



IndiaFood

FOODS, BEVERAGES & INGREDIENTS DIGEST
June / July 2008

Executive Summary

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It was just two months back that we wrote about the projections being made by various economists about magnificent growth of Indian economy. At that time we said, "One only hopes that the forecasts of economists are more accurate than weather reports". Well, to put it bluntly, last two months have proved that economists are no better than weather-men.

Almost all professional forecasters of economy are now revising their estimates. Inflation has touched double digits and is hovering just short of 12 per cent mark. Rising prices have raised a political storm. Elections to some key state assemblies are due in November this year and parliamentary elections are scheduled for April / May 2009. This surely is no time when any democratic government can allow prices to rise.

While inflation has been a cause of worry, the Prime Minister had some other reasons also to lose sleep. Left parties, who were supporting the government from outside, withdrew support on the issue of Indo-USA nuclear deal. The government could survive a trust vote in Parliament with great difficulty only after getting support from some opposition members. No one outside the close circle of Prime Minister knows exactly the price that the ruling coalition has paid or promised for getting support. There are all sorts of accusations, allegations and counter-allegations flying every day in hurriedly convened press conferences. The mud-slinging has not done any good to the Prime Minister, who till the trust vote enjoyed an impeccable image. Moreover, some cracks seem to be already appearing in the coalition that was sewed together after the left's departure. The cracks have led some political observers to predict early polls. From a businessman's point of view all this means just one thing – political instability.

In any part of the world, political instability means bad news for business. India is no different. What distinguishes India from most other developing countries is that the effect of political instability is minimal. Political change is a smooth process in a democracy. India's democratic structure, strong foundations of her institutions and a widespread consensus on broad principles of governance ensure that changes in government do not disturb the environment for business.

It is indeed noticeable that in spite of the political turmoil in Delhi, there has been no drastic downward revision in economic forecasts. The nominal toning down of projections is primarily due to global factors like high crude oil price, recession in USA and slowdown of global economy. The general consensus is that Indian economy will continue to grow at 7-8 per cent per annum. Looking at the global scenario, sustaining a growth rate of even 7 per cent is no small achievement.

One must also mention that Centre for Monitoring Indian Economy (CMIE) is of the opinion that in 2008-09, Indian economy will grow at 9.5 per cent. Their view is based on the high level of investments that are continuously being made in every sector of economy.

We, at IndiaFood, see merit in CMIE's arguments about high investment levels in India.

(Continued on next page)

In fact, on almost every page of IndiaFood you will find news about some corporate house or other investing in either capacity expansion or a green-field plant. Every business house that we have spoken to in the past few weeks has talked of double digit growth.

The irony is that while economists have been tinkering with their figures, newspapers have been full of reports of qualified professionals from developed countries like USA and UK moving to India in search of greener pastures.

Of course, much before qualified professionals discovered India, corporate houses from every part of the world had been moving to India. The latest company to step into India is Tyson Foods Inc, the world's largest processor and marketer of meat products and the second largest food company in the US. Tyson has joined hands with Godrej Group for a poultry processing and marketing joint venture in India.

Poultry industry has been growing at a healthy rate for the past three decades, even though there have been occasional disturbances like avian flu. Yet, most of the poultry birds are sold live and slaughtered in front of customers at retail outlets. Godrej has been making efforts to change this and introduce frozen processed chicken. Godrej's efforts will now receive a fresh boost with financial and technical strengths of Tyson.

Globalization is not a one-way street. So, while Tyson has come from US to India, home-grown Suguna Group is in talks to supply branded eggs to Wal-Mart in USA. Suguna is also pioneering the concept of Suguna Daily Fresh – retail stores selling all types of meat in clean and hygienic environment. Suguna's business-model is drastically different from that of Tyson-Godrej. Suguna stores are exclusive meat outlets selling only Suguna products, while Godrej sells through existing retail outlets dealing in all types of food products. It is difficult to say which of the two strategies is better. Probably, there is scope for both in a large market like India.

A few words about Indian food habits – Indians are often seen as vegetarians. The fact is that more than 80 per cent of Indians eat non-vegetarian food. The difference is in frequency of consumption. Majority of so-called non-vegetarians of India eat meat less than once a week. This low level of consumption is partly due to economic reasons but it is also due to deep-rooted cultural and religious reasons.

Vegetarians are, strictly speaking, a minority in India. But due to the fact that even those who occasionally consume meat are predominantly vegetarians, the influence exerted by vegetarians on Indian economy is huge. India may be the only country where even products such as toothpastes, soaps, ice-creams and cosmetics boast a 100 per cent vegetarian stance. Products with green dots (pure vegetarian) sell more because vegetarians completely boycott a product without a green dot.

That is the complexity that baffles most foreigners. On one hand, poultry industry is booming and on the other hand egg-less cakes and pastries are witnessing a surge in demand.

Confusion and complexity in India does not stop at that. You may buy 'Peter Scot' whisky in India, even though the liquid in the bottle may have never been anywhere near Scotland. Supreme Court of India thinks that people who buy an expensive whisky know what they are buying, so what is there in a name? Sure enough, Scots do not like this.

While we sympathize with the Scots, let us make merry with a glass of Scot whisky (not Scotch), a leg of fried chicken and an egg-less cake. Does that sound strange? Well, that is India!

Anil Chawla

Food Industry Overview

- Indonesia has turned the heat on India in the ASEAN-India free trade agreement (FTA) talks. Not only is it unwilling to provide as much market access to India as has been agreed by other members, but it is also pushing New Delhi to cut import duties on crude and refined palm oil much below the levels negotiated by the two sides. India is unwilling to give Indonesia special favour as it fears other ASEAN members may then ask for the same.
- Buoyancy in agriculture has pushed the economic growth to 9 per cent in 2007-08, up from 8.7 per cent estimated earlier, even as the performance of manufacturing sector has been deteriorated.
- After much bickering with states, the finance ministry reduced the central sales tax (CST) rate on inter-state sales from 3 per cent to 2 per cent with effect from June 1.
- India has been better off in managing food inflation compared to several other developing countries in 2007-08, even as the government faces public and political anguish over sharp rise in prices. Prices of food articles rose by 5.8 per cent in India, the lowest increase among 15 developing countries for the period ending February 2007-08.
- World Bank expects India's economic growth to moderate to 7 per cent in 2008 on account of tightening of monetary policy and the resultant slowdown in demand for industrial goods.
- UBS has cut India's economic growth forecast for the 2008/09 fiscal year that began in April to 7.7 percent from 8.2 percent, citing weakening investment and industrial output.
- Soaring inflation and high interest rates are expected to take a toll on the Indian economy, which is expected to witness a growth rate of 7.5 per cent this financial year against 9 per cent in 2007-08, according to Germany based Dresdner Bank.
- India's days of more than nine per cent economic growth are over and the country has lost the opportunity to sustain those levels as well, believes global financial services major Citigroup.
- India's real GDP is expected to grow at an impressive 9.5 per cent in FY 09, the Centre for Monitoring Indian Economy (CMIE) said in its monthly review in Mumbai.
- Finance Minister P Chidambaram on 22 July termed the current fiscal as a "difficult year" for the economy, yet the growth rate would be around 7-8 per cent.
- The Bombay Stock Exchange benchmark Sensex on 27 June nosedived to its nearly 14-month low by losing over 600 points on aggressive selling, sparked by rising inflation, weak global cues and record crude prices. The 30-share BSE barometer tanked 619.60 points to close at 13,802.22, a level last seen on May 10 last year.
- Inflation raced to a fresh high of 11.89 per cent for the week ended June 28, 2008, on the back of surging food and commodity prices. Experts are of the opinion that double-digit inflation is here to stay for some more time, but could trend down in September.
- According to industry estimates, more than two-thirds of India's population is non-vegetarian. Interestingly, however, the Indian economy is predominantly a vegetarian economy. FMCG products such as toothpastes, soaps, ice-creams and cosmetics boast a 100 per cent vegetarian stance. Egg-less confectionery items, including cakes and patties, are basking in the glory of high demand. Even leading international apparel lines are against using any animal fur or leather.
- Temptation Foods has picked up 3.79 per cent stake or 1 mio shares in Kohinoor Foods Ltd through open market purchases on June 18, a disclosure by Kohinoor Foods said. (More on this in Foodgrains section)

Aquaculture

- After years of sustained effort by the government, industry and Marine Products Export Development Authority (MPEDA), the tuna fishing industry has begun to gather momentum in India. Signaling this coming of age, SSF Ltd, pioneers in export of shrimps, has begun export of frozen tuna loins, belly and off-cut mince from Andhra Pradesh.
- Indian marine exports faced a setback in 2007-08 as total exports declined to around 545,000 tons valued at Rs. 76 bio from an all-time high of 612,641 tons valued at Rs. 83.63 bio in 2006-07. But in dollar terms, earnings have shown a marginal increase at USD 1.9 bio against USD 1.8 bio in the previous year due to a weakening dollar.
- Experts have given four reasons for the decline in exports – introduction of low-cost variety (Vannamei) for shrimp aquaculture by rival exporters such as China, Vietnam, Indonesia and Thailand, a depreciating dollar, shortage of raw material in the domestic market and the imposition of curbs such as anti-dumping duty by the US administration.
- Anti-dumping duty on Indian shrimps has been reduced by the US department of commerce to 1.69 per cent in the final report of the second annual review. After the first annual review conducted for the period of August 2004 to January 2006, anti-dumping duty on Indian shrimps was brought down from 10.54 per cent to 7.22 per cent.
- India will sign an agreement with Morocco for enhancing cooperation in the field of marine fisheries.

Dairy, Meat & Poultry

- Tyson Foods Inc, the world's largest processor and marketer of meat products and the second largest food company in the US, has joined hands with Godrej Group for a poultry processing and marketing joint venture in India. The US giant will hold a 51 per cent stake in the joint venture while the rest will be owned by Godrej Agrovet, whose poultry business—including brands like Real Good Chicken and Yummiez—will be spun off into the new entity.
- Hatsun Agro Products Ltd, a private sector dairy, plans to install retail chains in rural areas through its already existing 5000 collection centres across Tamil Nadu. The objective is not only to expand the customer base of the company but also to optimally utilize the existing infrastructure and manpower by virtue of which Hatsun products would be made available to villagers at competitive prices.
- Delhi residents will have to shell out Rs. 1 more for a litre of full-cream milk supplied by Mother dairy from June 1. Mother Dairy has increased the price of full cream milk by Rs. 24 to Rs. 25 per litre. This marks the sixth such increase undertaken by it since the start of 2006 — the previous hikes happening in October 2007, August 2007, January 2007, September 2006 and February 2006.
- Funds managed and advised by Motilal Oswal Venture Capital Advisors (MOVCAPL) and its associates, have invested Rs. 600 mio in Parag Milk Foods, a rapidly-growing dairy and selling under the brand 'Gowardhan'.
- Milgram, which has made its mark in dairy farm industry in Kerala, is setting up a dairy village development project in Idukki with the aim of increasing the State's present milk production. The Rs. 5-bio high tech dairy project, which will be set up with the help of non resident Keralites, will offer milk production of 50,000 litres per day in phase I.
- Gujarat Co-operative Milk Marketing Federation Ltd (Amul) has registered 22.9 percent growth to reach a record turnover of Rs. 52.55 bio, an increase of nearly Rs.10 bio over the previous year. With this Amul has become India's first bio dollar co-operative unit.

(Dairy, Meat & Poultry continued on next page)

Dairy, Meat & Poultry (Continued)

- Coimbatore-based Suguna group is in talks with the US retail major Wal-Mart to supply branded, value-added eggs. The poultry enterprise has already entered into tie-ups with Indian organized retailers for sale of these eggs in the last one year.
- Hatsun Agro Products Ltd. plans to invest over Rs. 1.20 bio this year to set up two milk processing and packaging centres, each with a capacity of about 200,000 litres a day.
- World Bank's private sector financing arm International Finance Corporation (IFC) will be acquiring 4.65 mio shares of Modern Dairies for Rs. 279 mio.
- Nestle has introduced a new Omega 3 enriched milk product that will help manage cholesterol. Nesvita Pro-Heart milk, with the fatty acid Omega 3, was launched on 3 July. The tetrapacked milk is available at Rs. 40 for a litre pack.
- The surfeit of probiotic products flooding the market will soon need to undergo stringent efficacy checks. Indian Council for Medical Research, under the aegis of the health ministry, has set up a committee to formulate guidelines for probiotic foods. The guidelines are expected to be ready in about three-four months.
- Poultry industry sees a major squeeze in profitability due to a spurt in the price of essential feed ingredients such as maize and soyameal. Maize prices (in Tamil Nadu) have increased from Rs. 810 a quintal at the beginning of the first quarter to Rs. 862 by the end of the period. Soyameal prices increased from Rs. 15,800-16,000 a ton ex-factory to Rs. 21,000-21,300 during the period. In first week of July, the Centre, bowing to pressure from user industries, banned export of maize till October 15. However, it is not seen providing big relief to the poultry sector since there is a short supply of maize.
- Kolkata-based Thacker Dairy, which sells 'Farm Fresh' milk and 'Cold Rush' icecreams, will invest Rs. 1 bio on its backward integration programme.
- Suguna Poultry Farm is planning to foray into the ready-to-eat market in the next two months. Its manufacturing unit, being set up for the purpose in Bangalore with an investment of Rs. 90 mio, will produce chicken lollipop and have an annual capacity of 6,000 tons. Similar manufacturing units will be set up across 11 states in the next 3-4 years.
- Suguna has launched its first franchise retail store in Chennai under the brand Suguna Daily Fresh. The company will open 40 such retail outlets in Chennai during this fiscal and 100-150 in Tamil Nadu and Kerala. These retail stores, opened exclusively for fresh chicken, will be soon converted into full meat shops.
- Three milk co-operatives in Gujarat have decided to increase procurement prices while two more are planning to follow suit. The decision of milk co-operatives to hike milk procurement prices by Rs. 5 to Rs. 10 per kg-fat in near future has dealt another blow to private dairies in Gujarat. Presently, private dairies pay around Rs. 310 per kg-fat to farmers, as compared to an average of Rs. 290 per kg-fat being paid by GCMMF members.
- Hatsun Agro Product Ltd plans to aggressively target the West Asian markets for dairy ingredients. The company plans to open a wholly-owned subsidiary in Dubai to maximize business opportunities in dairy products.
- RJ Corp-owned Devyani Food Industries has acquired 100 per cent stake in ice-cream venture Cream Bell, having acquired part-owner CK Jaipuria's share in the entity.

Alcoholic Beverages

- United Spirits is inking a deal with Burgundy giant Jean-Claude Boisset in a move aimed at bolstering the domestic wine play. The development signals Vijay Mallya-led spirits behemoth's plans to script high-profile ties in the wine world.
- Supreme Court has allowed the Khoday Group to use the word 'scot' on its premium whisky brand Peter Scot. A bench rejected the contention of the Scotch Whisky Association, an industry body of manufacturers and exporters of Scotch Whisky, that the domestic whisky makers should be restrained from using words 'Scot' or 'Scotch' on their products.
- Carlsberg, one of the world's largest brewers, has launched its eponymous brand in India, which is probably the country's first super-premium beer.
- Nuway Organic Natural India Ltd, a subsidiary of Ayur Group (manufacturer of herbal cosmetics), plans to set up a potato and grain based potable alcohol unit near Rajpura in Punjab with a total project cost of Rs. 500 mio.
- Foreign winemakers may gnash their teeth -- and connoisseurs turn up their noses -- but there is little they can do as a boom in wine drinking in India appears to be passing them by. Many foreign winemakers have headed home after dipping a foot in the Indian market. "Out of 100 who come to look, two to three stay but get disappointed and go back", said Delhi Wine Club president Subhash Arora. "They feel that it's not a market. There are too many players and not enough people to buy".
- Beer sales during the peak summer months from March to May went up by 20 per cent when compared to the same period over the last year. Healthy sales during summers helped the beer companies to achieve a sales growth of 40 per cent to 66 per cent over the lean period of December, January and February.
- Investment in wine industry in Maharashtra has increased by 32.80 per cent in the financial year 2007-08, against Rs. 2477.1 mio in the previous year, with the establishment of new wineries.
- In a major setback to the US, a WTO panel has ruled that America has no case in its complaint that India has put excessive duties on import of wine and liquor.
- Allied Blenders & Distillers (ABD) in a joint venture with Germany liquor company Henkell & Sohnlein Sektkellereien KG Wiesbaden has launched Germany's highest selling vodka brand 'WODKA GORBATSCHOW' in India. The brand would be locally bottled by ABD at Aurangabad plant in Maharashtra and would be priced at Rs. 570 for a 750 ml bottle.
- Alcoholic beverages manufacturer Tilaknagar Industries said it would invest Rs. 1.50 bio for capacity expansion.
- India's United Breweries Group, the second largest spirit company in the world, has developed colourless whisky and diet whisky which does not add to the cholesterol level. The group also holds patents for the products.
- Radico Khaitan, the second largest spirit manufacturer and producers of 8 PM Whisky is setting up shop in Maharashtra, considered a bastion of Vijay Mallya-led UB Group. The company is commissioning a distillery at Aurangabad within the next two months.
- Global brewer Anheuser-Busch today said it will purchase the remaining 50 per cent ownership of Crown Beers from Crown International.
- Cobra Beer India will be launching "diet beer" in the country.

(Alcoholic Beverages continued on next page)

Alcoholic Beverages (Continued)

- United Breweries Ltd, the flagship company of the UB Group, has posted a consolidated net profit of Rs. 542.7 mio for the financial year end March 31, 2008, a marginal 1.5 per cent decline from Rs. 550.2 mio in the corresponding period last year. Total income of the company jumped 39 per cent on annualised basis to Rs. 15.9047 bio from Rs. 11.4662 bio.
- Action is hotting up in India's prestige vodka segment with the UB Group's United Spirits launching a value-added extension of its brand Romanov to take on Radico Khaitan's Magic Moments. Radico's Magic Moments enjoys 60 per cent share in prestige segment of the country's vodka market, which is growing at 40 per cent annually.
- In early April, a Mumbai-based trader had contracted a vessel of 30,000 tons of denatured hydrous spirit of Brazilian origin at around USD 540 a ton cost and freight, apparently on behalf of India Glycol, Jubilant Organosys, Reliance Industries and Laxmi Organic Industries. But with world prices shooting up, the trader has not been able to deliver the cargo. Hydrous spirit from Brazil is now quoting at around USD 520 a cubic metre (1,000 litres) free-on-board, which translates into USD 650 a ton. (1,000 litres of alcohol is equivalent to 800 kg).
- Bacardi, the world's largest privately-held spirits company, is rejigging its Breezer ready-to-drink (RTD) portfolio in India. A colourless Breezer Clear Lemon is being rolled into the market.
- UB Group is investing Rs. 10 bio in a three-year span as it looks to hike brewing capacity by about 20 per cent, including setting up two greenfield breweries.
- Indications are prices of Indian Made Foreign Liquor (IMFL) will rise, following a hike in the price of extra neutral alcohol, a key ingredient for IMFL. According to sources, many brands will have to hike their retail prices by at least Rs. 10 a bottle.
- Stumbras, the largest Lithuanian producer of strong drinks, is all set to venture in the Indian market via coastal state Goa, one of the major consumers of alcohol in the country.
- InBev, which clinched a USD 52-bio buyout of the 156-year-old iconic American giant Anheuser-Busch (A-B), will see its India plans put on the fast track in the wake of the blockbuster deal. InBev's yet-to-start market operations will gain access to A-B's existing play in four Indian states where it sells close to 1-mio cases of its flagship Budweiser beer. InBev will also own a newly built 500,000 hectoliter brewery near Hyderabad, where A-B's domestic operations with over 80 employees are headquartered currently.
- Dealing a blow to liquor baron Kishore Chhabria and his flagship Officer's Choice Whisky, Delhi High Court has rejected its 'passing off' case against rival brand Original Choice Whisky. In doing so, the court also lifted its earlier order restraining NRI entrepreneur Paul John-led Original Choice from expanding operations into newer markets.
- German brewery equipment maker A Ziemann GmbH is setting up a greenfield plant at Kondhapuri near Pune to manufacture original equipment to cater to the brewery business in India, placed at 10 mio hectolitres a year and growing at the rate of around 15 per cent.
- India's beer consumption in the first quarter (April-June 2008) reported the slowest growth in over three years. The domestic beer volume expanded 3-5 per cent to roughly 46-mio cases in the first three months, falling way below the 15-20 per cent growth witnessed in recent times, according to data from the brewers. Major domestic brewers now expect the domestic industry to grow at around 10 per cent during the current financial year, FY09. The beer growth stood at 14 per cent and 27 per cent in the two preceding financial years.

Non-alcoholic Beverages

- Tata Tea, which sold its stake in US-based Glaceau in last year, plans to begin selling a low-priced bottled water in the country through its unit Mount Everest Mineral Water to take on global rivals such as Coca-Cola and PepsiCo in the Rs. 15-bio packaged drinking water market.
- Baroda Milk Dairy has decided to set up a plant to bottle Narmada water and sell it pouches and bottles across the country and abroad.
- Chennai-based fast moving consumer goods company Cavin Kare is expanding the production of its recently acquired mango fruit juice 'maa' besides setting up a plant in Andhra Pradesh to meet the growing demand for the brand.
- Coca-Cola has hiked the prices of concentrates—the main ingredient in soft drinks—by a steep 10-15 per cent on an all-India basis for most of its brands. While the move has begun hurting its bottling partners, which are already operating under pressure, Coca-Cola has no immediate plans of hiking the retail prices of its products.
- Despite the controversy it has generated, PepsiCo India is set to take forward its three-year endorsement deal with the Indian Medical Association for its brands Quaker and Tropicana pure juices.
- Mt Everest mineral water, a Tata company, is fighting a legal battle with Bisleri International over the use of the word Himalaya in its mineral water branding. The company has approached the Delhi High Court seeking an injunction preventing Bisleri from using the word Himalaya or Himalayan as a trademark.
- Revealing its plan to invest USD 250 mio over the next three years in the country, Coca Cola said India figured strategically in its global game-plan.
- Fruit drinks concentrate maker Rasna is seeking joint ventures in former Soviet countries (CIS) and African nations for increasing its global footprint.
- Bharat Petroleum Corporation (BPCL), the country's second largest oil marketing company, plans to diversify into bottled water and direct to home services in an attempt to boost its profits.

Tea

- In a boost to the domestic tea vending industry, the Government has allowed export-oriented units (EoUs) to sell more 'instant tea' in the domestic market to meet the growing demand in the country.
- In 2007-08, every kilogram of tea exported from India fetched on an average Rs. 98.36, that is, Rs. 4.59 more than the previous fiscal. But, the volume shipped dropped to decades' low total of 155.59 mio kg, as much as 62.56 mio kg lower than the previous fiscal. Consequently, the overall earnings dropped to Rs. 15.3033 bio from Rs. 20.4572 bio. This sharp reduction of Rs. 5.1539 bio has upset tea exporters.
- Duncans Tea has entered into a distribution tie-up with IRCTC (the catering division of the Indian Railways) to serve Double Diamond tea bags to all passengers travelling on select routes in the country. Also, through exclusive tie-ups with Bharat Petroleum Corporation Limited (BPCL) & Hindustan Petroleum Corporation Limited (HPCL), Duncans tea packets would now be available with LPG suppliers when they go to deliver the cylinders.

(Tea continued on next page)

Tea (Continued)

- Tea planter Mcleod Russel India Ltd plans a capital expenditure of Rs. 250 mio this financial year.
- India could import teas for an average price of Rs. 67.06 a kg – lower by Rs. 7 over last year. So, more volume was imported – 3.04 mio kg against 2.28 mio kg last year. Consequently, the overall import bill rose to Rs. 204.2 mio from Rs. 169.5 mio.
- Sri Lanka and Kenya seem to be giving India a run for its money in tea export market. With a steady rise in tea consumption in domestic markets, India is losing its share in tea export markets to these two countries.
- Concerned over the ‘invasion’ of swanky coffee houses in towns and cities, Ahmedabad-based Wagh-Bakri Group, the country’s third largest tea packager, plans to set up a chain of tea parlours and launch new products such as ice tea in ready-to-serve cartons.
- Tea exports as well as domestic production of Darjeeling tea could be impacted as the ongoing political unrest in Darjeeling and Siliguri threatens to stall production in 87 tea estates.
- Assam tea industry, which has been under recession since 1999, is showing signs of recovery. Tea production has been up by almost 5,696 mio kg till April this year. The tea industry has posted a production of 63,706 mio kgs till April this year, as compared to 58,010 mio kgs during the corresponding period last year.
- Domestic tea exports may rise 28 per cent this year after drought cut output in Kenya and Iraq’s renewal of low-priced tea from India. Overseas sales may top 200 mio kgs compared with 156.7 mio kgs last year.
- The shortfall in Darjeeling tea crop so far in the current year is about 30 per cent and there is no way this could be made up.
- Jay Shree Tea & Industries Ltd, belonging to the B K Birla Group, has acquired Jayantika Tea Co Ltd having a tea estate in Doars.
- Union Commerce Ministry directed Tea Board to issue show-cause notices to five tea companies which have defaulted on quantity and quality of the commodity exported to Iraq sometime back.
- India could soon have a regulator for tea industry to check quality of tea exported, minister of state for commerce said.
- Kenyan trade is buying Indian tea to fulfill its export commitments. Kenyan tea industry is currently suffering from low production.

Coffee

- The post-blossom survey released in mid-June by Coffee Board of India indicates that the country’s next coffee crop (Arabica bean arrivals start in November and Robusta arrivals peak in March) could touch 293,000 tons, up 11.8 per cent than the previous crop of 262,000 tons.
- The government has given its approval for signing and ratification of International Coffee Agreement, 2007 which aims to strengthen global co-operation in coffee trade.
- Exports of Indian coffee have dipped close to 2,000 tons in the first six months of this year, according to Coffee Board. The provisional exports in the first half of 2008 stood at 120,000 tons compared to 122,000 tons in the year-ago period.

(Coffee continued on next page)

Coffee (Continued)

- India's coffee production, Asia's third-largest, will be lower than forecasted in 2009 as a dry spell in the biggest growing regions threatens to cut yields, an exporters' group said in last week of July. Production will drop at least 5 per cent from the 293,000 tons forecast by state-owned Coffee Board in June, said Ramesh Rajah, president, All India Coffee Exporters' Association.

Food Service & Retailing

- The growth of organised retail headed by large corporations does not significantly impact small mom-n-pop retailers, a long-awaited study by Indian Council for Research on International Economic Relations concluded. The study conducted for the government, following allegations that big retail was squeezing neighbourhood retailers out of business, showed that the latter's turnover and profit dropped 8 to 9 per cent initially, but the adverse impact weakened over five years.
- Total sales turnover of India's organised retailers in 2006-07 was Rs. 64.72 bio, or a mere 0.50 per cent of overall retail sales. Average sales were Rs. 8,298 per sq ft. In 2006, the five retail chains — Subhiksha, Trent, Future Group, ITC, Spencer's — accounted for 1,070 stores spread across nearly 5.3 mio sq ft. This was disclosed in Indian Council for Research on International Economic Relations report on retail sector.
- Chinese conglomerate Li & Fung Group said it was studying India's logistics and retail sectors to expand its presence in the country. The company, engaged in distribution, retail, logistics, private equity and properties businesses, currently sources consumer products worth 550 mio dollars from India every year for its global operations.
- Britain's largest retailer, Debenhams, has announced plans to expand its presence in the Indian market. The company which opened its first Indian store in October 2007 in Gurgaon with partner Planet Retail, will set up another two outlets in the city before the end of the year, followed by significant expansion over the coming decade.
- Wadhawan Food Retail, which owns Spinach, Sabka Bazaar and Home Store retail formats, is likely to integrate all its brands and has planned an investment of over Rs. 15 bio in its retail venture.
- Indiabulls Retail, which operates lifestyle and supermart stores, will soon enter cash-n-carry segment under Indiabulls wholesale banner where the first cash-n-carry store will be launched at Ahmedabad in the last quarter of 2008.
- Reeling under rising commodity prices, casual dining chain Pizza Hut is planning to increase the rates of its products by about five per cent at the end of this month.
- With an aim to clock 30-35 per growth per annum, McDonald's plans to open around 60 more restaurants across the country annually and pump in Rs. 4 bio in the next three years.
- Reliance Retail, promoted by Reliance Industries, has opened 700 stores in 14 different formats in 60 cities of the country in the last two years of its operation. Its food and grocery chain Reliance Fresh has 600 stores across the country.
- Kishore Biyani's Future Group is expecting a revenue of Rs. 4 bio by 2010 from its rural retail venture – Aadhaar– nearly five times more than what it earned in FY08.
- Foreign private equity fund NYLIM Jacob Ballas India Fund is close to picking up 21.5 per cent equity stake in Devyani International, a Ravi Jaipuria-promoted company that owns Pizza Hut, KFC and Costa Coffee in India, for more than Rs. 3 bio. That puts the valuation of the company at around Rs. 15 bio.

(Food Service & Retailing continued on next page)

Food Service & Retailing (Continued)

- Real estate company Parsvnath outlined plans for an aggressive retail foray and said it would open five-ten stores — in a mix of formats including hypermarket, convenience stores, food joints and very large stores — during the current fiscal.
- Delhi-based Vishal Retail said it would open 70 more stores at a cost of around Rs. 7 bio by the end of this year, taking the total number to 190, while playing down the chances of high inflation dampening its expansion plans.
- Future Group is going for a major expansion of its Big Bazaar chain of outlets, with the company planning to take the total number of stores to 150 by June 2009. Big Bazaar has presently 92 outlets across the country.
- Popular Italian brand for ice creams, desserts and other food items "Italicks" has entered Indian market. Ghai Group involved in hospitality sector has launched this Italian brand in India. The Italicks retail stores would have presence in 40 to 45 cities in India over next two years.
- Global retail major Marks & Spencer's proposal for 51 per cent foreign direct investment in single brand retail business was among 28 FDI proposals cleared by the Government.
- Spencer's Retail Limited, a company of Rs. 15 bio turnover was in expansion mode. The company would pump in capital of Rs. 4 bio more to achieve target turnover of Rs. 25 bio.
- RPG Enterprises' Spencer's retail chain, which has opened 33 stores across West Bengal including 23 in Kolkata over the past 18 months, ran into its first opposition with hawkers crying foul over the latest location in south Kolkata. The Hawker Sangram Committee, representing around 6,000 Gariahat hawkers, picketed the gates and vowed not to let the latest Spencer's open as they see it as a threat to their livelihood.
- Aiming to cash in on the burgeoning retail sector, retail chain Subhiksha said that it had plans to open 1,000 more outlets by the end of this year. Subhiksha currently has over 1,500 outlets across the country and employs over 25,000 people.
- Under pressure from domestic traders, Kerala government has slapped a 10 per cent surcharge on big retail chains, thus becoming the first state in the country to impose such a levy on super and hyper markets run by retail majors.
- AV Birla group company, Naman Investments has picked-up 25 per cent stake in Delhi-based retail chain V Mart for an undisclosed amount.
- Spencer's Retail Ltd. has become the master franchisee in India of Au Bon Pain, a US-based casual dining and bakery café chain that has over 200 outlets across the US, Thailand, South Korea and Taiwan.

Snacks

- Kurkure, the homegrown snack brand from FritoLay, a division of PepsiCo India, will soon be manufactured in the US and UK markets. Developed entirely by FritoLay in India with local flavors, the brand, says the company, has been a hit with Indian diaspora in those markets.
- Britannia is taking its biggest brand by value, Good Day cookies, into a higher price bracket with the launch of premium variants. The variants of Good Day cookies have been launched in three new flavors — chocolate ecstasy, rum and raisin and butterscotch — and are priced around 30 per cent over the existing range at Rs. 15 for a 75 gram pack.

(Snacks continued on next page)

Snacks (Continued)

- Sales of imported chocolate brands, such as Mars and Snickers, have outpaced those of Cadbury's and Nestle's locally made chocolate in modern retail outlets, according to top retailers.
- Buoyed by the growing demand of its snacks, Pepsico India Holdings is increasing production across its various plants by one third of its current capacity in India in the next 18 months. While company officials declined to comment on FritoLay's current production capacity, industry sources put the figure at 80,000 tons per annum.
- Retail heavyweight Future Group has called off the boycott of chocolates major Cadbury India following a series of high-level meetings between the two groups.
- Groupe Danone's secretary general, Philippe-Loic Jacob is taking a seat on the board of Britannia Industries.
- Kellogg India has begun exploring new formats of cereal consumption, category segmentation and localization, with FritoLay's Quaker, HUL's Amaze and Nestle's Cerevita beginning to occupy space in the Rs. 2.50-bio small but rapidly growing breakfast cereal market.
- Gujarat Cooperative Milk Marketing Federation, which markets Amul brand of dairy products, is planning to manufacture biscuits and cakes under the umbrella brand name. The federation has lined up investments to the tune of Rs. 120 mio for setting up a manufacturing facility with a capacity to produce 100,000 bread packets a day, which may be enhanced later.
- Britannia Industries plans to enter markets in the Far East, Central Asia and Africa this year. It is looking at organic growth as well as joint ventures for marketing and distributing in these geographies.
- Naturo Food & Fruit Products Pvt. Ltd, a company from the promoters of the erstwhile Nutrine Confectionery, is all set to expand its product range. Naturo Food has, in the last one year, invested over Rs. 120 mio in setting up a new production line for health snacks and expanding its fruit bar capacity.

Culinary Items

- Directorate General of Foreign Trade has issued a notification permitting import of betel nut (commonly known as arecanut) with c.i.f. (cost, insurance and freight) value at Rs. 35 a kg and above.
- Despite being a major areca nut producer in the world, India imported more than 76,000 tons of the commodity at a unit value of Rs. 14.42 a kg during 2006-07. The country imported 76,678 tons of arecanut worth Rs. 1.1065 bio during 2006-07 as against 53,275 tons of arecanut worth Rs. 722.8 mio during 2005-06.
- Barely a week after Nestle was restrained from using 'Yo!' for its noodles, the Delhi High Court in its interim order has allowed the company to sell its product under the mark "Masala Yo". A division bench stayed the order, which had restrained Nestle from using 'Yo!' word for its products on a petition by Moods Hospitality Pvt. Ltd, which runs the 'Yo China' fast food chain.
- Delhi High Court has rejected Cadila's plea to restrain Dabur India and Shree Baidyanath Ayurved Bhawan from using former's trademark "Sugar Free" in their respective products.
- Indian Dental Association has awarded the IDA seal of acceptance to sugar-free Wrigley's Orbit, making it the first in its category in India.
- Bagrrys India has unveiled SoHealthy Muesli, enriched with soya. It comes in three variants, with almond and raisins, with strawberry, and with honey. This multi-grain breakfast cereal contains oats, wheat and corn too.

Sugar

- Bagasse-based cogeneration option, which started as a cost-saving measure by sugar companies when the industry was reeling under margin pressure a few years ago, is fast turning into a money-spinning option. Co-generation is the concept of producing two forms of energy from one fuel, of which one is heat and the other may be electricity or mechanical energy.
- Maharashtra's sugar output for the period Oct 1-May 30, 2008 has topped all earlier projections to touch 9.03 mio tons, marginally above 9.02 mio tons registered last year, an official of Maharashtra State Cooperative Sugar Factories Federation said.
- India will not extend export subsidy on sugar beyond September this year, Agriculture and Food Minister Sharad Pawar said.
- Bajaj Hindusthan Ltd, country's largest sugar maker, expects to earn around 35-40 per cent revenue from its non-sugar business - ethanol and power - over the next two years, a top official told reporters.
- Shree Renuka Sugars Ltd expects its non-sugar business to contribute 50 per cent to revenue from September 2009, driven mainly by an expansion in ethanol capacity, a senior official said.
- India's sugar production is expected to reach about 26.2 mio tons in 2007-08 season against 28.3 mio tons in the previous season. Sugar season runs from October to September.
- India may resume imports of sugar after four years as farmers plant less sugar cane because of declining prices. Output may fall as low as 17 mio ton in 2009-10, from an estimated 22 mio ton in the previous year. Farmers in Uttar Pradesh and Maharashtra, the biggest cane-growing states in India, are switching to other crops including paddy and oilseeds as sugar mills delayed payments of as much as Rs. 32 bio.
- India's sugar production in the next crop year that starts in October could fall by as much as 26 per cent to around 20 mio tons because of low sowing by farmers and shift in acreage to maize and wheat in northern parts of the country.
- Five sugar mills in Tamil Nadu have been given the go-ahead by the State Government to set up new integrated sugar mill facilities.
- India has exported a record 3.6 mio tons of sugar since the sugarcane crushing season began in October, and overseas sales are expected to touch around 4.2 mio tons this year.
- Sugar prices may rise by 20-25 per cent on the back of low output estimates and high exports demand.
- Maharashtra may witness a shortage in sugarcane and sugar in the forthcoming crushing season following a drought-like situation in the state. Only 50 mio tons of sugarcane will be available during crushing season of 2008-09 which will begin in October as against the 77.5 mio tons during the 2007-08, reducing sugar production in the state from around 9.096 mio tons to around 5.7 mio tons.
- According to preliminary estimate, the acreage in Uttar Pradesh for 2008-09 crushing season is likely to shrink by over 25 per cent. The state posted record cane production of over 160 mio tons cultivated in about 2.5 mio hectares in 2007-08.

Oils

- Sesame seed exporters are likely to see a boost in shipments to Russia following the latter's proposal to accept phytosanitary quality certificates issued by seven additional Indian laboratories. These certificates are issued to check pesticide residues in export consignments.
- Agronomic seed company Advanta India through its subsidiary has acquired the sunflower seed business of Limagrain in the US. This contains mainly the sunflower breeding program, based in Fargo, North Dakota, USA.
- In a firefighting measure to provide relief to common man from inflation, the Government of India said it would supply edible oils through ration shop at Rs. 15 per kg below the imported price from July. The supply of vegetable oils will be mainly of refined soya and palm oils.
- Itarsi (Madhya Pradesh) based Sanwaria Agro Oils, a Rs. 9.50 bio firm, has earmarked a sum of Rs. 1.10 bio for adding 1,500 tons per day soybean crushing capacity in the current financial year. The company currently has a crushing capacity of 2,150 tons per day.
- Growing demand of edible oil in the country has prompted many edible oil companies to scale up their production and refining capacity. Leading edible oil manufacturers such as Vimal Oil and Foods, Gokul Refoils, Saurashtra-based Kaneria Oil Industries and Adani Wilmer have embarked on an expansion drive.
- With the rising prices of crude oil globally and depreciating rupee value against the US dollar, castor oil exports from the country are expected to rise to 195,000 tons for the current season 2007-08 (November/October) thanks to good demand from China and Europe.
- Indian farmers will soon get access to a new variety of groundnut that is drought-resistant and can be cultivated even in areas where water is scarce. International Crop Research Institute for the Semi-Arid Tropics (ICRISAT) is at an advanced stage of testing of such seeds.
- Prices of coconut oil have been rising for the last two months driven by a combination of factors like international trend, increase in consumption of coconut and its products and a shortage of copra. In first week of July, wholesale spot price of coconut oil stood at Rs. 6,640 per quintal. The futures at the First Commodities Exchange of India, also showed an upward trend with August futures at Rs. 6,850 per quintal, September at Rs. 6,870 and October at Rs. 6,955.
- India may increase edible oil imports by more than 80 per cent in the four months to October, straining global stockpiles, to meet a shortfall in domestic supplies and cool the fastest inflation in 13 years. Average monthly imports may total 550,000 tons, compared with 300,000 tons bought in April and May.
- Following in the footsteps of Vietnam and South Korea, Thailand is emerging as a major market for Indian oilmeal. During April-June 2008, Thailand imported 151,973 tons of oilmeal from India, which is nine times more than the earlier corresponding quarter.
- Soybean meal exports from the country in the first quarter of the current financial year have jumped 160 per cent at 1.09 mio tons as against 0.41 mio tons in the comparable period last year.
- India's soyameal exports are likely to breach the 5-mio-tons mark this season, surging by 45 per cent on the back of strong demand from overseas markets.
- India's oilseeds crop may be lower by over 2 mio tons during kharif 2008. This could lead to a reduction in the availability of oil; and if lower carry-in of rapeseed / mustard is also factored-in, the country's additional vegetable oil import requirement would expand by nearly 1.0-1.2 mio tons for the ensuing oil year 2008-09, according to Mr. Govindbhai Patel, an industry specialist.

Food Additives

- Tata Chemicals Ltd has launched Tata Salt Lite, a new brand of low sodium salt. It would meet the essential need of low sodium in addition to being refined and iodised.
- Anil Products Ltd, one of India's largest corn wet millers and leading manufacturer of starch, will expand its manufacturing capacity for modified starch with an investment of nearly Rs. 120 mio over the next two years. The company plans to increase its existing production of 1,800 tons per month to 3,700 tons per month.
- The 200-year-old salt industry in Tuticorin, the port town south-west of Chennai, have fallen on hard times. High production costs and establishment of small-scale and better-equipped manufacturing units, mainly in Gujarat, have crippled salt producers in the port town. Salt production in Tuticorin has fallen in the last two years by 25 per cent to 1.1 mio tons from 1.5 mio tons.
- Ahmedabad-based Anil Products Ltd. plans to set up a 400 tons per day greenfield plant for modified starch products. The plant will come up with an investment of Rs. 5 bio. The company is in the process of identifying land. APL will also set up a power plant for captive use.
- Mentha oil output may fall this year due to heavy rains in the eastern part of Uttar Pradesh - the main growing region of the crop. Traders said continued rains may cause a damage of over 10 per cent.
- An upswing in Indian vanilla prices is likely with shrinking domestic production and reports of a shortfall in the crop in Madagascar, the main global producer of vanilla. The price of vanilla green beans could reach a level of Rs. 100 to Rs. 120 per kg from the current level of around Rs. 60 per kg when the harvest season begins in October.
- Guarseed futures are likely to remain firm in the coming days on the back of strong export demand. The prices of guarseed in the spot markets during mid-July across Rajasthan (major growing state in the country) remained firm between Rs. 1,870 and Rs. 1,900 a quintal.

Spices & Flavors

- Unable to absorb rising commodity costs and increase in consumer prices, DS Foods, maker of Catch spices and water, has stopped production of spices under its Catch brand. It has been close to two months since DS Foods, the FMCG arm of the Rs. 10-bio DS group, stopped manufacturing Catch spices, including salt and pepper. The company says it is not sure when it can resume production.
- Favorable weather in cardamom producing regions of Kerala and Tamil Nadu could see cardamom production for 2008-09 cross 13,000 tons, farmers said.
- India has achieved for the first time foreign exchange worth Rs. 44.355 bio through export of spices of 444,250 tons in the last financial year, compared to Rs. 35.7575 bio revenue through export of 373,750 tons in 2006-07.
- Despite rupee appreciation and unsteady commodity market movements, India regained its prominence in global pepper trade in 2007-08. As much as 35,000 tons of Indian pepper was bought by importers at an average price of Rs. 148.43 a kg against 28,750 tons at Rs. 106.50 in the previous fiscal. Consequently, India earned Rs. 5.195 bio in 2007-08 against Rs. 3.062 bio.
- Spices Board of India will invest Rs. 100 mio to set up a spice park in Gujarat. The state government has already allotted 100 acres of land at Brahman Wada village, near Unjha in Mehsana district.

(Spices & Flavors Continued on next page)

Spices & Flavors (Continued)

- The un-seasonal rains in March have come as a boon for cardamom farmers in Kerala, with many of them planning to harvest the new crop (2008-09) by June instead of the usual time in August.
- India is likely to export organic spices worth Rs. 2.40 bio to Rs. 2.60 bio by 2012, a senior official said. Spices Board will spend Rs. 600 mio for development of organic spices, especially chilli, turmeric and ginger.
- India's total spices export is expected to touch USD 1.2 bio (Rs 51 bio) in 2008-09.
- India is producing an average of 2,700–3,000 tons of nutmeg and mace annually. On 9 July, price of best quality mace has increased to Rs. 400 a kg from Rs. 350 a couple of weeks ago. While, prices of shelled nutmeg rose to Rs. 130 and unshelled nutmeg shot up by Rs. 20–30 to Rs. 230 per kg.
- The country's pepper market is likely to remain firm due to concerns on supply even as the global market eases with Vietnam lowering prices. Lesser rains in the pepper growing regions and supply shortage are propping up the domestic market with stakeholders turning bullish in the short-run. The carry-over stocks in the country from 2007-08 is also said to be low and with the 2008-09 crop pegged below 50,000 tons, the availability is seen lower when compared to last year.
- Spices Board of India has warned importers and value-adding units of whole star anise and Saigon cinnamon of Vietnam that consignments to India could have been contaminated with an unapproved colour known as Chrysoidine.

Foodgrains

- Farmers in India and Bangladesh will likely start commercial production of flood-tolerant rice next year giving them protection against crop losses from typhoons and heavy monsoon rains. International Rice Research Institute in Philippines said, "It would survive for about two weeks under water".
- US Grains Council in its latest India market report put the size of maize exports at around 3 mio tons for 2007-08 season.
- The government has decided to drop plans of importing wheat in view of record local procurement that has put the country in a very comfortable position.
- Ending the prolonged controversy on what constitutes the definition of the basmati rice, the Agriculture Ministry has removed the bar of having one of the two parents from among the traditional basmati varieties, thereby, paving the way for inclusion of evolved basmati varieties too. All varieties of basmati rice notified as basmati rice under the Seed Act, 1966 and any future variety notified as basmati under the same Act are construed as basmati rice. Exporters of non-notified varieties such as Pusa 1121 and CSR 30 are overly happy with the definitional change. They said that in the current crop year (2007-08), these varieties constituted 70 per cent of production of basmati rice.
- Farmers in Tamil Nadu growing popular non-basmati rice 'Ponni' have protested vociferously over Malaysia being granted trademark rights for the rice variety. One of the Malaysia's local trading firms has recently been granted trademark rights of 'Ponni' rice variety, reminiscent of the United States issuing patent on Basmati to RiceTec in 1997. White 'Ponni' rice was developed by Tamil Nadu Agricultural University in 1986 and is cultivated in thousands of acres of land in India.
- Maharashtra government has imposed a stock limit on rice to rein in rising prices. The state has put a limit of 5,000 quintals and 3,000 quintals for wholesalers operating in corporation (municipal limits) and non-corporation areas, respectively. The limit has been fixed at 200 and 100 quintals for retailers in both the areas.

(Foodgrains continued on next page)

Foodgrains (Continued)

- India is emerging as a preferred destination for global maize buyers as the commodity here is cheaper by 25 per cent at USD 300 per ton compared to the rates in US, where the prices have sharply gone up due to its diversion for ethanol production.
- India's wheat production has touched a record 78 mio tons in 2007-08 season, which will keep the prices stable in the domestic market.
- Finland rejects organic rice consignment from India - Test results of Finnish Customs Laboratory showed that an export consignment of organic long grain aromatic rice from a private exporter in Haryana to Helsinki contained pesticide residues in organic rice, particularly inorganic bromide 23 mg/kg indicating possible fumigation with methyl bromide.
- Higher remuneration due to high exports and a likely government move to increase minimum support price of maize may lead to rise in its acreage and output in the current kharif season. Market sources said that overall maize output could reach 19 mio tons compared with 16 mio tons last year.
- A bitter battle is brewing as India's biggest player in the rice market, Kohinoor Foods (formerly Satnam Overseas), which accounts for about 38 per cent of the country's basmati market, is trying to ward off what it sees as a hostile takeover bid. Kohinoor management has accused Mumbai-based Temptation Foods Ltd of leading a consortium that has covertly acquired a shareholding of almost 30 per cent in Kohinoor Foods.
- Bowing to pressure from poultry and starch industries, Government of India has banned export of maize from the country. The ban will be in place from 3 July till October 15.
- Several exporters, affected by a ban on maize exports, have approached courts seeking permission to ship their consignments lying at ports as the prohibition covered even goods in transit.
- Deficient rainfall in 13 out of the 36 meteorological divisions of the country could affect the prospects of kharif crops in Assam, Gujarat, Maharashtra, Karnataka, Andhra Pradesh and Tamil Nadu.
- National Agricultural Cooperative Marketing Federation of India (Nafed) floated a tender to import 200,000 tons of Canadian yellow peas by December to improve domestic supplies.

Fruits & Vegetables

- India's grapes export to Europe is estimated to have jumped by 20 per cent during this season even though countries like Germany and Netherlands changed the prescribed pesticide residues limit mid-season. About 3,000 containers have been sent to Europe this year compared to 2,500 containers last year. Each container carries 15 tons of grapes.
- India's mango trade is fraught with health hazards due to the schemes of vendors who artificially ripen the fruit using a harmful chemical. Calcium carbide, used to ripen mangoes, is extremely hazardous and can have short-term as well as long-term health effects.
- Nilgiris Horti-Tech Company Pvt Ltd, a corporate member of SAFAL National Exchange of India, commenced e-trading of Ooty (Tamil Nadu) vegetables.
- The glut in onion forced the government in first week of June to relax export restrictions by lowering the minimum export price (MEP) of the commodity by USD 25 a ton. The average MEP for June was USD 155-160 a ton. For July, the MEP was increased by USD 25 and it bounced back to USD 185 per ton.

(Fruits & Vegetables continued on next page)

Fruits & Vegetables (Continued)

- A series of contract defaults in international export commitments by cashew exporters in Vietnam is likely to prove advantageous to Indian cashew sector in the short run.
- India, the world's second biggest producer of fruits and vegetables, produced 206 mio tons of horticultural crops in 2007-08, up 41 per cent compared to 146.5 mio tons in 2001-02, government data showed.
- India is eyeing Israeli technology to increase life span of litchi fruit after searing heat destroyed much of the crop in Bihar, which accounts for 70 per cent of domestic production.
- Fresh mango exports are likely to go up to 100,000 tons this year against an estimated export of 80,000 tons last year. The growth in the fruit's export is expected to be driven by Indian mangoes' growing acceptance in the world market for its quality, opening up of Japan's market in recent times and resumption of mango export to the US since the middle of last year, after a gap of 17 years.
- Thanks to the rising popularity of wine in India, more and more farmers in Maharashtra, are trading in their acres of "loss incurring" table grapes and changing over to wine grape varieties according to industry experts. The farmers get just Rs. 10 per kg for table grapes as compared to wine grapes which fetch them as much as Rs. 25-30/kg.
- National Horticulture Board is registering Dussehri mangoes under Geographical Indication (GI) Act for better marketing and visibility in international market. Dussehri is primarily grown in the Malihabad region of Lucknow district in Uttar Pradesh.
- Gujarat is now getting into cashewnut cultivation. Farmers in Valsad and Dang districts are now challenging Goa in cashewnuts that not just look better but are also superior in terms of taste, whiteness and crunchiness.
- Fieldfresh Foods Pvt Ltd. has registered 117.51 per cent rise in export of grapes during the financial year 2007-08 (November-April grape season) as compared to that of last year, earning foreign currencies amounting to Rs. 195.3 mio. Fieldfresh, a joint venture company between Bharti Enterprises and Del Monte Pacific, has been exporting fresh fruits and vegetables to key markets including UK, the Middle East and Europe.
- UNIDO Centre for South-South Industrial Cooperation has identified cashew apple as an alternative to food crops that are currently used for ethanol production. It has now entrusted institutions in the country to develop a 'Clean and Viable Technology for Economically Sustainable Industrial Processes utilising Cashew Apple as a Renewable Feedstock for Production of Ethanol Fuel'.

Biotech

- Cotton, paddy and wheat farmers in Punjab have been worst hit by use of pesticides with 36 per cent of them suffering DNA fragmentation, according to a survey.
- Fledgling biotechnology sector posted USD 2.56 bio (Rs.103 bio) in revenue during 2007-08, registering 20 per cent growth over the previous fiscal at USD 2.1 bio, an industry survey revealed.

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