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India extends ban on milk imports from Chinese

PTI

26 December 2011, New Delhi: India has extended ban on import of milk and its products from China for another six months, according to the foreign trade office. The ban was in effect till December 24. "Prohibition on import of milk and milk products (including chocolates and chocolate products and candies/ confectionery/ food preparations with milk or milk solids as an ingredient) from China is further extended till 24.6.2012 or until further orders, whichever is earlier," Directorate General of Foreign Trade (DGFT) said in a notification. Imports of milk and milk products from China have been prohibited since September 2008. Though the DGFT has not cited any reason for the ban, it is understood it was over fears of Chinese milk containing melamine, a deadly chemical, a source said.

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US challenges India poultry ban at WTO

Reuters

Washington, 7 March 2012: The United States on Tuesday began action at the World Trade Organisation (WTO) to open India's market for poultry meat and eggs, saying an Indian ban on US imports intended to stop the spread of bird flu was not based on sound science.

"The United States is the world's leader in agricultural safety and we are confident that the WTO will confirm that India's ban is unjustified," US Trade Representative Ron Kirk said in a statement on the US request for consultations.

India's ban in the name of protecting local poultry producers from losses caused by avian influenza is "clearly a case of disguising trade restrictions by invoking unjustified animal health concerns," Kirk said.

The US poultry industry welcomed the move, which they said could pry open a market for US poultry exports conservatively valued at more than \$300 million. "In our view, India's posture is thinly guised protectionism," Jim Sumner, president of the US Poultry and Egg Export Council, said in a statement. "More than 100 countries enjoy chicken imported from the United States. As the middle class in India continues to expand, and the market moves more toward commercial poultry, the United States should be afforded the opportunity to compete fairly with our products in this growing market," Mike Brown, president of the National Chicken Council, added. US officials said international scientific standards for controlling avian influenza do not support banning imports due to low pathogenic avian influenza, which is the only type detected in the United States since 2004. The United States is the world's largest broiler meat producer and second largest exporter, behind Brazil. India's broiler meat consumption has risen from 2.23 million metric tonne in 2007 to a projected 2.75 million this year, according to a US Agriculture Department report. India is forecast to produce about 2.70 million metric tons of broiler meat this year, providing some opportunity for imports, the Agriculture Department report showed. Consultations are the first step in the WTO dispute settlement process and parties are encouraged to agree to a solution at this stage. If the matter is not resolved through consultations, the United States may request the establishment of a WTO dispute settlement panel. Litigation at the WTO can take one to two years to conclude.

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India says ban on US poultry products lifted in September 2011

Amiti Sen, Economic Times

New Delhi, 21 May 2012: Reacting to the US government approaching the global trade body, WTO, against India imposing a ban on US agricultural products, including poultry meat and chicken eggs, the government clarified that it had already revoked the ban on imports from the US last September when it was declared free of avian influenza, a government official said.

"We already removed the ban on poultry and poultry products imports from the US in September last year as it was declared free of avian influenza. But we do carry out tests to ensure that the items that are imported meet international safety standards and we are ready to defend these at the WTO," a government official told ET.

The US' request on the matter will be taken up by the dispute settlement body of the WTO when it meets in Geneva on May 24.

New Delhi will try to defend its interpretation and application of provisions on restricting trade of poultry products and other farm goods as specified by the World Organisation for Animal Health or OIE (formerly the Office International des Epizooties) that has been challenged by the US and termed as too restrictive.

The US poultry industry, which has identified India as a big market for chicken eggs - a product that doesn't find much favour with the Americans - estimated that its exports could be as much as \$300 million every year if restrictive standards are removed. Right now, US exports of processed poultry products to India are negligible as these can't meet India's 'conformity assessment' norms.

India had clarified to the US that import restrictions on poultry products were applicable only for countries reporting Notifiable Avian Influenza (NAI) which includes both low pathogens and high pathogens during its consultations in Geneva last month.

The US, however, differed with India regarding the applicability of provisions of OIE relating to restrictions on trade, and also expressed concern on the lack of sufficient scientific justification in India's risk assessment and consequential restrictions on trade in other products.

"The US' commercial interest in India is huge, no doubt. I think it is seeking much more than just a simple lifting of import ban. It wants the WTO to declare that the safety standards being followed by India are much more than what is laid down by the OIE, so that market access becomes easier," a WTO expert from a Delhi-based trade research organisation told ET.

India claims that its risk assessment procedure is purely scientific and is based on OIE standards, but the US contends that it goes much beyond what the OIE lays down.

"If the WTO dispute panel agrees with the US, India may have to revise its standards. But if India can prove that its standards are purely backed by science as it claims, then the US can't do anything about it," the expert added.

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Govt lifts ban on export of skimmed milk powder

PTI

New Delhi, 1 June 2012: Amid surplus availability, the government on Friday lifted ban on export of skimmed milk powder (SMP) to improve finances of dairy firms and help milk producers. The decision to this effect was taken by the Cabinet Committee on Economic Affairs (CCEA). "It has been decided to lift ban on export of SMP," Agriculture Minister Sharad Pawar told PTI.

The government had banned SMP exports in February 2011 to contain rise in domestic milk prices. When asked if there was any quantitative restriction on export, he replied in negative.

Pawar said the Commerce Ministry has also been asked to provide incentives to the exports of SMP in line with other farm produce.

The ministry has also been asked to examine the possibility of imposing import duty on SMP, he added.

The dairy industry has been facing liquidity crunch as it could not make profit through sale of skimmed milk powder due to steep fall in domestic prices following surplus supplies.

Domestic prices of SMP have declined to Rs 150 per kg now as against Rs 190-200 per kg in the same period last year.

Mother Dairy Managing Director S Nagarajan said, "The exchange rate is favourable for export but we need to ascertain actual demand in the international market."

Sterling Agro Industries Managing Director Kuldeep Saluja said, "The move will benefit both industry and farmers. There is excess stock of over one lakh tonnes lying with industry. The export will help improve liquidity."

Milk production in India, the world's biggest producer, is estimated at over 120 million tonnes in 2011.

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US to take on India at WTO over import restrictions on poultry products

Amiti Sen, Economic Times

New Delhi, 26 June 2012: The US will formally fight India at the World Trade Organisation over import restrictions imposed by New Delhi on poultry products from countries reporting outbreak of low-intensity bird flu, hoping to grab the country's growing market for chicken legs.

The dispute settlement body of the WTO on Monday accepted Washington's request for a dispute settlement panel on India's restriction on poultry which the US says is "unscientific".

"A number of countries including China, Ecuador, Colombia, EU, Japan, Canada, Guatemala, & Vietnam have reserved their third-party rights to follow the dispute," a WTO official told ET.

India had rejected US' attempt to establish a dispute panel last month on the ground that its restrictions were based on science and there was scope for more discussions between the two countries on the issue.

According to the US, the ban imposed by India on import of poultry products from countries' reporting outbreaks of low pathogenic notifiable avian influenza have no basis in science and was also not supported by World Organisation for Animal Health.

The US is keen to ensure predictable market conditions in India for its poultry exporters so that they can encash the big demand for chicken legs where they are hugely competitive, a government official told ET.

Although India lifted its ban on import of poultry products from the US after the country declared that it was free of avian influenza in September, but no exports have yet taken place as there is always a danger of outbreak of the low-intensity pathogens in some part of the country.

"Although the US will be able to sell chicken legs at almost a fourth of the prevailing market prices in India, no supplier would place orders till they are sure of the future," the official said.

The National Chicken Council, National Turkey Federation and USA Poultry & Egg Export Council have said that if India's 'trade barriers' were eliminated, the value of US poultry exports to the country each year would surpass \$ 300 million. India is also getting more studies done to strengthen its case that the ban is backed by scientific evidence of risk.

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