period.**

**As per industry, this move is protectionist and gives sweeping power to the customs officials.**

"It might lead to corruption at the field level," said a Delhi-based exporter.

ANTI-DUMPING, SAFEGUARD DUTIES Sitharaman also said that provisions relating to safeguard duties, which are applied when surge in imports causes serious injury to domestic industry, and for checking dumping of goods and imports of subsidised goods are also being strengthened to ensure level-playing field for domestic industry.

A provision has been incorporated in the Countervailing Duty Rules to enable investigation into case of circumvention of countervailing duty for enabling imposition of such duty.

The budget has also said the assessment must take into consideration the conditions of competition between the imported products and the conditions of competition between the imported products and the like domestic products while imposing antidumping duty.

### [India raises import tax on crude palm oil to 44%](#)

*The hike in import duty on palm oil could prompt buyers to increase purchases of rival edible oils such as soyoil and sunflower oil, traders said.*

The Economic Times, February 1, 2020

**MUMBAI: India has raised import tax on crude palm oil to 44% from 37.5%**, a government notification said on Saturday, as the world's biggest palm oil importer tries to boost local oilseed production.

The notification confused traders as on Dec. 31, India cut import tax on crude palm oil imported from Southeast Asian (ASEAN) countries to 37.5% from 40%, said the Solvent Extractors' Association (SEA), a trade body.

**"The budget notification says import duty is 44%. However, if you import under ASEAN agreement, the concessional duty rate of 37.5% would be applicable,"** said Sandeep Bajoria, chief executive of the Sunvin Group, a Mumbai-based vegetable oil importer.

**India primarily imports palm oil from Indonesia and Malaysia, which are members of the ASEAN group,** refiners said.

Last month, India restricted imports of refined palm oil and asked importers to avoid purchases from Malaysia after its criticism of India's actions in Kashmir and a new citizenship law.

India relies on imports for 70 percent of its edible oil consumption, up from 44 percent in 2001/02. Palm oil accounts for nearly two-thirds of India's edible oil imports of around 15 million tonnes, according to data compiled by SEA.

### [Australian malt barley may hit Indian market this year](#)

*Grain Producers Australia (GPA) and Grains Industry Market Access Forum (GIMAF) in Australia are elated with the government removing the phytosanitary requirement of treating the grain with methyle bromide that acted as a roadblock to its sales into the country.*

The Economic Times, February 1, 2020

**Melbourne: Australian malt barley could enter Indian market this year after New Delhi removed a phytosanitary requirement of treating the grain with methyl bromide** that acted as a roadblock to its sales into the country.

India has changed a requirement of treating the grain with methyl bromide which reportedly reduced the grain seed viability making malt barley useless.

The new changes **will mean barley can be fumigated with phosphine** in accordance with Australian standards.

"We have been in talks with one business who has said they have **negotiations in place to sell 60,000 tonnes of malt barley to India**, contingent on the right protocols being in place," Grain Producers Australia (GPA) chairman Andrew Weidemann said.

"The team at the Australian Export Grain Innovation Centre (AEGIC) have also been fantastic in raising the profile of Aussie barley in India and helping us develop an understanding of the Indian malt sector," he was quoted as saying in the media here.

It is fantastic to diversify into new markets, China is always going to be important to us but India presents some "fantastic opportunities," Weidemann said.

He said the **immediate market would be for malt barley, but it could further lead to other products like feed barley.**

"The Indian feed industry is probably still relatively small but with the scope of growth in all sectors there you would expect it to grow," Weidemann said.

Grains Industry Market Access Forum (GIMAF) executive manager Tony Russell said the Indian government's decision was a triumph for a united industry approach.

Russell said there were still **strict phytosanitary requirements that must be adhered to by exporters, particularly on weed seeds.**

"They will be very stringent on weed seeds and have concerns about wild radish and Italian ryegrass. It is something that can be managed through the supply chain, however, it may initially mean that exports come out of regions that do not have big problems with these weeds," Russell said.

"There has been a lot of hard work going into this, from the guys at the Department of Agriculture to our agricultural counsellor in New Delhi Nora Galway who worked tirelessly to get it through," Russell added.

Western Australia and South Australia are the major two export states for barley. However, Western Australia, which has regions with heavy infestations of wild radish may have more trouble initially assuring a radish-free product.

**India has previously bought malt barley from countries like Canada and Argentina.**

Canada does not have the issues with grain storage pests like Australia as the grain is stored in cold conditions which means treatments are not required.

Last October, Department of Agriculture, Cooperation & Farmers Welfare Joint secretary Atish Chandra visited Australia for the India-Australia Plant Health Technical Bilateral Meeting 2019 along with other quarantine and state officials.

According to GIMAF, the visiting officials were shown Australia's pest surveillance and export management systems from farm to port.