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Glossary

mio - million

bio - billion

tio – trillion

crore – 10 mio

Kt - '000 tons

p.a - per annum

WPI – Wholesale Price Index

The Indian sub-continent is now experiencing a scorching summer with day temperatures reaching 45°C. In fact, the India Meteorological Department (IMD) has followed up on its April 16 forecast of a near normal monsoon at 99% of the Long Period Average (model error of +/- 5%) by an early monsoon arrival forecast. A normal monsoon forecast this year, coupled with its timely arrival, would provide much needed relief to the vast majority of farmers, who are eagerly looking at the skies.

On its part, the government too is likely to heave a sigh of relief in an otherwise uneasy phase, with inflation touching 7.83% for the week ended May 3 against 7.61% a week earlier.

The wheat situation is also under control, with adequate stocks in the government kitty. Further, the latest government steps to increase supplies through imports of vegetable oils and pulses will have a softening impact on prices, as imported vegetable oils are expected to arrive on Indian shores at end May.

As the country's growing middle class drives growth of 9% a year, India still faces challenges in transport, distribution and infrastructure, as well as swathes of red tape. Food industry executives from around the world travelled to the Indian city of Mumbai for the Food Forum India 2008. A message from India's food industry rang out loud and clear: this is a country with a huge potential in food sector. The heady atmosphere even led one top retail executive to claim that India could act as a "trailblazer" for the global food industry. The promise of food retailing in India is tangible; the sector is valued at USD 350 bio and growing in high double-digits each year.

A big debate in India continues to be the likely achievable growth rate. The Prime Minister, Mr. Manmohan Singh, said that the Indian economy is on a trajectory which can keep growing at 8-9% annually. Controlling inflation is the prime concern for the government and it is hopeful that inflation will be moderated in 8-10 weeks time.

Speaking about new launches in the food & beverage industry, it is worth mentioning that major food & beverage players are pitching the king of fruits, mango, as an indulgence, in an attempt to attract a wide range of consumers. Gati's Gati Mango Mania, Galla's GTM nectar and Tops' Mango Panna are some of the mango flavors which occupy the fruit and drinks market. Currently, Coke has also introduced a new commercial for Maaza, a mango-based drink. Along with all these excitements, UB announced its arrival with its Zinzi brand of wines.

Moreover, Beam Global Spirits & Wine, Inc has also introduced whisky DYC. Another noticeable fact is that Champagne Indage has acquired Australian winery VineCrest. Shaw Wallace plans to have tie-ups with French Bordeaux range of Cordier wines, Italian wines from GIV, Californian Arbor Mist (the world's largest selling fruit wine) and Paul Masson (the world's largest selling carafe wine)

Indian Scientists have recovered astaxanthin, an antioxidant from prawn waste which may be used as a dietary health supplement. Indian researchers suggest that the production of stable, cross-linked hydrogels could be possible from the well-known Indian herbal genipin. Another new product that may be of interest is Avesthagen's Teester, a bioactive ingredient, introduced through its subsidiary company Avesta Good Earth Foods Pvt Ltd.

We have reported in this issue some acquisitions in the food and beverage arena and look forward to bringing you further exciting news every two months.

Revised MMA scheme to help increase farm production

The Centre is likely to allot USD 1375 mio for implementation of the Revised Macro Management of Agriculture (MMA) scheme during the 11th Five-Year-Plan. The revised MMA would help increase the agricultural production and productivity by reducing yield gaps towards ensuring food security and increasing farmers' income.

The Revised MMA comprises 11 sub-schemes relating to crop production and natural resource management, it is learnt. The Revised MMA scheme would dovetail with other major initiatives like National Food Security Mission (NFSM), Rashtriya Krishi Vikas Yojana (RKVY) and address the concerns of states with the aim to complement and supplement the states' efforts to increase agricultural production and productivity by reducing yield gaps towards ensuring food security and increasing farmers' income. **(FNB 31 May 08)**

17 Agri & Horticulture products given GI protection

India has received registration of Geographical Indications (GIs) of 17 agricultural and horticultural products under the Geographical Indications of Goods (Registration and Protection) Act, 1999, during 2003-2008.

According to the Union Ministry of commerce & industry report, products like Darjeeling Tea (word & logo), Coorg Orange, Kangra Tea, Nanjanagud Banana, Mysore Sandalwood Oil, Mysore Betel leaf, Mysore Jasmine, Udupi Jasmine, Hadagali Jasmine, Navara Rice, Palakkadan Matta Rice, Malabar Pepper, Allahabad Surkha, Monsooned Malabar Arabica Coffee, Monsooned Malabar Robusta Coffee, Alleppey Green Cardamom and Coorg Green Cardamom have been registered under GI Act, 1999.

(Continued in next column)

17 Agri & Horticulture products (Cont'd)

The total number of GI products registered in the country now stands at 61. **(FNB 05 Apr 08)**

The Geographical Indications of Goods (Registration and Protection) Act, 1999, was brought into force on September 15, 2003. The registration is done by the Geographical Indications Registry at Chennai.

No India entry for PFA-flouting foods

Imported food products such as Kraft cheese spread, Hershey's syrup and Pringles, potato chips may soon vanish from Indian supermarkets, local retail stores and high-end malls.

The government has decided to crack down on imported foods products which flout Prevention of Food Adulteration Act (PFA) guidelines, such as not declaring vegetarian and non-vegetarian symbols on labels, putting expiry and 'best before' dates in foreign languages, absence of batch numbers for identification, labeling of MRPs through paste-on stickers that are prohibited, and absence of importer's names, all of which are mandatory under PFA.

A number of leading domestic food companies want the strict PFA guidelines to be implemented. Said Gujarat Co-operative Milk Marketing Federation (GCMMF) chief GM RS Sodhi: "When we export to other countries, we comply with all guidelines specific to that country, including formulating new packs and labels in local languages. The reverse is not happening".

Added Indian confectionery manufacturers association veep and Perfetti India legal head Harsh Arora: "There is a good quantity of confectionery that is not complying with Indian laws and this denies organized players a level playing field". **(ET 17 Apr 08)**

Content list soon on fast food packets

Union health Minister Mr. Anbumani Ramadoss said the government would soon make it mandatory for companies manufacturing fast food to display their nutrient contents on the packets. The minister also appealed to celebrities not to endorse junk food on television.

Identifying alcohol, tobacco and junk food as causes for a majority of lifestyle diseases, he said though the government could pass legislation to control the use of the first two, it was not possible to regulate consumption of junk food. **(FNB 19 Apr 08)**

Centre plans 30 mega food-parks pan-India

The government plans to establish 30 mega food-parks in different parts of the country through the public-private partnership (PPP)-route and special purpose vehicle modes, a Central Government Minister said.

"We are going to give a grant of USD 12.5 mio per park. The cost of establishing each park would vary between USD 25- 37.5 mio", Minister of State for Food Processing, Subodh Kant Sahai said.

The food-parks will create an integrated value chain from the farm gate to the consumer and will envisage complete backward and forward linkages along with common processing facilities, he said.

The government would also set up abattoirs and dairies and will give a grant of USD 3.75 mio per abattoir and USD 2.5 mio per dairy, he said. The government would establish 50 cold chain networks, including refrigerated vans all over the country, Sahai said. **(ET 07 May 08)**

Top Indian brands to figure at London wine fair

Top Indian wine brands will showcase their products at the London International Wine Fair (LIWF), to be held on 21 and 22 May. This comes at a time when industry experts see India emerging as one of the largest wine producers in the world by 2058.

Some of the Indian brands to be showcased at the fair, considered the single most important event in the world wine calendar, are Marquise De Pompadour, Tiger Hill, Indage Reserve, Chantilli, Riviera, Ivy and Omar Khayyam.

The brands are produced mainly in Maharashtra, by Champagne Indage, which enjoys 75% of market share in India. It also exports wine to 69 countries, as per the firm.

LIFW brings together importers, merchants, producers, agents, restaurateurs, wholesalers, sommeliers, and wine makers from across the globe under one roof. The event offers visitors an opportunity to meet with over 1,300 exhibitors from every major wine producing country and taste their wines.

In an analysis of the state of the wine industry in the next 50 years, titled 'The Future of Wine', leading wine merchants Berry Brothers and Rudd said ambitious Indians turning to fine wine as a mark of social standing will drive Indian wine industry to new heights. **(ET 18 May 08)**



Processed food sector to attract USD 23,750 mio

The Indian processed food industry, which constitutes just 1.3% of total agricultural products, will see investments of over USD 23,750 mio in the next three years, says a report.

"Investments to the tune of USD 23.5 bio in the food processing sector over the next three years is in the pipeline," said the report, India Food Report 2008, which was released at the Food Forum India in Mumbai. This is just the right time for global firms to invest in the food processing sector, especially when the government seems eager to boost rural and farm incomes, it added.

"The total market for food in India, estimated at over INR 200,000 mio, accounts for about two-thirds of the total Indian retail market. Less than 1% of this segment is organized," the report said.

Food segment that contributes about 13% of the total organized retail pie offers huge scope for investment. Nearly 80% of agricultural products in the developed countries get processed and packaged. However, it was just 1.3% in India, the report said. **(FNB 10 May 08)**

Rupee declines

The rupee fell slightly against the dollar on 20th May on demand from importers as well as short-covering by banks. The domestic currency opened at 42.63/65 and touched an intra day low of 42.75/76. It closed at 42.61/ 42.47 62, against 19th close at 42.51/52.

The rupee touched its intra-day low as banks bought dollars to cover their positions. "The rupee is likely to remain range-bound. There may be dollar-selling seen at 42.75 as it is a good level to sell", said a dealer at a private bank. In the forward premia market, the 6 month closed at 1.50% (1.18%) and the 12-month ended at 1.17% (0.99%). **(HBL 21 May 08)**

Early seen easing monsoon and inflation Pressures

Never in the past has the nation's focused so much on monsoon forecast and weekly inflation figures as we are now witnessing. The government has been on tender-hooks for almost six weeks now, with successive weekly inflation numbers marching northwards. This is even as the monsoon front, the forecast has been assuring.

Ahead of the general elections in the coming year, the government has taken a series of measures, including curbs on rice exports, duty free imports of crude vegetable oils, cut in steel and cement prices, etc., to tame inflation. The following chart reflects WPI movement (base year 1993-94).



As the inflation continues to soar, we can expect government to continue with its stern measures to tame inflation. The states are also being asked to meticulously enforce stock control orders on essential goods.

In this situation and until the government is fully convinced about the availability of stocks and satisfactory kharif production prospects, export curbs on rice, veg-oils and pulses will not be eased in the near future. Nevertheless it is heartening to hear that the monsoon is on course and is likely to hit the coastal regions of southern parts three days ahead of schedule.

(CL 22 May 08)

Oceanic Edibles to set up food processing units

Oceanic Edibles International Ltd, part of the Chennai-based shrimp hatcheries major Oceana Group, is setting up a full-fledged marine food products, vegetables and fruits processing plant and aseptic packaging unit at an investment outlay of USD 22.5 mio.

The proposed processing plant will have two units at the company's existing shrimp hatcheries facility (to process marine foods and vegetables and fruits) with an overall 3.5 tons/hour capacity.

The processing plant and the retail plans together will involve an investment of USD 13.75 mio. That apart, Oceanic Edibles also plans to put up a facility to culture other species of fishes including seabass, cuttle and squid. **(HBL 18 Apr 08)**

Indians scientist turns prawn waste into health food

The all pervading stench from waste at a seafood market in the heart of Coimbatore inspired Ms. Renuka Karuppuswamy to turn the stinking prawn waste into a health food supplement.

“The antioxidant, called astaxanthin, recovered from prawn waste has 10 times more powerful antioxidant capacity than beta-carotene, which is the common antioxidant found in fruits and vegetables. Astaxanthin recovered from prawn waste may be used as a dietary health supplement”, Renuka explained.



Traditional methods of recovering astaxanthin from prawn waste use solvents.
(Continued in next column)

Indians scientist turns (Cont'd)

“These methods generate solvent disposal problem, require additional time-consuming, post-processing steps and degrade this expensive antioxidant”, informs Karuppuswamy. Her technique works at lower temperature, recovers more astaxanthin and causes less degradation to the antioxidant than other methods. **(ThaindianNews 24 Apr 08)**

Shrimp in agri garb sees boost in exports

The average price of INR 230-240/kg for shrimp will certainly go up since the industry has to pass on the benefit of the scheme to the farmers.

Following a directive from the director general of foreign trade, shrimp export has been included under the Vishesh Krishi Gram Udyog Yojana and exporters will be eligible to a duty repayment of 3.5% of the on-board freight of the commodity exported.



The move will help lift sagging exports of Indian black tiger shrimp, which have fallen by USD 140 mio to about USD 950 mio in 2008 due to an anti-dumping duty in the US. **(LiveMint 03 Apr 08)**

The scheme, evolved by the commerce ministry to promote the export of agricultural products including fruits, vegetables and dairy products, is in effect from 1st September 2004 to 31 Mar 2009.

Seafood exports register 12% fall

The rupee appreciation and the raw material crunch have affected seafood exports from India with provisional figures indicating a 12% fall in exports from Apr 2007 to Feb 2008.

About 4,752 kt of seafood were exported during the 11 months from April last year, fetching USD 1,684.64 mio. While the fall in exports was mainly to the U.S. and Japanese markets, exports to Europe had not been affected.

The sector was now faced with its biggest crisis caused by the strengthening of the Rupee by more than 15%, the increase in fuel price by more than 80%, the anti-dumping duty levied by the U.S. government and the over supply of shrimps.

(TheHindu 06 Apr 08)

Noodles and ice cream from fish

The Central Institute of Fisheries Technology (CIFT) has demonstrated how fish can be used to make ice cream and noodles.

The ice cream under the name Maricream has been developed by the scientists at CIFT, Kochi. Cooked cuttle fish is the main ingredient, while water sugar, butter, egg white, flavoring substances, stabilizers and emulsifiers are also used.



In the process, the ice cream is deodorized and it is free of fish flavor. The fish noodles are also nutritious as the powder used in this is rich in protein, calcium and phosphorus. Noodles are prepared by incorporating edible fish powder made from small bony fish, CIFT said.

(HBL 08 May 08)

Seafood export has potential to grow to USD 3.5 bio

States like Andhra, Tamil Nadu, Kerala, Maharashtra and West Bengal, Gujarat, Orissa have huge marine products potential that can enhance India's export potential provided all possible incentives and encouragement in terms of policies and finance is given to exporters.

India's seafood exports which has stagnated since a few years are likely to touch over USD 3.5 bio from current level of USD 2.2 bio by 2009 provided the key thrust area includes value-addition, expansion of aquaculture, technological upgrading and tapping unexplored resources, according to Associated Chambers of Commerce & Industry of India (ASSOCHAM).

India's major export items include frozen fish, cuttlefish, squid and dried items. In terms of export earnings, frozen shrimp continued to be the largest export item (54% in value), followed by fresh fish (17%), cuttlefish (10%), squid (7%), dried items (2%) etc.

Export of tuna fish contributed highly to export earnings. Tuna fish exports are targeted to reach USD 400 mio by 2010. Andaman and Nicobar islands have been identified as holding 25-30% of tuna potential in the country. **(FNB 10 May 08)**



KMF launches 6 new products under Nandini brand

Karnataka Milk Federation's Mother Dairy unit has launched six new products. These include two flavored milk, skimmed milk, curd, dairy whitener, spiced butter milk and ice creams in different packages. With this new inclusion, the Nandini products have gone up to 36, which is the largest next only to Amul in Gujarat.



The KMF is doing a business of USD 500 mio per annum and has 1.95 mio dairy farming families as its members. The federation collects 3 mio litres of milk and sells 2.5 mio litres in the state. (FNB 29 Mar 08)

Poultry sector expected to grow at 12%

The Indian poultry market is expected to grow at 12% in view of the favorable conditions like falling prices, rising income, increasing domestic demand from young and urban population.



Despite being hampered by the outbreak of avian influenza, the poultry industry is estimated to have grown at 11% a year during 1991-2006.

On the price front, the study said that though poultry prices were declining, they were still higher than those for pork, beef and buffalo meat. Buffalo meat is 40% cheaper than poultry meat and yet it is considered to be inferior. (Continued in next column)

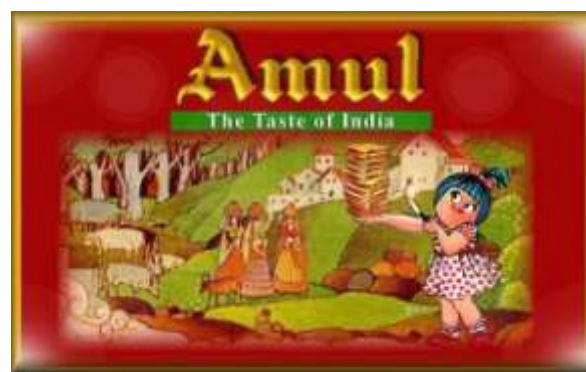
Poultry sector (Cont'd)

Given their high prices, mutton and goat meat are considered luxury, while beef and pork are not in great demand for religious reasons. Therefore, price could remain the main driver of increasing consumption, the study added. (FNB 12 Apr 08)

Amul to firm up grip in flavored milk space

The Gujarat cooperative milk marketing federation (GCMMF), better known as Amul, has firmed up its plans to widen its portfolio in its flavored milk category.

The new flavor 'Thandai' priced at INR 12 (200ml) will be rolled out pan-India, including Gujarat, and Uttar Pradesh. The company plans to sell around 25,000 bottles every day, said RS Sodhi, General Manager (marketing), GCMMF. Amul is the market leader in the ready-to-drink flavored milk category with 70-75% market share.



Besides Amul, Mother Dairy, along with Hershey, Nestle Indian and Amrit Food are some of the leading players in the flavored milk category.

GCMMF has a wide range of flavored milk options under the Amul brand, which includes Amul Cool, Kool Koko and Cool Café, while Mother Dairy has Chillz in the category.

RIL plans big push in dairy biz

After making a big-bang foray into the retail sector over two years ago, Reliance Industries Ltd (RIL) is making a big, but quiet, entry into the dairy business. It has kicked off milk distribution and retail sale and plans to unleash an aggressive pricing strategy to compete with biggies like Amul and Mother Dairy.

The company offers full-cream milk at INR 22/ litre at its 585-odd Reliance Fresh outlets, INR 2 less than what the competitors charge. The company plans to make an investment of USD 1250 mio by 2010 and offers not only milk, but all dairy-based products such as yogurt and paneer.



RIL has outlined a strategy to cover 70,000 villages to set up milk procurement centers. It has already set up centers in 1,000 villages in Punjab, Haryana and Andhra Pradesh, while distribution has started in Punjab, Haryana and Delhi. *(FNB 12 Apr 08)*

Milk from vending machines

Mahananda Dairy plans to introduce Any Time Milk vending machines across Mumbai city. Amul has already started the scheme in Gujarat. Consumers can get the tetra pack milk either by using a pre-paid swipe card or cash dispensers. The tetra pack will come in half litre and one-litre packets.

Mahananda would also introduce other milk products in the vending machine to dispense items such as srikhand, ice-cream and butter milk. Mahananda produces 0.7 mio litres of milk every day and plans to venture into ice-cream making and flavored milk in tetra packs. *(FNB 19 Apr 08)*

Nestle unveils two new products under Kit Kat

Nestle India, the Swiss food and beverage major says it is 'innovating and renovating' core brands to outgrow the market. The company recently launched two new products under its Kit Kat brand.



While the Kit Kat Mini, priced at INR 2, follows the similarly priced Munch version into rural markets, Kit Kat Chunky will allow customers controlled indulgence. The chocolate comes in three portions of 64 calories each. Last year, the company launched Munch Choc Pop, wafer cubes covered in chocolate. *(FNB 05 April 08)*

NDDB to take white revolution to Assam

The National Dairy Development Board (NDDB) will take over the management of West Assam Milk Producers' Cooperative Union Ltd (WAMUL) for a period of five years.



The board inked a tripartite agreement to this effect with WAMUL and the Assam government after the latter invited it to run the milk cooperative in Guwahati.

The agreement was signed in the presence of Assam Chief Minister Tarun Gogoi, Amrita Patel, Chairman, NDDB and Gautam Bora, Assam Minister for Cooperation and Cultural Affairs, Deepak Tikku, Managing Director, NDDB and other senior officials. *(ExpressIndia 04 April 08)*

Govt withdraws export sops to milk

The government has withdrawn incentives given under various schemes for exports of skimmed milk and other dairy products, a move aimed to boost supplies in the domestic market and contain the high inflation rate.

Benefits provided under Vishesh Krishi and Gram Udyog Yojana (VKGUY), Focus Market Scheme and Duty Entitlement Pass Book (DEPB) rates have been withdrawn for export of SMP, casein (milk protein) and other milk products as well.



"Export of skimmed milk product, casein and any other milk product shall not be entitled for the benefit of VKGUY and Focus Market scheme with immediate effect", a notice by the Directorate General of Foreign Trade notice said. It also specified that these products would not be entitled for DEPB.

Meanwhile, the wholesale price index of milk has risen 1% for the week ended April 5. SMP accounts for roughly 6% of milk production of 100 mio tons, of which about 1% is exported.

(TheHindu 22 April 08)

VKGUY is aimed to encourage export of agro products and promote rural employment, while Focus Market Scheme encourages exports to identified market.

Use of more additives in dairy products allowed

The Centre has proposed to permit use of some more food additives in cheese, processed cheese, processed cheese spread, yoghurt, ice-cream, kulfi, dried ice-cream mix, frozen desserts, milk ice, milk lollies, ice candy and chana, paneer, to revise the standards of ice-cream, kulfi, chocolate ice-cream or softy ice-cream, dried ice-cream mix or frozen dessert or confection, milk ice or milk lollies and to lay down standards of full cream chakka and full cream shrikhand.

The microbiological parameters are also proposed for milk and milk products at manufacturing level. The Union Ministry of Health and Family Welfare (MHFW) has issued a draft notification (GSR 208E) recently.

According to the notification, the maximum limit of Sucralose in dried ice-cream, milk lollies, milk ices and frozen dessert shall be 400 ppm. Maximum limit of artificial sweetener in dried ice cream mixes shall be as in reconstituted ice cream for consumption. **(FNB 10 May 08)**

Mother Dairy launches Nutrifit

Expanding its portfolio in the probiotic segment, National Dairy Development Board's subsidiary, Mother Dairy, launches the fermented probiotic milk Nutrifit in Delhi and NCR. Also it plans to launch probiotic lassi in Mumbai soon.

The product will be available in two flavors, mango and strawberry and is priced at INR 10 for 100-ml bottle.

Initially, Mother Dairy's Nutrifits will be available in Delhi and NCR and launched subsequently in rest of the country over a period of time. Mother Dairy has a manufacturing facility in Uttar Pradesh, where it has the capacity to produce more than 5 mio bottles per month.

Shaw Wallace to import wines into India

As a part of its expansion plans, Shaw Wallace has entered into exclusive distribution tie-ups with French Bordeaux range of Cordier wines, Italian wines from GIV (the largest wine maker in Italy under the Folonari brand), Californian Arbor Mist (the world's largest selling fruit wine) and Paul Masson (the world's largest selling carafe wine) for import and sale of a range of wines in India.

The company will also launch the Lanson champagne to the Indian market. Most of these wines are likely to be introduced soon and would cost around INR 500. *(ETFP 12 April 08)*

Sale of foreign liquor on increase in Kerala

Sale of foreign liquor in Kerala has touched USD 917.3 mio in the last fiscal, an increase of USD 131.5 mio over 2006-07, with total consumption at around 14.8 mio cases.



Apart from this, beer sales have also shown a steady increase, with 5.86 mio cases worth USD 81.5 mio sold in 2007-08, said, Kerala State Beverages Corporation Managing Director N Shankar Reddy. The Corporation is the sole marketing agency for foreign liquor in Kerala.

The total revenue to the exchequer from sale of foreign liquor was USD 728.5 in 2007-08, an increase of USD 122 mio over the previous year, he said. *(ET 11 Apr 08)*

Diageo may uncork malt madness in casks

Pushing indulgence to a new high, Diageo is exploring the option of supplying its single malts like Talisker, Caol Ila, Glenkinchie, Clynelish, Glen Elgin and Cardhu in casks imported straight from Scotland. These malts go into the making of Johnnie Walker blended scotch whiskies.

The world's largest spirits giant will firm up plans in this regard only after delivering the first few orders it has received in the Mumbai market, sources added. India's single malt consumption is currently pegged at around 25,000 cases and is growing at a robust 40-50%. *(ET 10 Apr 08)*

Government postpones tax on liquor

The Government of India has indefinitely postponed the implementation of the Budget proposal for 10% tax collection at source for the country's USD 7000 mio India-made Foreign Liquor (IMFL) industry.

The logic behind levying a 10% tax was mainly to bring into the income tax net all the liquor wholesalers and retailers who were thought not to be paying taxes. There are about 1,000 wholesalers and 25,000 odd IMFL retailers in the country. *(ETFoodProcessing 11 Apr 08)*

Pawar joins Mallya to open largest winery

Agriculture minister Sharad Pawar and UB group chairman Vijay Mallya have joined to launch the country's largest winery near Pawar's hometown Baramati.

Four Seasons Wine Ltd will have a capacity to make 6 mio bottles of still and sparkling wines at the end of five years. The winery is going to be surrounded by 300 acres of vineyards owned by Four Seasons. *(Continued on next page)*

Pawar joins Mallya (Cont'd)



The goal is to have another 1,000 acres tied for sourcing grapes. The company has had a quiet launch of its first product Zinzi, which is a wine for the entry level to expand the base of the market. **(FNB 29 Mar 08)**

Beam Global ventures into IMFL

Beam Global Spirits & Wine, Inc has introduced an Indian Made Foreign Liquor (IMFL) brand, Whisky **DYC**, which is a blend of premium Indian grain and imported aged malts.

Beam Global expects **DYC** to benefit from its association with Teacher's, the number one Scotch whisky brand in the 'bottled in India' Scotch segment.



Whisky **DYC** is of premium quality with world class packaging at a price of INR 370 for 750 ml, available in a glass bottle with a Guala closure. It will also be made available in special gift cartons. Whisky **DYC** comes after Jim Beam in India, the world's best selling bourbon, which is also Beam Global's flagship brand.

(ETFoodProcessing 27 Mar 08)

Pernod Ricard: Joining the great Indian white spirit war

Groupe Pernod Ricard's acquisition of Absolut vodka will help the French drinks giant turn around its fortunes in India's rapidly growing white spirits market, an official said.

Pernod Ricard has enjoyed the bulk of its success segment through established brands such as Blender's Pride, Royal Stag and Imperial Blue.



Sources said that Pernod Ricard was unlikely to disturb Absolut's pricing, but would give it a bigger distribution push on the back of its scotch whiskies such as 100 Pipers and Chivas Regal. Absolut will remain an imported drink, with the country of its origin, Sweden, being important for the brand globally.

The world's second largest Wines and Spirits Company won an auction to buy Sweden's Vin & Spirit, the maker of Absolut, for about USD 9 bio. With Absolut in the bag, Pernod Ricard's India operations will rethink the role of Stolichnaya, the Russian vodka brand in its portfolio.

(ET 01Apr 08)

United Spirits eyes energy drinks

Vijay Mallya-led United Spirits Ltd (USL) is mulling a foray into energy drink segment to add momentum to its vodka sales. The premium vodka sales have seen consumption soar on using energy drinks like Red Bull or Venom as mixers in recent times.

USL's move to tap energy drinks comes at a time when the company looks at premiumization of its vodka portfolio, driven by regular priced brands like White Mischief and Romanov, Mr. Vijay Rekhi, USL President said.

(Continued on next page)

United Spirits (Cont'd)

Romanov vodka crossed annualized sales of 1 mio cases for the first time in FY08, becoming the company's 17th millionaire brand.

During the last financial year, USL's overall volume sales (excluding recent international acquisitions like Whyte & Mackay and Bouvet Ladubay) reported 73.89 mio cases, jumping 11% over the previous year. **(ET 17 Apr 08)**

Hunter follows Tiger into west India's beer market

Close on the heels of the launch of Tiger Beer in Mumbai, Bhopal-based Som Distilleries and Breweries plans to launch its flagship Hunter Beer in the western and southern markets.

Hunter, the manufacturers claim, is the first Indian beer brand that introduced the concept of strong beer in the country with an alcohol content that can go up to 5.5-7%. Hunter is also exported to the Middle East and the UK. Exports generate between 10-15% of revenue.



A lucrative annual growth figure of 18% is driving brewers to launch products in as many markets as possible, even though the segment is dominated by UB and SABMiller, which have over 85% share.

The launch of the new beer brands also coincides with the Indian beer market crossing 150 mio cases a year mark. **(ET 29 Apr 08)**

Bacardi objects to design of Magic Moments vodka

Bacardi, the world's largest privately-held drinks company, is believed to have told former ally Radico Khaitan that it objects to the new packaging and design of the latter's Magic Moments vodka, alleging that its appearance is coming very close to Bacardi's international blockbuster vodka brand Grey Goose.



Bacardi and Radico terminated a joint venture for Indian-made liquor in 2005. At the centre of the controversy is perhaps the technology employed by Radico to print the label and the visual elements directly on the bottle.

Magic Moments was the first to use the printing technology in India, even though it has been employed for international brands such as Grey Goose and Moet Hennessy's Belvedere vodka.

Radico, with leading brands such as 8 PM whisky and Contessa rum, is India's second largest spirits company, with annualized volumes of about 17 mio cases, but way behind the industry leader United Spirits' 75 mio cases.

Magic Moments is touted as one of the successful brand introductions in the domestic spirits industry, with the brand expected to mop up 1.4 mio cases in FY09, up from 7 mio cases in the previous year. **(ET 30 April 08)**

In vino veritas: Zampa to take on UB's Zinzi

Vijay Mallya's Indian wine business will face a serious competition from his one-time blue-eyed boy Deepak Roy, who famously parted ways a few years ago to set up his own vineyard and wine business.

Just when UB announced its arrival with Zinzi brand of wines, Deepak Roy brought his Zampa wine from Valle de Vin, his 35-acre vineyard on the periphery of Nashik.

Mr. Roy, who is now heading the Kishore Chabria group company which produces Officer's Choice whisky, has authored many successful spirit brands, the last being Gilbey's Green Label. He has invested USD 3.75 mio in the vineyard and the press and plans to add another 100 acre vineyard to the existing 35 acres.

The UB Group has in its fold the French champagne company Bouvet-Ladubay. Mr. Roy plans to sell 25,000 cases in the very first year and hopes to cross 100,000 cases mark in three years. His portfolio boasts of Zampa white of Chenin Blanc, Zampa Red of Shiraz, sparkling rose wine, sparkling red wine of Cabernet Sauvignon, etc. Prices range from INR 600-650. *(ET 09 May 08)*

Liquor sales dip 29% in Karnataka

Legitimate liquor sales in election-bound Karnataka have hit a dry patch during what is normally a bountiful time of the year for the trade.

The strict rules that govern the run-up to polls and higher prices brought on by higher taxes are among the factors that have resulted in sales by volume in April nose-diving 29% compared to the average of recent months.

While a change in the duty regime from April 1 dampened market sentiment, the excise department has been spirited in implementing Election Commission diktats. *(ET 09 May 08)*

SABMiller to invest USD 500 mio

UK-based beer manufacturer SABMiller plans to more than double its capacity in India in the next five years with an investment of around USD 500 mio.

The company which markets and produces beer brands such as Foster, Royal Challenge and Haywards is gearing up its capacity to meet the growing demand of beer in India, SABMiller India Director, Corporate Affairs and Communication, Mr. Sundeep Kumar said.



SABMiller has 10 facilities in India with production capacity of around 50 mio cases per annum, which is expected to be around 105 mio cases pa by the end of 2013, and has no plans to set up any Greenfield manufacturing unit in the country, he said.

SABMiller has around 36% share in the domestic beer market and is the second largest beer maker in the country. *(ET 07 May 08)*

Champagne Indage acquires Australian winery VineCrest

Wine maker Champagne Indage said it has acquired Australia's VineCrest through its overseas subsidiary.

"This is the company's third Australian acquisition and will facilitate CIL (Australia) to base its operations in the wine-growing region of Barossa", a press release issued said.

VineCrest, situated in Barossa Valley, is a highly rated boutique winery and vineyard in South Australia, the release said. Earlier, Champagne Indage had acquired Thachi wines and Loxton winery, both in Australia. *(ET 17 May 08)*

Spanish winemaker Torres to expand in India

Spain's leading wine company Torres is all set to increase its presence in India. Torres came to India in 2001 and established a distribution joint venture, TT&G Trading, with Gautam Thapar and two other Indian firms.

It sells around 5,000 cases to premier hotels in India, at a growth rate of 25% a year. Torres produces red, white, sparkling and dessert wines, ranging from single vineyard to mass-market brands. **(FNB 09 May 08)**

SABMiller launches Indian beer to take on Kingfisher

Not long ago, a top SABMiller official quipped that his biggest headache in India was fighting Kingfisher. "It is one helluva brand," he had remarked.

Now, SABMiller is revisiting the strategy to take on brand Kingfisher - India's top selling beer - and the flagship beer of Vijay Mallya-led United Breweries (UB). The result: a new, authentic Indian beer appropriately named Indus Pride and pitched against Kingfisher in the mainstream lager market.

And if sources are to be believed, this could well be the biggest brand launch till date in the domestic brewing industry. The reason: after spending USD 137.5 mio to buy out Foster's and investing heavily in propping up the international brand, Castle, SABMiller is still struggling to fight Kingfisher's overwhelming dominance, especially in terms of brand recall.

UB's lager portfolio, comprising Kingfisher, Kalyani Black Label, Sandpiper and UB Export, reportedly depleted around 35 mio cases. India's lager volume is estimated at 55 mio cases, with SABMiller, through Royal Challenge and Foster's, selling some 14-15 mio cases. **(ET 07 May 08)**

UB, Heineken discuss new beer agreement

India's top beer maker, United Breweries Ltd, hopes to draw up a new joint venture agreement with Heineken, a company official said, to protect its position in an increasingly competitive market.

The Dutch brewer acquired 37.5% of United Breweries, which makes Kingfisher beer, following USD 15 bio takeover with Carlsberg of the Indian brewer's erstwhile partner, Scottish & Newcastle (S&N). Under the purchase agreement, Heineken took over S&N's operations in Britain, Finland and Portugal as well as India.

But Heineken, in a joint venture with Fraser & Neave, also has a stake in Singapore's Asia Pacific Breweries, which is stepping up its presence in India and whose flagship is Tiger beer.

United Breweries, which has more than half of India's fast-expanding beer market, has filed a petition in a court in Mumbai to prevent Heineken from enforcing any of the special rights and privileges it has inherited. **(ET 09 May 08)**

USL spirits seton W&M local bottling

Vijay Mallya-led United Spirits Ltd is expected to go in for local bottling of Whyte & Mackay Scotch whisky, taking it to the value Scotch business in India. Currently, Whyte & Mackay brand is bottled in origin in Scotland and priced premium alongside Johnnie Walker Black Label and Chivas Regal in India.

The industry observers have been arguing that India could emerge as one of the biggest markets for Scotland's main industry on the back of consumer upgrading from top-end domestic whiskies to value and standard Scotch whiskies. **(ET 21 May 08)**

PepsiCo to enter vegetable juice market

Cola major PepsiCo India is looking at launching vegetable-based drinks in the market. The USD 300 mio juice and juice-based drinks market is currently dominated by homegrown beverage major Dabur which has a range of fruit-veggie juices and veggie juices under the Real and Activ brands with 50% market share.



The company official refused to divulge the new flavors it was planning to launch in the fruit-veggie juices segment. **(FNB 05 April 08)**

Balan Natural unveils Jossh

Balan Natural Foods has launched a pulpy orange drink and another orange variant under the brand name Jossh. Priced at INR 20, Jossh is available in 330 ml PET bottles. The company has also launched a premium variant - pomegranate nectar with rich fibre - priced at INR 30.

With revenues of USD 6.25 mio, Balan Natural Foods hopes to reach USD 25 mio in three years and have a pan India presence. The company supplies to airlines like Jet, Kingfisher and Go Air. Airlines contribute to about 10% of revenues, while exports to countries such as Singapore, New Zealand and Australia account for 5%. **(FNB 26 Apr 08)**

Galla Foods launches mango beverage GTM nectar

Galla Foods, the premier exporter of tropical fruit purees, concentrates and fresh fruits, has launched "Galla Thick Mango" (GTM) nectar, a fruit beverage targeting the mango loving consumers.



"GTM nectar's unique formulation brings a wholesome, healthy taste of the most luscious mangoes with the highest fruit pulp content of 25% in the category, as compared to 25% offered by other nectar brands and even lesser fruit content of 10% for the fruit drink category", Ramachandra N Galla, Chairman of the company said. **(ET 07 May 08)**

Sabols to roll out sprint

After having a strong presence in the packaged drinking water business, Sabols is now set to expand its product range. The company recently introduced a mango drink.

Sabols is now planning to roll out two more fruit juices, orange and pineapple, and a carbonated-drink 'Sprint'. The fruit juices are expected to be launched in July and Sprint by end-June.



Babji Mokada, director, Sabols Foods India Pvt Ltd, said the company was also exploring avenues to introduce tea, cookies and biscuit and health-food mix. "Foray into such ventures is still in a conceptual stage. The product development team is working aggressively to launch at least four new products by the end of the year". **(FNB 26 Apr-09 May 08)**

Coke introducing more desi flavors

Soft drink major Coca Cola has been spicing up its drinks with desi flavors, literally. While masala was the flavor of the season last summer, it is the king of fruits this year.

The company is currently test-marketing a Maaza variant 'aam panna' in Uttar Pradesh. Industry sources say Coke also test-marketed 'masala' Limca in variants like jaljeera, mint and ginger in and around Delhi last year.



Indian consumers drink 120 billion litres of beverages. However, the share of the ready-to-drink packaged beverages is only 4% of this.

Coke has also brought in some packaging innovation by recently introducing the 1.25 litre pack for its offerings. Consumers have the option of the 600 ml PET bottle - a sort of 'on-the-go' pack for one or two people. On the other end is the large 2-litre pack catering to large celebrations. **(FNB 10 May 08)**

New Tropicana Twister in returnable glass bottles

Soft drink companies seem to be adopting new marketing strategies to tap on-the-move consumers by offering products that are handy, easily available and more affordable.

PepsiCo has launched a new flavor of its Tropicana Twister drink, which will be introduced in returnable glass bottles (RGB).

The new bottle version is priced at INR 12 for 250ml. The Apple Rush flavor will be initially sold in select markets of southern and western India. **(FNB 17 May 08)**

Mango moves into luxury zone

Beverage companies, pulp manufacturers, exporters, bigger retail houses and even logistic companies are pitching in to make mango more happening this season.

Galla Food, which recently launched mango nectar for the domestic market, is pitching it as a 'healthy indulgence' for adults. Pepsi, which has changed the formulation of Slice, is pegging it as "a solid product backed by great imagery, a serious contender to the colas".

Rasna is betting on specialized mango flavors like Alphonso and green mango while Coke has also introduced a new commercial for Maaza, which identifies the mango drink with the indulgence of consuming the fruit.

Mango has the largest share in the packaged fruit drink market with about 70% and about 25% in the packaged fruit juices category. Mango variants are growing by 15-20% every year in the USD 375 million fruit beverage market, says an industry expert.

According to Dharendra Singh of Manpasand Agro Foods, which sells Mango Sip, the market for mango drinks is likely to grow at the same pace, or even faster, for the next 10 years. Others like Dabur are bullish on mangoes but are not doing anything special this season. **(ET 16 May 08)**

Keep cool

Tops has introduced the green mango drink, Mango Panna. It is claimed to be an effective remedy for heat exhaustion and heat stroke and claims to prevent the excessive loss of sodium chloride and iron during summer. The product is priced at INR 85 for a 700 ml bottle. **(HBL 24 Apr 08)**

Tata Tea to launch Darjeeling tea

Tata Tea, the manufacturer and distributor of tea, will launch branded Darjeeling packet tea next year to take on competition, a company official said.



Tata Tea had recently withdrawn Ceylon and Nilgiris branded orthodox tea due to poor response from the market. The brands were launched in south India.

On an annual basis, Tata Tea has piped Hindustan Unilever in terms of volume market share from April 2007 to Feb 2008, Tata Tea Executive Director (Marketing) Sangeeta Talwar said. **(ET 27 Mar 08)**

Assam Co to launch 4 tea brands

Assam Company Ltd proposes to launch four varieties of branded tea, according to company sources. "We are re-entering the packet tea business with Jumbo and Cheetah (regular) as well as Assam Gold and First Gold (premium)", according to Mr. Abhay Chowdhry, Director (Finance) & CFO of the company.



The company proposes to diversify into aromatic and medicinal varieties of herbal plants to be used as flavoring agent in tea and other culinary preparations. **(Continued in next column)**

Assam Co (Cont'd)

Assam Company runs 19 tea estates covering more than 13,500 hectares in Assam and produces about 16 mio kg of tea annually. The tea business accounts for more than 96% of the company's revenue (USD 37.4 mio in 2006).

(HBL 11 Apr 08)

Good demand for CTCs in N. Indian auctions

The new season CTC teas in North Indian auctions met with good demand and fetched significantly higher prices than those of the previous seasons, according to J. Thomas & Company Pvt Ltd, the tea auctioneers.

Tea varieties and their prices:

Tea variety	Prices
Good Dooars	95-110
Medium Dooars	80-90
Good Assam Broken	100-120
Fannings	100-107
Dusts	104-110

Packets were mostly quiet while there was strong inquiry from local and internal buyers. Orthodox varieties sold readily at levels similar to last year, while smaller brokens fetched considerably higher prices.

The CIS and the West Asia shippers offered good support with some inquiry from North Indian buyers for bolder varieties. Local buyers were active for smaller brokens and fannings. There was no Darjeeling sale this week due to paucity of offerings. **(HBL 13 Apr 08)**



Barista to introduce international coffee blends

The Barista Coffee Company has unveiled plans to introduce international coffee blends from Gautemala, Peru and Java in India in the next quarter.

The company recently announced price reduction of about 22% on coffee at all Barista Espresso Bars, besides launching three international blends.

It is aimed at promoting international coffee blends through 40 Barista stores in Mumbai, Delhi and Bangalore. With the move, the company also hopes to expand the number of Barista Espresso Bars on an average rate of two to three per month as well.

(ETFoodProcessing 11 Apr 08)

Lower supplies lead to coffee export slump by 12%

India's coffee exports slipped 11.81 % to 0.22 mio tons during the financial year-ended March 31 due to lower supplies, a senior official of the Coffee Board said. The board, however, met the projected target of 0.21 mio tons.

According to the board's data, Robusta exports slumped by 21.77% to 0.11 mio tons while Arabica exports were down by 8.04% to 46,685 tons during the fiscal. Export of instant coffee rose to 69,247 tons from 64,984 tons the previous year, it said.

Category	2007-08 (tons)	2006-07 (tons)
Coffee Export	0.224 mio	0.254 mio
Coffee Export target	0.21mio	0.22 mio
Robusta Exports	0.11 mio	0.138 mio
Arabica	46,685	50,766
Instant Coffee	69,247	64,984

(Continued in next column)

Lower supplies (Cont'd)

Exports to Italy topped followed by those to Russia, Germany and Belgium. India shipped over 16,000 tons of coffee to Italy, 7,493 tons to Russia and 5,865 tons to Germany. Meanwhile, total exports in value terms stood at USD 523.7 mio, it added.

The export target was kept lower at 0.21 mio tons for 2007-08 against 0.22 mio tons the previous year due to the revised production estimate, he said, adding that the coffee output forecast was brought down to 0.26 mio tons due to unseasonal rains.

In the domestic market, Robusta prices stood at INR 4,150 per 50 kg against INR 5,100 per 50 kg the last month. Arabica rates fell to INR 2,000 per 50 kg from INR 2,500 per 50 kg. *(ET 31 Mar 08)*

Indian Coffee Exports Raise 4.6%

The country's coffee exports increased 4.6% during the first four months of 2008 on higher arrivals of new season crops and good export demand from European countries.



Total exports were 92,135 tons during Jan-April compared with 88,105 tons in the year-ago period. Exports of Arabica crops rose 27.2% to 24,074 tons during the period, while Robusta exports fell 1.8% to 45,354 tons.

India exports coffee mainly to Italy, Germany and Russia. Italy accounts for about 25% of the country's coffee exports, followed by the Russian Federation and Germany with 8.5% and 7.7% respectively. *(AW 05 May 08)*

Barista plans to invest USD 8 mio for 80 outlets

In tune with its plan to increase the total number of outlets to 300 in the current fiscal, Barista Coffee will open 80 new stores in the country with an investment of around USD 8 mio.



Barista Coffee's Chief Executive Officer Partha Dattagupta said. Barista has around 206 outlets, including 17 in the overseas market.

The company, which is focusing on opening stores in the domestic market, is following three models for this purpose: the corporate ones, in which it opens outlets areas near offices, the high-street area of high footfalls such as malls and shopping complexes and company-owned exclusive stores. **(PTI 27 Apr 08)**

Coffee exports set to drop, courtesy unseasonal rain

Speciality and value added coffee exports from India are likely to fall this crop year (2007-08) owing to unseasonal rains which lashed coffee growing districts of Karnataka twice - once in February and the second time early this March.

Speciality and value added coffee from India are mainly exported to a few European countries and the US.

During the first-six months of the coffee crop year 2007-08 (Oct 07 to Mar 08), exports of speciality and value added coffees stood at 31,933 tons.

(Continued in next column)

Coffee exports set to drop, courtesy unseasonal rain (Cont'd)



According to Coffee Board data, as on March 27, exports of Mysore nuggets-EB stood at 289 tons (valued at USD 0.92 mio), Monsooned Malabar AA - 2,822 tons (USD 8.18 mio), Monsooned Basanally - 509 tons (INR 5.08 crore), Robusta Kaapi Royale - 910 tons (USD 2.34 mio), Monsooned Robusta AA - 671 tons (USD 1.43 mio), instant coffee - 26,603 tons (USD 65.9 mio), roast and ground coffee - 108 tons (USD 0.28 mio), roast coffee seeds - 18 tons (USD 0.11 mio).

Robusta coffee harvest and the drying process have taken a hit because of the rain. During the first-six months of the coffee crop year 2007-08 (Oct 07 to Mar 08), exports of specialty and value added coffees stood at 31,933 tons. **(BS 29 Mar 08)**



McDonald's comes to Chennai

Global fast food chain McDonald's launched its first Chennai outlet at Ascendas IT Park, off the city's IT corridor. McDonald's has come to Chennai, almost 11 years after it opened its first outlet in Delhi.



This is in line with the company's expansion plans in the south. By the end of the year, it plans to open one more in Chennai. A total of 20 restaurants are planned in the region over two to three years. (FNB 05 April 08)

Illycafe enters India, ties up with Narangs

Premium coffee brand illycafe has announced its entry into India by partnering the Narang group as master franchisee for setting up a new luxury cafe chain throughout the country. This partnership will enable us to open five 'espressamente illy' cafes in a year, Illycafe Chairman Andrea Illy said.



Espressamente illy is a project launched by Illycafe in 2003 for expanding its base globally, and has, till now, opened over 175 cafes in over 30 countries.

The company has plans to open its first espressamente illy at Bangalore airport and is going to open its flagship outlet in Mumbai in the next four months. (FNB 05 Apr 08)

Future picks up 70% stake in Godrej Aadhaar

Kishore Biyani's Future group has picked up 70% stake in Godrej Aadhaar, which provides agri-services in rural areas, besides retailing.

The venture gets the Future group entry into 62 towns, beyond its existing retail network of 55 towns. The venture would also develop a commodities and agri-supply chain which would serve as a dependable channel for the sale of farm produce, Balram Yadav, CEO, Godrej Agrovet Ltd. (FNB 05 Apr 08)

Speciality coffee supplier plans cafe chain

J Rodrigues Coffee, a family-run coffee plantation company, is the latest among growers to move up the value chain by setting up a cafe in Bangalore.

According to Marvin Rodrigues, M D, J Rodrigues Coffee, it produces about 275-300t of coffee annually and exports nearly 60% of its production.

The company in February opened its first cafe 'Flava' on D'souza Road and has a detailed business plan to open 20 cafes in 18 to 24 months in Bangalore, Mangalore and Mysore. It is also exploring retail of roasted and ground coffee (beans and powder) through the cafes. (BS 17 Apr 08)

Bharti launches Easy Day retail stores

The Bharti group has made a low key entry into the retail sector by opening three neighborhood format stores in Ludhiana.

Spread over 2500-4000 sq. ft and stocked with most daily used items, they do not refer to Wal-Mart anywhere. Instead they are called "Easy Day". (Continued on next page)

Bharti launches Easy Day (Cont'd)

So far now, the partnership between Bharti and Wal-Mart appears to be restricted to the wholesale cash & carry format. The stores will offer a wide assortment of products including processed foods, bakery and dairy products, meat & poultry and fresh produce. **(FNB 19 Apr 08)**

German baby food maker to enter India in a big way

Germany-based Humana Milchunion eG, one of the largest baby food products and therapeutic multivitamins manufacturers will soon foray into India and neighboring markets in a big way.



Humana plans to open over 200 multivitamin and baby food stores within 2-3 years in India, in a JV with the Mumbai-based drug manufacturer Khandelwal Laboratories and consumer products exporter Magna industries (Magna-K Labs).

The joint venture has signed a MoU with Humana and plans to make India a hub for its foray into Asian and West Asian markets as well. "If the government brings in rules to market multivitamin products as over-the-counter (OTC) products, our stores could offer many revolutionary vitamin products to Indian consumers", said Sanjeev Khandelwal, CMD of K-Lab. **(FNB 12 Apr 08)**

VITS opens sweet something

VITS, the luxury chain of business hotels, has opened a gourmet pastry shop called 'Sweet Something' at its property in Andheri, to serve premium quality bakery products.



It offers a matchless quality of pastries, mousse, tiramisu, brownies, cookies, cakes, and chocolate treats that any age group will relish. It will also serve hot and cold beverages. Lotus Resorts, a new chain of waterfront resorts from Kamat Hotels India Limited (KHIL), recently announced the opening of a new property at Aronda, near Goa. **(FNB 12 Apr 08)**

Go India to launch Go India Express

PDK Shenaz Hotels Pvt Ltd, a Kolkata-based hospitality company with restaurants in India and Singapore, plans to come up with a chain of fast food outlets across India and Singapore to sell ready-to-eat chilled Indian foods.

"The group plans to have three to four outlets in Kolkata, by the end of this year. Our next destinations will be Hyderabad and Bangalore. We also plan to move our head office to either of these two cities, in order to commission plants to produce chilled food on a large scale", Nitin Kohli, Director, PDK Shenaz Hotels Pvt Ltd said.

The company also plans to promote and retail chilled food later on. "The food will be 96% cooked with no additives. The restaurant food will have a shelf-life of 24 hours, while the retailed food will have a much longer shelf life," adds Kohli. **(FNB 12 Apr 08)**

Vishal Retail to rope in kiranas to take on biggies

Vishal Retail is rolling out a mega plan to turn existing kirana stores into their franchisees.

"This partnership will help kiranas survive the onslaught of organized retail as it will enhance their competitiveness. Kirana stores can avail of the benefits on account of the economies of scale, a key advantage for big retailers," says Vishal Retail CMD, RC Agarwal.

As per the plan, Vishal Retail will completely take over the supply chain of kirana stores and provide them with technology, new practices, visual merchandising skill and special promotional schemes on offer in the company's hypermarket - Vishal Mega Mart.

A relatively small Vishal Retail plans to leverage this army of kirana stores to take on the might of the likes of Reliance, Future, Bharti Mart and Subhiksha. *(FNB 12 Apr 08)*

Domino's Pizza plans USD 17.5 mio expansion

The Domino's Pizza delivery man will be knocking on more doors of fast food lovers in towns such as Panipat, Patiaala, Kamal and Mysore.



The pizza chain is spending USD 17.5 mio to increase presence in another 10 -15 new cities. The chain expects to have 250 outlets by the end of the year, against the existing 185. The fast food chain is currently present in 34 cities.

(Continued in next column)

Domino's Pizza (Cont'd)

According to Mr Dev Amrithesh, Vice-President, Marketing, Domino's Pizza, "We have recently launched a value deal. A fun meal is for four that works out to a INR 45 single-serve pizza. The chain is also likely to spend USD 1.25 mio on selling the new Sicilian Wheat Treat Pizza. Domino's has recorded a growth of 55% in revenues".

(HBL 09 Apr 08)

American Dry Fruit sets up online stores

American Dry Fruit Stores, owned by Mumbai-based MH Foods launched 'online stores' through the company's specially designed website www.adfs.in. The company also introduced its premium quality dry fruits in PET containers in order to give prolonged shelf life with same freshness.



The PET jar will have new varieties of roasted and salted cashew nuts, pistachio and mix-dry fruits in polypack containers. The airtight containers have shelf life of nine months and are available in three sizes of 175 g, 100 g and 50 g.

The third generation of the Thakkars have not only maintained the quality standard but also added a variety of dry fruits mithais, dry fruits chocolate, sugar free sweets and chocolates, bakery products and milk masala.

(FNB 12 Apr 08)

Reliance Retail may tie up with 4 food MNCs

In a bid to capture the potential market for premium food, Reliance Retail is in advanced talks for alliances with at least four foreign food companies - fresh fruit and vegetable suppliers Dole and Chiquita, both based in the US and meat retailers Sadia of Brazil and Doux of France.



The flurry of likely deals indicates that Reliance Retail is still quite focused on its fruit and vegetable business, despite political controversies stalling its spread in certain states.

It's not clear yet if the partnerships will get into production in India. If they do, it will mean a new venture for Reliance Retail, which has so far limited itself to retailing only.

Besides getting access to the premium quality of fruit, vegetables, juice and flowers, Reliance Retail's tie-up with these foreign companies will also give the company access to processes and technology. **(ET 22 May 08)**



Low prices, combo-offers to woo retail customers

In the backdrop of high inflation and global food shortage forcing the likes of Wal-Mart to consider rationing of food products in the US, Indian retail chains are trying to maintain prices of agricultural products at the base levels and are wooing consumers with combo offers.

Modern retail stores maintain that there is no shortage of food and agri products and have denied any kind of panic situation among consumers or traders.

Says BV Ram Kumar, VP, food and agri retail, Spencer's Retail, "Since volumes are still low from the modern retail point of view, sourcing is not a problem. However, once the growth of modern retail picks up a few years down the line, it could be a difficult situation".

Modern retail is small in comparison to the overall volumes. Its contribution is a miniscule 4% to the overall retail set-up, of which food and agri form 5-60%. It is, however, believed that retail chains may be sacrificing margins to some extent to maintain the price line.

According to Mr. R Subramanian, MD, Subhiksha, "Prices have gone through the roof. In such a scenario, we would like to offer customers lowest prices to relieve their pain. It also fits with our brand promotion line of offering lowest prices".

Modern retail chains either purchase food and agri products from mandis or directly from farmers.

Those, such as Reliance, which market products under the USP of freshness, have a tie-up with 150-200 farmers per collection centre across 14-15 states. An official said that a majority of its staples are sourced from mandis, while around 65% of its vegetables and fruits are sourced directly from farmers. **(FNB 17 May 08)**

Bagrrys introduces Sugar Free Crunchy Muesli

Bagrrys India launches Sugar Free Crunchy Muesli, a perfect wholegrain cereal that is rich in fibre and contains no sugar or honey.



This delicious breakfast cereal contains no sugar or honey, the main ingredients of High Glycemic Index foods. It has zero cholesterol and trans-fats. The ingredients used are sugar-free wheat flakes (not malted) and oats, pure apple concentrate and contain no invert syrup. Sugar-free Crunchy Muesli comes in a 425 g box priced at INR 105 and 1,000g jar for INR 240. **(FNB 29 Mar 08)**

Biscuit makers call for VAT cut

Biscuit manufacturers have threatened that they would be constrained to raise the prices of their products by 10% within a month if the value-added tax (VAT) is not reduced from the existing 12.5% to the level of 4% as existing for products like bread, bhujia, namkeen, jam, jellies and fruit juice.



(Continued in next column)

Biscuit makers (Cont'd)

BP Agarwal, President of the Indian Biscuit Manufacturers' Association (IBMA), urged the state governments to make biscuits available to the poor at cheaper prices by lowering taxes and levies. About 40% of the biscuits industry is in the unorganized sector. **(FNB 12 Apr 08)**

Food companies piling up raw materials

Galloping inflation and volatile markets may be the death of the just-in-time school of inventory management.

To hedge themselves against rising cost of inputs, food companies across diverse categories such as atta (wheat flour), biscuits and spices and sugar-based products are resorting to bulk buying and stocking up raw materials in advance to cover their requirements.

World market prices for major food commodities such as grains, vegetable oils and milk have risen sharply to historic highs more than 60% above the levels just two years ago.



While food players such as Britannia and ITC Foods have been buying some of their raw materials in bulk, others such as Dabur, are resorting to using futures exchanges to hedge price risk.

In addition, some spice makers too are making advance purchases of raw materials such as turmeric, chillies, and jeera. However, since storage costs are huge and storage infrastructure is limited, only the big boys can afford to stock up at present. **(ET 22 May 08)**

Nestlé introduces Teekha Masala

Nestlé India has launched its latest innovation in sauces – Maggi Teekha Masala – a new chutney type sauce with a delicious blend of chilli seeds, cumin and lots of other spices. Maggi Teekha Masala is attractively priced at INR 28 and is available in 200 g bottles across the country.



Maggi is a leading culinary brand recognized worldwide for innovation and quality and is part of the Nestlé portfolio.

In India, the Maggi range includes Maggi Vegetable Atta Noodles, Maggi Dal Atta Noodles, Maggi Two-minute Noodles, Maggi Healthy Soups, Maggi Hot & Sweet Sauce, Maggi Tomato Pudina Sauce, and Maggi Imli Sauce. *(ETFoodProcessing 27 Mar 08)*

Maggi noodles in a cup

Nestle India is introducing Maggi Cuppa Mania Instant Noodles in two flavors. Each cup of Mania Insta Noodles meets 20% of the recommended daily allowance for calcium, the company claims. The noodles will be sold in two flavors- Masala Yo and Chilli Chow Yo.



(Continued in next column)

Maggi noodles in a cup (Cont'd)

It has also introduced INR 12-Maggi Pichkoo Tomato Ketchup. Claiming to be the leader in sauces and ketchup, Maggie believes the price point will help it further expand its sauce and ketchup consumer base. *(FNB 05 Apr 08)*

Chew on it

DS Group has launched Meetha Mazaa, a new flavor in Rajnigandha, its premium mouth freshener brand. The product is a blend of dry dates, cardamom seeds, saunf, some katha and betel nut.



This product is available as a pouch, flip top and can. The pouch is priced at INR 2, the flip top at INR 10 and the can at INR 35. It is being launched in 14 cities across India. *(HBL 17 Apr 08)*

Papa Johns to spend USD 62.5 mio

US-based Papa Johns, the world's third largest pizza chain, will invest around USD 62.5 mio on expanding its number of outlets in India to 100 in the next four years.



(Continued in next column)

Papa Johns (Cont'd)

It has opened 9 pizza outlets since it entered India in 2006 with the latest one in Powai, Mumbai. JIP Fashion and Restaurant India Pvt Ltd is their franchisee in India. Papa Johns has over 3,225 branches in 28 international markets.

Myles Felt, VP, International, Papa Johns, said, "The Indian market is growing and provides immense opportunities for multinational chains in the country. Growth in the number of total pizza outlets in the last 8-9 years has been 15-20% and I expect it to grow even faster at 25-40% this year and beyond". **(FNB 19 Apr 08)**

US Pizza to invest USD 125 mio in expansion

Bangalore-based US Pizza Restaurants, which sells fast food under the brand name US Pizza, will invest more than USD 125 mio to open over 1,000 outlets by 2011 for a pan-India expansion.

US Pizza is also planning to open more than 40 - 45 outlets in European countries such as Norway, Sweden, Germany and France and on the domestic front.



It has announced the signing of an agreement with Rajkot based Royal Eateries for opening 20 outlets in the State, mostly in Saurashtra region following the franchise mode. It has also chalked out the plans to open more than 25 flagship outlets in the country which will be owned and run by the company itself. **(HBL 12 Apr 08)**

CavinKare to increase export of pickles

CavinKare is consolidating its position as one of the leading players in pickles in the country by stepping up export of its pickles Chinni's and Ruchi to more countries.



Mr. Ramesh Vishwanathan, Company Executive Director, said that CavinKare was selling 5,000 tons of pickles annually. The local health authorities have certified that Chinni's pickles conform to PFA norms and that they are not adulterated. The company is exporting pickles to US, Singapore, Malaysia, and Sri Lanka. **(ET 12 Apr 08)**

Kerala cashew corp. launching value-added products

The Kerala State-owned Cashew Development Corporation (KSCDC), for the first time departing from its over eight decades-old traditional business of selling bulk cashew kernels, will be launching four innovative products.

The products will be marketed through selected distributors in India and the Gulf and the company has already entered into a tie up with the State Trading Corporation Ltd.

Dr. K. A. Retheesh, Managing Director of KSCDC said that with the Central Food Technology Research Institute of India (CFTRI), four products have been developed and commercial production started. These products are Cashew soup, Cashew vita and Cashew powder, which is very suitable for the working women. **(HBL 08 April 08)**

Pizzas and burgers to cost more

Multinational fast food chains are hiking prices across markets, citing 60-70% rise in costs of key ingredients such as cheese, flour and sauce over the past 12 months. While Pizza major Domino's raised prices by up to 5%.



McDonald's has increased the price of one of its best sellers, Chicken McGrill, by INR 10. Yum! Brands-owned Pizza Hut and KFC will take a call on prices in the next two weeks.

In addition, these players are circumventing direct price hikes on many products by launching new offerings at higher prices, with minor changes, and rejigging offers on combo meals. They are worried that if the upward trend in pricing continues, it could negatively impact demand. **(FNB 19 Apr 08)**

Kickstart your day with Murginns cereals

New-on-the-block breakfast cereals maker, KCL Foods, has introduced its Murginns range of breakfast cereals. Murginns corn flakes have 0% cholesterol and less than 1% fat. Murginns honey rings, honey pops and choko poko have the goodness of grains, contains essential vitamins and minerals, has the goodness of natural honey, is fat free and has 0% cholesterol.

KCL Foods is part of USD 50 mio KCL Ltd, which is among the largest paper packaging companies in the country. The company is also a contract manufacturer for Heinz for its Complian and Glucon D brands. It earlier made Sunfill for Coca-Cola as well. **(FNB 10 May 08)**

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Sugar surplus seen at 13 mio tons

Sugar surplus in the year ending September 2008 is expected to rise to 13 mio tons from 11 mio tons a year earlier, a senior industry official said.

Sugar prices in India will be under pressure in April-June due to higher availability in the physical market as the government released 2 mio tons from buffer stock, he said. **(ET 02 Apr 08)**

Sugar production may decline by 14% in 2008-09

India's sugar output is estimated to decline by 14% at 22.8 mio tons in 2008-09 on forecast of lower sugarcane production, the US Department of Agriculture said. For 2007-08, the Department has pegged sugar production at 26.6 mio tons, which is in line with Indian sugar industry's estimates.



Delayed cane payment to farmers, relatively lower cane prices vis-a-vis last year, and the relatively strong prices of competing food crops (rice, wheat, maize, and pulses) are expected to lower the cane planting for 2008-09 by 10% to 4.6 mio tons, the report said.

Sugar export is pegged at 1.2 mio tons in 2008-09, against 3.45 mio tons in this season as the Department is expecting the withdrawal of export subsidies by the Indian government from next season. **(TheHindu 25 Apr 08)**

Sugar Production Forecasts at 27 – 28 mio tons

Sugar production in the country is estimated at 27-28 mio tons in 2007-2008 (Oct-Sep), similar to the previous year, French sugar merchant Sucden said.



As per the sources reported to the Reuters, lower sugar production is mainly due to delayed start of cane crushing and high rainfall in Maharashtra. They reported that by the end of March 2008, India had produced the same amount of sugar as last year. **(AgriWatchIndia 30 Apr 08)**

Maha sugar co-operative plans to go for futures trade

Over 170 cooperative sugar factories in Maharashtra which contribute 45% to the country's sugar production, plan to go in for futures trading through National Commodity & Derivatives Exchange (NCDEX).

The immediate provocation for cooperatives to explore futures trading is reducing sugar prices at the global and domestic markets. They felt that the prices would further reduce in next six months after the centre creates a buffer stock of 2 mio tons which would be further increased to 5 mio tons.

State agriculture Minister, Balasaheb Thorat said that sugar units will benefit from the futures trading as it is a price discovery mechanism.

Prakash Naik Navre, MD of the Federation hoped that cooperatives should at least sell 25-30% of their quantities in futures to protect further slide in the sugar prices in addition to the losses. **(TheFinancialExpress 23 Apr 08)**

Sugar contracts get Kandla outlet

For the first time, India has given delivery at Kandla for sugar contracts traded on London's Euronext-Liffe exchange, the world's top market place for sugar.

This opens a new route for exports and risk management by domestic sugar companies. With 24 mio tons of sugar lying in go-downs, finding the cash to carry it is top priority for mills.

According to exchange data, the delivery was given by Louis Dreyfus Commodities Suisse SA while ED&F Man was believed to be one of the receivers. Shree Renuka Sugars was the Indian supplier of the 45-icumsa refined sugar.

Mills with hi-tech plants can profit from a USD 100-ton refining premium available now in the world market by exporting 45-icumsa sugar. Against the supply of 36 mio tons, the country has consumed 10 mio tons locally and exported 2.5 mio tons. In other words, at least 24 mio tons sugar is being held by Indian mills and seeking an outlet. **(ET 18 Apr 08)**

Maharashtra sugar output at 8.6 mio tons

Sugar production in Maharashtra, the country's largest producer, has touched 8.6 mio tons and the state is expected to produce another 0.15 mio tons till the end of May, when the season ends.

Sugar production has reached 8.6 mio tons till May 12, according to Prakash Naiknavare, MD, Maharashtra State Cooperative Sugar Factories Federation.

Maharashtra produced 9.08 mio tons in 2006-07 seasons. The crushing in the state started late by six weeks in 2007-08 season, which has caused a marginal decline in the production.

(FNB 17 May 08)

SC ruling on cane price lifts sugar stocks

Sugar stocks surged sharply on 15th May. This was mainly due to the Supreme Court allowing sugar mills in Uttar Pradesh to pay farmers INR 110 per 100 kg for cane, said analysts.



“The price set now is lower than what was set by the State. The Court has given four weeks time for the millers to clear all the cane arrears. What we saw today was the investors covering their short positions, which they had built earlier”, said an analyst tracking the sugar sector at a brokerage. The State Government had earlier asked the mills to pay INR 125 per 100 kg for buying cane from farmers in this season this year. **(HBL 16 May 08)**

Reliance, HPCL renew interest in Bihar sugar mills

Notwithstanding the Centre's directive prohibiting production of ethanol from sugarcane juice, Reliance Industries Ltd and Hindustan Petroleum Corporation Ltd (HPCL) have renewed their interest in taking over three state-controlled sick sugar factories in Bihar.

RIL has emerged as the highest bidder at USD 14.25 mio for the take-over of the Motipur unit. HPCL emerged the highest bidder at USD 11.25 mio for Lauriya unit and USD 12.5 mio for Sugauli sugar mills in East Champaran district, sources said. **(ET 28 May 08)**

HUL sells its famous Dalda brand

Hindustan Unilever Limited (HUL) sold off one of its oldest brands, Dalda, to the US-based Company Bunge, a USD 14 bio agribusiness and food company, for USD 22.5 mio. It signed a memorandum of understanding (MoU) with Bunge, to sell its edible oils and fats business in India and Nepal, including the 66-year-old Dalda and its other extensions.



The sale is a part of HUL's strategy to exit from loss-making businesses. As consumer preferences have moved away from hydrogenated oils to healthier cooking media, Dalda had lost its command over the Indian kitchen.

(ETFoodProcessing 12 Apr 08)

Edible oil imports up by 38%

During peak domestic crushing season, the total import of edible oil increased to 1.93 mio tons during the first five months of the current season from 1.4 mio tons, up by 38%.



The import of edible oils during March 2008 was reported at 0.42 mio tons compared to 0.318 mio tons in March 2007, up by 33% and non edible oil was reported at 81.14 kt compared to 64.03 kt, up by 28%, according to data provided by the Solvent Extractors' Association of India (SEA).

During the last five months, prices of all the major edible oils have gone up sharply and also shot up by about 110%-150% over March 2007.

(TheFinancialExpress 17 April 08)

Duty cut on edible oil yields no gain for consumers

The import duty cut on crude and refined edible oil announced in March has so far failed to benefit consumers, as branded oil producers are unwilling to pass on the benefit to end-users.

Major branded edible oil producers are claiming that they have cut selling prices by 8-16% after the duty reduction.

However, prices of branded packaged oil are actually being quoted 15-18% higher in the retail market. This is significant as the government is exercising all possible measures to control inflation and edible oil, with a weightage of 2.76% in the wholesale price index (WPI), affects consumers directly. Edible oil prices have surged above 25% in the last one year.

INR/kg

Oils	Spot price unbranded oil		Producers' price of branded oil	
	5 th Mar -2008	5 th May-2008	5 th Mar -2008	5 th Mar -2008
Groundnut	76.00	61.00	85.00	95.00
Refined soya	75.80	57.00	80.00	85.00
Refined Palmolein	67.00	53.70	77.00	84.00
Refined sunflower	86.00	63.50	95.00	90.00
Mustard	66.50	59.50	95.00	113.00

Meanwhile, the country's largest edible oil producer Ruchi Soya Industries has cut prices to the tune of 10-14% across all brands including Nutrela soya oil and Ruchi Gold palm oil.

(BS 06 May 08)

Oilmeal exports surge 13%

The country's export of oilmeals for March 2008 jumped 13% to 853.67 kt compared to 755.45 kt in March 2007, according to the Solvent Extractors' Association of India. The jump was due to an overall increase in export of oilmeals.

India recorded an overall export of 5,442.13 kt of oilmeal for the period April 2007 to March 2008 compared to 5,170.7 kt in the previous year.



However, record soybean crop of 9.4 mio tons in 2007-08 coupled with record price realizations in the international market pushed the export of oilmeals in the second half of 2007-08.

(CommodityLife 15 Apr 08)

KS oils

JM Financial ASK Securities has initiated coverage on KS Oils with a 'buy' rating and a price target of INR 115, saying the company would be the biggest beneficiary as the mustard oil market gets increasingly organized.

"KSO has embarked upon a capex programme of over USD 162.5 mio to expand crushing/refining capacities by 3.5-4 times and solvent capacity by 6 times in the next two years. This will fortify its share in the mustard oil segment and help build its presence in the soya/palm oil market", the JM ASK note to clients said.

"KSO is currently trading at 18 times FY09 (estimated) earnings and 10 times FY10 earnings after building in 48 % compounded annual growth in profits over FY08-10 (estimated)".

(ET 22 May 08)

Poor demand keeps mentha oil down

Mentha oil traded range bound on the lower side in both cash and futures markets amid subdued trade. Lack of fresh overseas demand added to the negative tone.

In the benchmark Chandausi market, mentha oil traded in the INR 465-507/kg range with arrivals being around 80-100 barrels on daily basis. Also weighing on prices was the estimated huge surplus of around 12,000-15,000 tons for the upcoming 2008-09 season.

Balance sheet for Mentha oil:

Mentha oil balance sheet	2007-08 (tons)	2008-09 (tons)
Carry in stock	15,000	5,000
Country's production	42,000	35,000
Total availability	57,000	40,000
Normal requirement	25,000-28,000	22,000-25,000
Surplus	29,000	15,000

In the upcoming season, mentha oil prices are expected to remain range bound with a bearish undertone at lower levels due to supply glut and absence of exporters' demand as they already have ample stock. *(CL 07 April 08)*

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Indian herbal provides food hydrogel advance

The production of stable, cross-linked hydrogels could be possible by using the well-known Indian herbal genipin, suggest Indian researchers. This hydrogel can be utilized in specific food applications as well as other applications which demand pH- resistance.

A highly viscous, thermally stable hydrogel was produced by treating agar and kappa-carrageenan with the natural cross-linker genipin, according to research published online in the journal Food Hydrocolloids. Both agar and carrageenan are prepared from red seaweed.

Optimal conditions were reported as 75%-carrageenan, 25%- agar. Under such conditions, the resulting hydrogel could swell by 8600 and 9380% at pH 1.2 and 7, respectively, stated the researchers. (*Nutraingredients.com* 14 April 08)

Navkar BioChem to invest USD 0.75 mio for expansion

Navkar BioChem will invest USD 0.75 mio for new product introductions. It is the manufacture of food /flour additives, improvers and micro nutrients and caters to the needs of various businesses like flourmills, food processing, bakeries, beverages and breweries.

Some of the special products are Micro Nutrients, Vitamin and Mineral premixes, bleaching agents like Benzoyl peroxide, bread improvers and flour improvers - for whole wheat atta, resultant atta, maida and sooji (rava) improvers. Other products include preservatives, taste enhancers, antioxidants, oxidizing agents, enzymes and hydrocolloids.

It plans to increase its capacity to 250 tons. The turnover of the company is USD 1.75 mio and it expects to touch USD 2.5 mio. (*FNB* 29 Mar 08)

General Mills to introduce Seven Grain Bread Mix

General Mills India Pvt Ltd launches Seven Grain Bread Mix by April end across the country. The mix will be used to prepare breads, buns, rolls and pancakes.

The company also manufactures a range of pre-mixes under the brand 'Pillsbury' premixes which include egg free and egg based. There is also a dedicated pre-mix for Tea Time Range for use in the preparation of muffins and fruit cakes. According to an official source, the premix sector is growing at 40%.

Another premix is the brownies which are authentic; generally the process of melting chocolates for brownies is a cumbersome process. The company is now gearing up to launch 'Haagen-Dazs' ice cream. (*FNB* 19 Apr 08)

Maize processing plant in Uttarakhand

Gujarat-based agro processor Gujarat Ambuja Exports Ltd (GAEL) expects to achieve full capacity utilization of its newly commissioned maize processing plant in Uttarakhand by May 2008.



According to Paresh Upadhyaya, a company spokesperson, the plant would initially operate at 300tpd. The full capacity of 500 tpd would be attained in two months, according to a report by Venugopal Pillai in Project Monitor.

Maize processing involves treating maize into value-added products like maize starch, glucose, sorbitol, etc. GAEL is engaged in processing of soyabean seeds and maize, refining of crude edible oils, among other things. (*FNB* 12 Apr 08)

Vanilla production declines

Vanilla farmers are abandoning their cultivation with the downslide in the commodity looking irreversible, traders said.

Price of the finished product vanillin has slumped to a new low with huge inventories lying unsold with trade associations and farmers forums. Vanilla farming is likely to come down by another 30% for the current year, MC Saju of the All Kerala Vanilla Growers Association.



Production in the last harvest season slumped to 600 tons, a decrease of 40% on year-to-year basis. Prices slumped to less than INR 600/kg of processed beans from a high of over INR 20,000/kg in 2003-04 (April-March).

The much-hyped value addition efforts by Vanilco also have not made any significant impact on the demand for vanilla products. *(TheFinancialExpress 24 Apr 08)*

Avesthagen's Teestar bioactive ingredient

Avesthagen Limited is engaged in the production of clinically validated botanical bioactive ingredients for the food sector.

It recently introduced Teestar, a bioactive, into its branded product 'Good Earth Whole Wheat Crackers.' The bioactive ingredient is known to reduce blood glucose levels.

(Continued in next column)

Avesthagen's Teestar bioactive ingredient (Cont'd)

The whole wheat crackers with Teestar were introduced through its subsidiary company, Avesta Good Earth Foods Pvt Ltd (AGEF), a health and wellness consumer Food Company.

According to Dr Viloo Morawala Patell, founder, chairman-managing director Avesthagen Ltd, the range of whole wheat with zero trans-fat, high fibre content and close to ideal blend of saturated, mono-saturated and poly-saturated fats occupy the high end health segment of the cracker market. For the development of bioactivities, the company has also partnered with Nestle and Danone. *(FNB 26 Apr-09May 08)*

Kellogg's upholds nutrition heritage

Kellogg's is upholding the nutrition heritage by launching new products and reformulating current ones on the foundation of nutrition, practicing responsible marketing communications, promoting healthy diets and improving consumer information for products, said Madhavi Trivedi, Senior Nutritionist & Communications Manager, Kellogg India Pvt Ltd.

Kellogg Muesli offers consumers a great balance between taste enjoyment and nutrition (against ordinary Muesli). It is highly nutritious and wholesome as it is made from the choicest grains - oats, wheat, corn and rice. It is extremely tasty as it offers great tasting nut & fruit inclusions.

(FNB 17 May 08)



STCL sets up chilli processing plant

The Union Government and the Spices Trading Corporation Ltd (STCL) set up a chilli processing plant at Byadgi in Karnataka. This will be a boon to the chilli growers in the northern parts of Karnataka who have been facing ups and downs in the prices of chillies.



According to STCL authorities, the processing plant was set up with a capacity of 20 tons/day at a cost of USD 1.25 mio, and is the first of its kind in the country and it started operations recently. It will also market the branded quality chillies in the international and domestic markets.

Soon a laboratory facility would be set up for testing the quality of products of chilli at a cost of USD 0.375 mio. **(FNB 05 April 08)**

JK Spices invests USD 2.5 mio for spices processing units

JK Spices, one of India's leading spices company, has invested USD 2.5 mio to set up manufacturing centres at Unjha in Gujarat and Kolkata. Plans are underway to invest another USD 1.25 mio over the next three years.



(Continued in next column)

JK Spices invests (Cont'd)

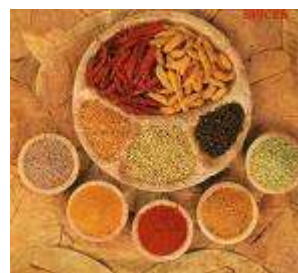
The company is gearing up to launch more products like dals, pap ads, pickles, oils and ready-to-eat products. It will launch vegetarian gravies, easy-to-cook vegetables, soups and different kinds of rice eateries.

Papads (punnjabi, green gram dhal and garlic), pickles like green chilli pickle, red chilli pickle, lime pickle, mango pickle and mixed pickle will also be an addition to the basket of new products. Spices are also exported to Thailand which is handled by Hukamchand Co. **(FNB 12 Apr 08)**

Spices export touches USD 1 bio

Indian spices export for 2007-08 have created a record by crossing the USD 1 bio mark, sources at the state-run Spices Board said. The provisional data puts the volume above 420 kt and the rupee revenue around USD 1050-1075 mio.

Exports for 2006-07 stood at 373.35 kt valued at USD 792.95 mio. The targets fixed by the board for the 2007-08 was 380 kt valued at USD 900 mio.



Exports of pepper, chilli, curry powder, mint products, coriander and cumin have exceeded the targets in terms of both volume and value. Performance of cardamom, ginger, turmeric, cumin, celery, garlic, nutmeg and mace fell short of last year's achievement.

(TheFinancialExpress 25 Apr 08)

MDH eyes 20% growth in FY 09

Leading manufacturer of blended spices MDH said it is eyeing a 20% growth in revenues this fiscal, as it plans to set up a unit in Dubai.

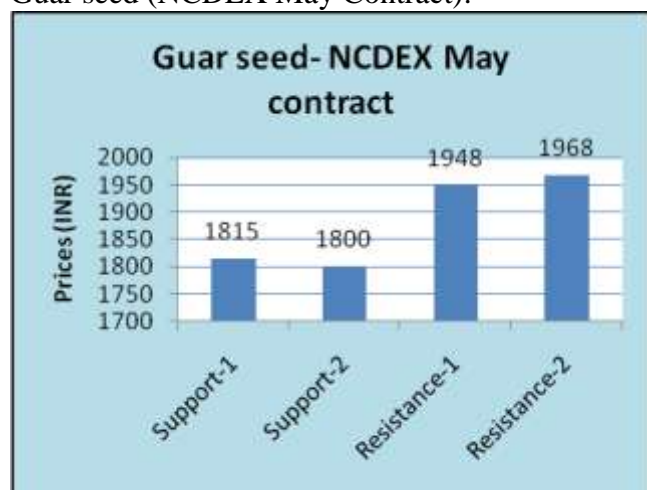
The company posted a turnover of USD 63 mio in 2007-08 and hopes to clock a 20% growth in the current fiscal, MDH founder Mahashay Dharpal said.

"The unit would manufacture over 100 products and make initial sales of USD 1.75 mio", he said adding that raw material for the Dubai unit would be exported from India. The company is also setting up two cold storages and a processing unit at Nagaur in Rajasthan, he said. **(ET 04 May 08)**

Normal monsoon pushes guar down

Guar prices remained on the softer side, with the continuing decline in prices forcing some stockists to sell at lower levels. The market activity continues to remain subdued, with traders remaining cautious in a falling prices scenario. A sharp decline was seen on Wednesday on rumors of a normal Monsoon during 2008.

Guar seed (NCDEX May Contract):



Support-1: 1815; Support-2: 1800
Resistance-1: 1948; Resistance-2: 1968
Strategy: Sell on recoveries towards resistance.
(Continued in next column)

Normal monsoon (Cont'd)

The soaring inflation also kept guar prices under check, with players speculating that the Reserve Bank might increase interest rates to check inflation, which would further strengthen the rupee, reducing the attractiveness of guar exports. Inflation climbed to 7.41% as of March 29 as compared to 7% the previous week.

Overseas demand is still normal, which is giving some hope to traders that prices might recover in the coming days. Guar futures traded mostly weak during the week as huge stocks in NCDEX warehouses kept prices under pressure. Volume and open interest both declined during the period. **(CL 15 Apr 08)**

Cardamom exports slip by 15 %

India, the world's second largest cardamom producer, shipped 1,565 tons during the first 11 months of financial year 2007-08, down 15.17% due to high domestic prices and supply crunch.



Prices of cardamom increased significantly in the domestic market since 2006-07. The average auction prices of cardamom doubled to INR 600 a kg from 2006-07, a board official requesting anonymity said.

Meanwhile, production dipped 13.44% to 9,725 tons in the comparable period due to unfavorable climatic conditions in the growing regions, the official added. The country exports only 10% of its total output mostly to European countries, like Germany, Netherlands and the UK. **(BS 10 April 08)**

Barley: Traders see good orders

Barley futures have been trading in an irregular manner. Reports suggest that exporters and traders see good overseas demand, thereby pushing prices up.

Experts said the direction of the barley market would be clear on the back of export orders. Exporters have stocked the grain at the Kandla port and are waiting for overseas orders.

Currently, domestic barley prices are quoted higher than those in Ukraine, a major exporter of the grain. Ukraine expects a 15-20% higher crop this year at around 1.65 mio tons.

On the National Commodity and Derivatives Exchange (NCDEX), the May barley contract closed at INR 1,146 a quintal against the previous week's close of INR 1,103 a quintal.

(BS 27 Apr 08)

Food grains production to touch record high

The food grains production in India would touch a record high of 227.32 mio tons this season (Jul'07-June'08), up 4.6% from 2006-07, according to Union agriculture secretary PK Mishra.

Production estimates for 2007-08 are as in the following table:

Food Grains	Production (mio tons)
Wheat	76.78
Rice	95.68
Maize	18.54
Other pulses	15.19

"Favorable weather, good monsoons and temperature drop in the rabi season have helped attain the high production levels", Mishra said, releasing the third Advance Estimates of production of major crops grown in the country.

(FNB 26 Apr 08)

Wheat procurement crosses 12.6 mio tons

The government's aggressive plan to procure wheat to the tune of 15 mio tons during 2008 for building buffer stock and for public distribution system in an effort to stem rising prices has been on target with procurement already crossing 12.6 mio tons till date.



According to food and agriculture minister Sharad Pawar, state-owned Food Corporation of India and other agencies have already procured more than 12.6 mio tons from the major wheat-producing states. Four global trading companies offered to supply 760 kt of wheat, with bids in the range of USD 415-506 a ton, inclusive of USD 35 a ton as premium.

State-wise procurement of wheat:

States	Wheat procurement (tons)
Punjab	67,64,297
Haryana	40,01,818
Uttar Pradesh	5,41,525
Madhya Pradesh	7,79,532
Bihar	8,018
Rajasthan	4,04,034
Uttaranchal	4,026
Chandigarh	8,618
Delhi	5,368
Gujarat	87,490
Total	126,04,728

Global wheat prices have now softened to less than USD 9 a bushel from a high of over USD 12 a few months ago on expectations of a larger crop this season. Prices are expected to fall further as the wheat crop is seen higher year-on-year in key exporting countries such as Australia, Europe and Canada.

(FNB 26 Apr-09 May 08)

Normal monsoon forecast may ease inflationary pressure

The Indian sub-continent is fed by two monsoon seasons, the southwest monsoon, extending from June to September, and the northeast monsoon—from October to December. Agriculturally, the southwest monsoon is more important as it bestows almost 80% of the country’s annual rainfall.

On the agricultural front, key cereals, viz rice, maize, jowar and bajra (sorghum & pearl millet), oilseeds (groundnut, soybean, etc.) and pulses (pigeon pea and urad) are grown during the kharif season fed by the southwest monsoon. The following table gives the area and production of kharif crop for the last three years:

Area and production of major kharif crops:

Crops	2006-07		2007-08	
	Area (mio Ha)	yield (mio tons)	Area (mio Ha)	yield (mio tons)
Rice	37.21	77.43	36.93	81.52
Maize	7.30	11.10	7.45	14.29
Soy bean	8.12	8.682	8.76	9.45
Ground nut	4.77	3.182	5.41	5.81
Tur	3.62	2.64	4.08	2.90
Other Pulses	7.85	2.60	8.44	2.87
Sugar cane	4.28	315.53	5.10	340.32

Source: Ministry Of Agriculture
(CL 26 April 08)

Soyameal exports to rise

Soyameal exports are expected to jump more than two-fold to about 0.3 mio tons this month due to better demand in the global market and record domestic production of soyabean.

(Continued in next page)

Soyameal exports to rise (Cont’d)

Indore-based Soyabean Processors' Association of India (SOPA) Coordinator Rajesh Agrawal. India exported 0.121 mio tons of soyameal last May.

The export price currently stands at USD 417/ton, which is much higher than about USD 275/ton when the season started in October 2007, he said. Soyameal exports have risen by 26% at 3.77 mio tons during October 2007-April 2008 compared to 2.99 mio tons in the corresponding period of previous season.

(The Hindu 12 May 08)

Pak Basmati traders benefit by India's higher export duty

The government and the exporters had spent millions of dollars to build the Basmati rice export market. World market share at the direct expense of Pakistan has been won, after numerous WTO disputes and over 400 cases fought all over the world

The imposition of INR 8,000 export duty per ton Basmati rice by the Indian government will benefit the traders on Pakistan. It is estimated that the export duty will transfer USD 750 mio worth of Indian farm income to Pakistan farmers.

Recently, the Centre imposed an export duty of INR 8,000 a ton on Basmati rice exports in order to discourage exports. It also lowered the MEP on export from USD 1,200 to USD 1,000 a ton. The country exports over 80% of the 1.6 mio tons of Basmati rice it produces.

Vijay Sethia, President, All-India Rice Exporters Association, said frequent changes would send wrong signals to the international trading community. Lowering of minimum export prices would not have any impact as exports were stuck at much higher prices after adding up other incidental cost. (FNB 17 May 08)

Fruits, vegetables expensive despite Govt measures

Most vegetables are selling at above INR 20/kg and fruits between INR 35 and 65/kg at retail stores in New Delhi, even as the Government is trying to contain the price line from 1st April.



Fruits, which have already raised sky high, remain on top with apple selling at INR 60-65/kg in the organized retail stores like that of Subhiksha.

Despite the Government extending ban on pulses export, prices have not shown any change and remain quite high in retail, even though a marginal decline was witnessed in the wholesale market. (*FinancialExpress* 11 Apr 08)

Summer rains give pineapple, cardamom a new lease of life

Bountiful summer rains have boosted the long-term prospects of cardamom and pineapple, even as crops such as paddy suffered extensive damage in Kerala.

In 2006-07, cardamom production in the country was around 11 kt. With unexpected rains, the production has improved considerably.

Pineapple farmers are facing a strange situation. On the one hand, the rains have had a positive effect on the production, which is expected to go up by 25%. The total production of pineapple in the country is estimated at 0.33 mio tons. On the other hand, the rains have adversely affected spot prices. (*ET* 10 Apr 08)

Onion exports down by 14%

Country's onion export has dipped by 14% at nearly 1mio tons in 2007-08 fiscal, but in value terms the decline has been marginal.

The exports of onion, a politically sensitive commodity, stood at 0.99 mio tons in 2007-08, compared to 1.16 mio tons in the previous fiscal, according to data provided by National Horticultural Research and Development Foundation.

In value terms, however, exports have declined marginally to USD 279 mio from USD 283.75 mio. Meanwhile, the average MEP for April has been fixed at USD180/ton. The MEP stands in the range of USD165-390/ton for most of the destinations. (*HBL* 05 Apr 08)

Rains destroy 90% grape crop

Due to the recent unseasonal rains in Andhra Pradesh, grape growers have reported an estimated loss of over USD 15 mio. The grapes were ready for harvest when there was sudden downpour coupled with speedy winds in the state which made the total produce rot leading to a financial distress situation for the farmers.



Grapes are grown in about 6,000 acres in the state. The post effects of the continuous rains have resulted in the berry cracking and rotting of bunches making the crop not usable to any market or consumers. (*FNB* 05 Apr 08)

Mangoes lose flavor with Russian exporters

The king of fruits may be conquering the US, Japan, Europe and West Asian markets but Russia, a promising market, will be missing from the list this year.

Mango growers in Gujarat, one of the major mango growing states in the country, have already lost export orders following the ban. However, the situation has been mitigated by the strong demand in the US and other countries. According to APEDA data, fresh mango exports to Russia stood at 4.94 ton worth INR 0.81 mio in 2006-07.

According to the monthly refusal list issued by the Operational and Administrative System for Import Support (OASIS) in January, Indian exports were subject to third highest number of refusal actions, with 115 cases. **(BS 16 April 08)**

Swiss company looks for ways to process Nagpur oranges

Pal & Partners, a Switzerland-based company, along with the Gujarat-based Desai Fruits & Vegetables, has been conducting surveys in Vidarbha to examine the feasibility of processing Nagpur oranges. Nagpur's mandarin oranges famous for their sweetness are difficult to process.



There are two systems of processing the mandarin. The first involves passing the fruit through resins. This increases the cost of processing. The second system is using different packaging but then the shelf life of the processed juice is only six months. **(FNB 12 Apr 08)**

Orange growers have great hopes from the possibility of processing this variety.

Pistachio rises on better demand

Pistachio prices rose between INR 5-20/kg in the wholesale dry fruits market on fresh demand from retailers influenced by higher overseas advices. Traders said increased off take by retailers along with higher overseas advices mainly pushed up pistachio prices.



Pistachio varieties like Irani gained INR 15/20 at INR475-520; Hairati added INR 20/10 at INR480-510 and Peshwari rose by INR 10/5 at INR 510-550 per kg respectively. **(TheFinancialExpress 16 Apr 08)**

APMC opens yard for onion and potato storage

Agriculture Produce Marketing Committee (APMC) yard which is the largest in Karnataka opened an exclusive yard only for onion and potato trading at a cost of USD 2.1 mio.

According to Mr. E Krishnappa, President, APMC, the yard will have 58 shops, and each of them will have a capacity of 4 tons and 52% of space reserved for potato and the remaining 48% for onions. It will cater to the supplies of Bangalore city, in case of a shortage in the South Indian markets.

The APMC officials said the yard would have a farmers' enclosure, wherein the farmers can trade their produce directly into the supply chains. Around 300 farmers will use this facility. **(FNB 12 Apr 08)**

Keshar mango variety becoming popular

Keshar mango, the delicious juicy fruit of Marathwada region is becoming so popular in the world market that the Mango Growers Association of Aurangabad (MGA) has started exporting this fruit to Japan, Hong Kong and USA.



Keshar Mango, whose shelf life is longer than Alphonso is very popular in the world market.

"We have sent the first container of 150 tons to Japan and now a team from Australia has arrived in Aurangabad to place orders for this juicy fruit", MGA Chairman Trimbak Pathrikar told PTI. (*TheHindu 28 Apr 08*)

USDA, APHIS to inspect Indian mango exports

AS Indian mangoes are on their way to the US, the agriculture and processed food export development authority (Apeda) has invited senior inspectors from USDA and animal and plant health inspection service (APHIS) to oversee the irradiation facility in the country and certify export consignments as per the agreed protocol.

Last week, about 1,080 boxes of Alphonso and Kesar mangoes weighing 3800 kg were dispatched to Chicago; 1,275 boxes weighing 4,460 kg have been sent to New York and 420 boxes weighing 1,470 kg destined for Atlanta. (*FNB 19 Apr 08*)

Strawberry revolution in Nilgiris

The Nilgiris is experiencing a silent red revolution. Farmers here are switching over to the cultivation of strawberries that seem to be catching on in the town recently.

There are 10,000 plants and the Californian variety that is popular here yields an average of 68 tons of fruit per acre. Presently, Nilgiris district produces about 50 kg fruits per day.



A spokesperson of the farm said that they have plans to produce and market fresh juices and confectionery items from the fruits.

With the presence of retailing arms of corporate like AV Birla and Reliance in the plains of Coimbatore, the future for strawberry cultivation seems to be promising. (*ET 18 Apr 08*)

Almond prices up on retailers demand

In restricted activity, almond prices were up by INR 100 per bag of 40 kg in the wholesale dry fruits market on emergence of buying by retailers amid higher overseas advices. Traders said fresh demand from retailers in the wake of higher producing region advices mainly pushed up almond prices. They said a firm trend in almond in the overseas market further fueled upward march.

However, prices moved in a tight range on alternate bouts of buying or selling, settled around previous levels. Almond California gained INR 100 to INR 8600 per 40 kg. Its kernel followed suit and traded higher at INR 305-307 from INR 300-301 per kg. (*TheHindu 23 Apr 08*)

Organic vegetable farming planned in 1,000 Kerala villages

The Kerala Government will implement a comprehensive organic vegetables farming programme aimed at making the State self-reliant in vegetable production.

The programme, to be launched this year, envisages bringing 5,000 hectares of land, spread over 1,000 villages, under vegetable cultivation. This is expected to yield 0.1 mio tons of vegetables, according to the Minister for Agriculture, Mr. Mullakkara Ratnakaran.



The Agriculture Department will take the lead to implement the plan in coordination with agencies such as State Horticultural Mission, Vegetable and Fruit Promotion Council, Kerala Agricultural University and the Kerala State Horticultural Products Development Corporation (Horticorp). **(HBL 01 May 08)**

Bumper mango production expected this year

Malda, famous for its mango, is expecting a bumper production of 250 kt this year. Limited use of chemical fertilizer, good weather and care by growers have brightened the prospect of mango production which might exceed last year's production of 170,000 tons, Malda Mango development officer, Samarendranath Khara told PTI.

The three major varieties Laxman bhog, Himsagar and Fazli have also received geographical identification which was as good as a patent and would help in exports, Khara said.

(Continued in next column)

Bumper mango production (Cont'd)



Other varieties grown in the district were Langra, Gopal bhog and Guti, on 25,900 hectares, he said. The USD 1.25 mio project with Italian expertise was being considered for subsidy by the Mango Development Board. **(TheHindu 05 May 08)**

Nafed to buy potatoes in UP

The Centre has asked National Agricultural Cooperative Marketing Federation (Nafed) to purchase potatoes in Uttar Pradesh which has seen a bumper crop leading to a sharp fall in prices.



According to sources, Nafed has been asked to purchase 50 kt at INR 2.5 a kg. While the state government has agreed to purchase 50% of the crop, the Centre would purchase 25%. But there is the problem of storing the crop as almost all cold storages in UP are already full with potatoes.

Potato prices have fallen by INR 5-6 a kg in retail markets due to bumper production in UP, West Bengal and Gujarat. Prices range from INR 1.5-2 a kg in UP. **(FNB 26 Apr 08)**

Himachal's apple production to fall by 33% this year

The Himachal Pradesh government is expecting almost 33% fall in apple production this year, compared to last year's output as unfavorable weather conditions are affecting the production of the fruit.



"This year we are not anticipating bumper crop as we achieved last year in view of unfavorable weather conditions existed this year", state government Principal Secretary (Agriculture) PC Kapoor said here.

The state government is hoping for an apple output of about 0.4 mio tons this year as against the total apple production of 0.59 mio tons last year, he said.

The state government would be importing new rootstocks worth USD 0.75-1.25 mio from the US this year as part of its strategy to replace the old apple orchards. Last year, the state government had imported root stocks worth USD 0.625 mio. **(ET 08 May 08)**

Cashew production to get a boost

Cashew production is likely to get a boost with the Directorate of Cashew and Cocoa Development taking steps to increase the area under farming to 1 mio hectares by 2012.

The government body has decided to take up cultivation in a big way in states like Chhattisgarh, Jharkhand and the north-eastern region under the 11th Plan.

(Continued in next column)

Cashew production (Cont'd)

From the present farming area of 8,74,000 ha, the directorate hopes to achieve a 15% increase in area that will help in reducing the import of raw cashew kernels, for which the nation depends on African countries. Indian export earnings from cashew-nut slipped by 6.8% to USD 572 mio in 2007-08 (Apr-Mar) compared to USD 613.75 mio in 2006-07. **(FNB 10 May 08)**

Desai Fruits ties up with Gulf co. for banana exports

The Gujarat-based Desai Fruits and Vegetables (DFV) has signed a contract with a Gulf company for the supply of bananas round-the-year and flagged off an 18-ton container of bananas in Ahmadabad.



DFV sent the consignment to Sharbatly Fruit Company in Jeddah as a part of the contract. To develop a global market for bananas, DFV has struck strategic partnerships internationally which includes investments from Switzerland and technology from the Philippines.

In the next three years, DFV plans to ramp up banana cultivation to 10,000 acres with over 2,500 farmers dedicated to the fruit.

DFV has created India's first multi-fruit integrated infrastructure, generating investments from Europe, importing technology from the Philippines, adopting entire villages for producing fruits and vegetables, while partnering with suppliers internationally and exporting top-quality fruits to Japan, the US and the EU.

(FNB 17 May 08)

Greenpeace alert on GM corn in Indian food products

Greenpeace, an environmental activist group sounded an alert in New Delhi on the presence of Genetically Modified (GM) corn in Indian food products that is harmful to humans.

Tests conducted at an independent laboratory on products picked up randomly from a supermarket in New Delhi revealed that Pepsico's Doritos corn chips contain genetically modified Mon 863 and NK 603 variety corn ingredients.

Both Mon 863 and NK 603 are Monsanto's genetically modified corn varieties. Mon 863 has a bacterial gene for pesticide tolerance while NK 603 has a bacterial gene for herbicide tolerance.

Greenpeace is demanding that the Health Ministry take notice of this serious violation and threat to human health and constitute the Food Safety and Standards Authority at the earliest
(ET 03 May 08)

Bayer launches new hybrid rice

Bayer BioScience Private Limited has launched the rice hybrid called Arize Dhani that offers high resistance to bacterial leaf blight (BLB), which causes significant losses to paddy farmers. The product was launched in Chhattisgarh.



BLB is caused by a bacterium called *Xanthomonas oryzae pathovar oryzae* that is estimated to cause an annual economic loss of about 6 mio tons of paddy in India.

(Continued in next column)

Bayer launches (Cont'd)

Mr. Mahesh Kumar Girdhar, Head of Bayer BioScience (India), said the disease resulted in yield losses up to 20-60% annually in the kharif season.

BLB affected up to 7 mio hectares of paddy growing area. "The new hybrid could combat BLB effectively, ensuring better productivity and profitability", Mr. Girdhar claimed.

(HBL 06 May 08)

Hybrid maize catches farm experts' fancy

Hybrid varieties of maize, having higher protein content, have the potential to create a revolution in the country, ensuring nutritional security to poor as well as for poultry industry, according to farm experts.



Under the quality protein maize (QPM) programme, there are 10 varieties of maize available in the country. Protein content in QPM is about 74% while it is only 37% in normal maize. Interestingly, protein quality of QPM is 90% that of milk, they said.

"These hybrid seeds have increased maize yields from 16 quintal per hectare to 24 quintal per hectare resulting in bumper production of 18.51 mio tons in 2007-08. Hybrid maize can create a bigger revolution", Indian Council of Agriculture Research (ICAR) Director General Mangala Rai said. (ET 6 May 08)

Mahyco ties up with US firm for plant technology

Maharashtra Hybrid Seed Company (Mahyco), one of the largest seed companies in India, has signed an agreement with the California-based leading agricultural technology developer Arcadia Biosciences to develop agri-commodities that are safer for human health.



Under the agreement, Arcadia will help Mahyco to carry out research on developing eco-friendly plant technologies.

As an immediate offshoot of the agreement, Mahyco will have access to Arcadia's nitrogen use efficiency (NUE) and salt tolerance technologies to develop several key crops. The agreement also provides Mahyco the license to commercialize the newly developed plant technologies in India and South Asia. **(FNB 10 May 08)**

GM brinjal on trial

The gathering opposition to trials of genetically-modified (GM) food crops is unfortunate. Currently, Bt brinjal, an insect tolerant variety, is being field-tested; but the experiment runs the risk of getting torpedoed because of vociferous protests, much of which seem to spring from a 'fear of the unknown'.

While the long-term effects of engineered crops are unknown, the last 12 years have not thrown up any scary results. The technology promoter company must make full disclosure about the nature of the crop and related bio-safety issues.

(Continued in next column)

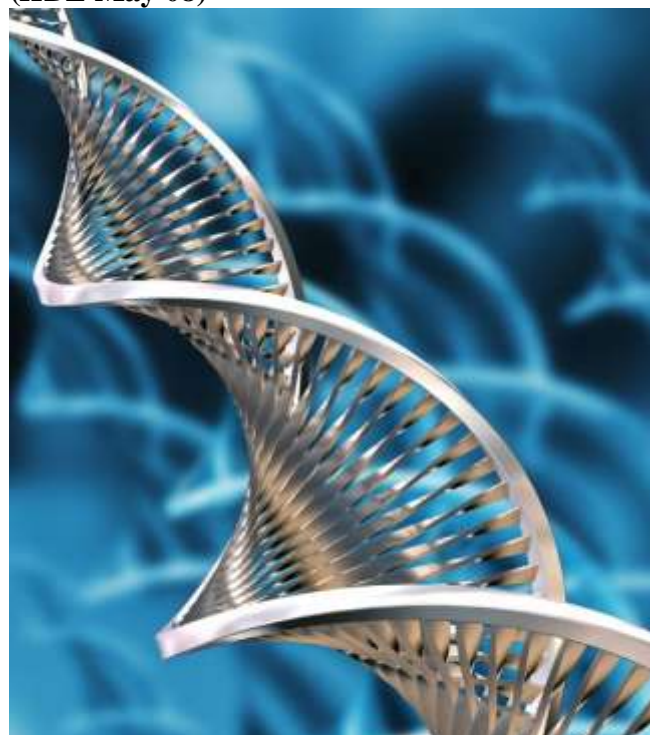
GM brinjal on trial (Cont'd)

Together with the State government, the regulator should play a more proactive role to ensure that there is a clear 'meeting of the minds' between the two contracting parties - the promoter company and the grower.

Admittedly, Bt brinjal is a food crop. Therefore, bio-safety concerns deserve more focused attention. There shall be no compromise on enforcing safety norms. Marketing of the food crop is also sure to be a tricky issue. Consumers have a right to know what they are paying for. Unlike in the US, where there are no labeling stipulations, the law in India regulates the sale of GM crops.

The marketing issue needs to be resolved harmoniously, keeping in mind the interests of various stakeholders. The Indian government has so far demonstrated a fairly cautious approach to adoption of agricultural biotechnology. Such caution must continue. At the same time, a balanced information campaign must be pursued so that growers and consumers are provided the facts they need to make a conscious choice.

(HBL May 08)



Amul reports sales growth of 18%

The owners of the Amul brand, Gujarat Co-operative Milk Marketing Federation (GCMMF), have recorded 17.5% increase in their sales turnover in 2002-03, at USD 686.5 mio. The previous year, the cooperative had reported a turnover of 4% at USD 584 mio.

According to an Amul press release, the Amul ice-cream showed the best results with sales growth of 29%. Milk grew 56% while ghee grew 29%. While Amul's new initiatives like Pizza, chocolates and confectionery did not perform well, cheese, butter, ghee and skimmed milk powder continued to add to the topline. **(ETFP 12 April 08)**

Amul Ice-cream in Delhi

The Gujarat Co-operative Milk Marketing Federation has launched its ice cream in Delhi, in competition with Kwality Walls and Mother Dairy. Delhi currently accounts for around 18% of the country's estimated USD 131.25 mio organized ice cream market of 80.8 mio litres.



It also boasts of a per capita annual ice cream consumption of 1.45 litres, as against the national average of 0.25 litres. The Delhi market is currently dominated by Hindustan Unilever Ltd's Kwality Walls and Mother Dairy, which is a brand of Amul's sister co-operative concern, National Dairy Development Board (NDDB). **(ETFoodProcessing 3 April 08)**

Dabur Foods to enter the institutional segment

Dabur Foods, a wholly owned subsidiary of Dabur India, is planning to target the institutional segment by offering new product categories like ketchup and low-priced fruit juices.



The company already has a presence in the hotel, restaurant and cafe segment with tomato puree under the Home-made brand and fruit juices under the Real brand.

(ETFoodProcessing 12 April 08)

Rasna evaluating JV in Saudi Arabia

Soft-drink maker Rasna said it is evaluating a joint venture in Saudi Arabia and planning to enter the health beverage market in India.

The company, which is a strong player in the Gulf countries, has identified a local partner in Saudi Arabia for the joint venture, Rasna Pvt Ltd CEO S Guha told the reporters.



He said that in Bangladesh the company has an agreement with a local player, which is currently producing and distributing its products with technology supplied by Rasna.

The company, he said, has introduced a snack food in the test market and it would take about a year to launch it formally. He said that Rasna currently holds about 97% share in the soft-drink market in the country. **(ET 17 Apr 08)**

Franklin Templeton arm picks up stake in Coffee Day

Private equity arm of Franklin Templeton Investments Darby Overseas Investments has picked up an undisclosed stake in coffee chain Cafe Coffee Day for USD 25 mio.



Darby's Asia Mezzanine Fund II has invested USD 25 mio in Bangalore-based Amalgamated Bean Coffee Trading Company Ltd (ABCTC), the owners of Coffee Day, the company said in a statement without disclosing further transaction details. **(ET 03 Apr 08)**

HUL will go to farmers for Kissan

Hindustan Unilever Ltd (HUL) will soon begin sourcing agricultural raw material directly from the farmers for its Kissan food brand.



As the fast-moving consumer goods leader in the country, HUL has big plans for the Kissan brand, which is already the market leader in jams and ketchup in volume terms. Kissan was extended to a new product series - Amaze brainfood - which was introduced early this year in the markets.

Most probably, a similar path will be followed for Knorr brand, which started off with soups and is now fast being extended to other processed foods. **(FNB 12 Apr 08)**

Uttam Dairy to enter packaged tea business

Uttam Dairy, a member union of the Gujarat Co-operative Milk Marketing Federation, which markets Amul brands, is planning to get into packaged tea.

The dairy would launch the packaged tea in 8-10 months. Besides, the Ahmedabad District Co-operative Milk Producers' Union Ltd is bullish on the packaged food business.

The union is set to launch 'Uttam Namkeen' next month and is in process of launching 'Uttam Wafer' within the next-one-and-a-half months. Other namkeen products such as 'Chanadal' too are on the cards. **(BS 27 Mar 08)**

Sabols targets 'ready-to-eat' food market

The Coimbatore-based Sabols, a leading packaged drinking water company in South India, is repositioning itself as Sabols Foods India Pvt Ltd to tap the growing ready-to-eat and ready-to-cook food market in the country.

The products to be made available on the retail shelves include noodles, biscuits, chocolates, ice-creams, pickles and lots of other ready-to-eat fast moving items. The fruit juice production would be expanded by including apples, oranges, pineapples and others, KM Senthil, Chairman said.

Sabols having cornered over 25% of the packaged drinking water market in Tamil Nadu has expanded to Kerala and Karnataka. It is setting up four plants in Hyderabad, Vijayawada Vizag and Nellore. It is also expanding its water business through franchisee route in Andhra Pradesh and western Karnataka.

(TheFinancialExpress 23 Apr 08)

Temptation Foods plans to raise USD 200 mio

Temptation Foods Ltd plans to raise around USD 200 mio through rupee convertible bonds by next month for purchasing two companies, a top company official said.



TFL Chairman & MD Vinit Kumar said that the company has acquired three businesses, including two brands during the year.

The company has posted a net profit of USD 5.95 mio in FY08, against a loss of USD 1.44 mio in the year-ago period. The company is also planning to expand capacity to cater to increasing demand, he said. *(ET 10 Apr 08)*

Gati launches Gati Mango Mania

With the mango season round the corner, Gati, India's leading express distribution and supply chain Management Company has announced a unique gifting service "Mango Mania" for the discerning customers.



Gati will deliver handpicked premium quality Alphonso mangoes packed in an attractive gift box at the doorstep at any location in India. And all this will be at an affordable price of INR 650 for 12 delicious and exquisite Alphonso mangoes. *(FNB 26 Apr 08)*

Nirula's plans to take foods chain national

The Delhi-based food chain plans to invest USD 37.5-50 mio over the next three years to expand nationally. The diversified food company plans to set up 150 outlets under its various formats across the country. It has tied up with South Asian Hospitality which will be its regional partner for its foray into Rajasthan this month end.

It has also tied up with an entrepreneur in Gujarat for a franchise and plans to launch by October. The company plans to set up shop on its own in Mumbai, Bangalore, Hyderabad and Chennai.

The company has invested USD 7.5 mio in the last one and-a-half years and had year-on-year growth of 40% during 2007-08. It operates various formats of stores such as shop-in-shops in malls and ice-cream kiosks. It might reopen its Chinese restaurant at Connaught place, New Delhi. *(HBL 07 May 08)*

Pepsi India may be allowed to retain 49% equity

The government is likely to waive the disinvestment clause, which requires a foreign company to offload 49% equity in favor of Indian shareholders, in the case of beverages major Pepsi India.



At the time of entry in India, the multinational company had agreed to offload 49% of its equity in favor of Indian shareholders within a stipulated time period which was later extended by the government.

(Continued on next page)

Pepsi India may be allowed to retain 49% equity (Cont'd)

However, the policy was later changed permitting foreign companies to take 100% stake in food processing and other sectors. FIPB had deferred the issue of Pepsi India in June last year as the Ministry of Food Processing had not given its clearance for waiving the clause, under which Pepsi India had to divest 49% stake mainly in favor of its bottlers.

PepsiCo India Holdings Private Ltd had argued that the company should not be asked to divest as the current policy allows 100% FDI in food. A precedent had already been set when the government made Coca-Cola divest 49% stake in bottling operations in 2002 despite the cola company's repeated requests for waiver.

When Coke said it had booked huge losses and cannot go for an IPO, the government asked it to divest 40% through other routes. Finally, Coke had to go for private placement of shares. Subsequently, the Atlanta-based coal giant bought back the shares from the domestic investors. **(ET 08 May 08)**

Himalayan brand of natural mineral water launched

Natural mineral water manufacturer and a Tata group company, Mount Everest Mineral Water Limited (MEMWL), launched its Himalayan brand of natural mineral water, in a new and international look.

The Tata group through Tata Tea Limited holds an over 31% of the shares of MEMWL along with management control. India's packaged drinking water market is growing at 25% year-on-year and the current market size in terms of revenue stands at USD 375 mio.

(Continued in next column)

Himalayan brand (Cont'd)



However, the natural mineral water market is still in its nascent stage with a market size of just around USD 25 mio, Mount Everest Mineral Water Limited's Managing Director and CEO, Pradeep Poddar said. **(ET 07 May 08)**

ITC hikes food products prices by 5-7%

ITC Ltd has hiked prices of its food products by 5-7% in January-March, according to Ravi Naware, CEO, ITC Food.

"The increase in food product prices was taken to neutralize the impact of rising cost of raw material. It was done to protect our margins, and we do not expect any expansion in food business margins as a result of the price increase", Naware said.

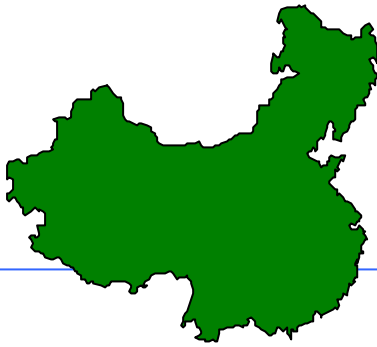
ITC would continue to look at price hikes as an option to offset pressure on margins, but it would be as a last resort, he added.

"We will first look at economizing, cutting cost through increasing scales, achieving operational efficiency and by improving supply chain efficiency", Naware said. ITC faced inflationary pressure on raw materials such as wheat, milk, sugar and edible oil, among other inputs. **(FNB 10 May 08)**

Trade shows & Events	Date	Venues	Websites
Sugar Asia	25-JUL-08 to 27-JUL-08	Pragati Maidan, New Delhi	www.sugarasia.net
All About Food Expo 2008	06-AUG-08 to 08-AUG-08	Pragati Maidan, New Delhi	www.indobase.com/events/details/all-about-food-expo-2008.php
Food Technology Show	07-AUG-08 to 10-AUG-08	Pragati Maidan, New Delhi	http://tradeshow.tradesourcing.com/sourcedetail/1/10487/foodtechnologyshow.htm
International Livestock & Dairy Expo	22-AUG-08 to 24-AUG-08	Pragati Maidan, New Delhi	http://tradeshow.tradesourcing.com/sourcedetail/1/10489/internationallivestockanddairyexpo.htm
Annapoorna2008	13-SEP-08 to 15-SEP-08	NSE Exhibition Complex, Mumbai	www.indobase.com/events/details/annapoorna-world-of-food-india-2008.php
Food Ingredients India	03-OCT-08 to 04-OCT-08	NSE Exhibition Complex, Mumbai	www.biztradeshows.com/trade-events/food-ingredients-india.html
Sweet & Snack Factory India	15-OCT-08 to 17-OCT-08	Pragati Maidan, New Delhi	www.eventseye.com/fairs/trade_fair_event_10883.html - 13k
Dairy Universe India	15-OCT-08 to 17-OCT-08	NSE Exhibition Complex, Mumbai	www.biztradeshows.com/trade-events/dairy-universe-india.html
International Foodtec India	13-NOV-08 to 15-NOV-08	NSE Exhibition Complex, Mumbai	www.indobase.com/events/details/international-foodtec-india.php
Food & Bev Tec	13-NOV-08 to 15-NOV-08	Bandra Kurla Complex, Mumbai	www.biztradeshows.com/trade-events/food-bev-tech.html
Tea & Coffee World Cup Exhibition	20-NOV-08 to 22-NOV-08	Hiltex Exhibition Center, Hyderabad	www.biztradeshows.com/trade-events/tea-coffee-india.html
Drink Technology India 08	27-NOV-08 to 28-NOV-08	Maharashtra	www.biztradeshows.com/trade-events/drink-technology-india
Food Expo Chandigarh	28-NOV-08 to 01-DEC-08	Parade Ground, Chandigarh	www.biztradeshows.com/trade-events/food-expo-chandigarh.html
Agrotech 2008	28-NOV-08 to 01-DEC-08	Parade Ground, Chandigarh	www.indobase.com/events/details/agrotech-2008.php
IFE India	02-DEC-08 to 04-DEC-08	Pragati Maidan, New Delhi	www.ife-india.com
Kisan 2008	17-DEC-08 to 21-DEC-08	TBA, Pune	www.biztradeshows.com/trade-events/kisan-expo.html
India International Fine Food & Wine Show (IFOWS)	15-JAN-09 to 17-JAN-09	Hotel Inter Continental The Grand, New Delhi	www.biztradeshows.com/trade-events/india-fine-food-wine.html
Aahar	07-MAR-09 to 10-MAR-09	Pragati Maidan, New Delhi	www.biztradeshows.com/trade-events/aahar.html

Company	Industry	Location (State)	Capacity	Completion	Cost (USD mio)
Nectar Life sciences Ltd	Dairy Processing	Maharashtra	N/A	Feb-09	67.5
Freshdrop Fruits Ltd	Processed food	Maharashtra	3,600 tpa	Oct-08	6.25
Adarsh Derivatives Ltd	Food additives	Rajasthan	N/A	Oct-08	N/A
Rohtak Co-op. Sugar Mills Ltd	Sugar	Haryana	3500 tpd	Nov-08	25.25
Komarla Feeds	Live stocks & Poultry feeds	Karnataka	75000 tpa	Jan-09	N/A
West Coast Paper Mills Ltd	Fruit Processing	Karnataka	360 tpa	Jan-09	N/A
Mother Dairy Food Processing Ltd	Dairy Processing	Uttar Pradesh	0.4 mio lpd	Feb-09	16.75
Lotte India Corpn. Ltd	Chocolates	Tamil Nadu	N/A	Jun-09	N/A
National Dairy Devp. Board	Dairy Processing	Bihar	N/A	Aug-09	0.73
Delhi Agricultural Marketing Board	Processed food	New Delhi	N/A	Oct-09	15
Tamil Nadu Co-op. Milk Producers' Federation Ltd	Dairy Processing	Tamil Nadu	0.5 mio lpd	Jan-10	3.75
Bihar State Co-op. Milk Producers' Fedn. Ltd	Dairy Processing	Bihar	0.4 mio lpd	Apr-10	9.09
VRS Foods Ltd	Dairy Processing	Madhya Pradesh	2.2 mio lpd	N/A	11.25
Janata SSK Ltd	Sugar	Maharashtra	1250 tpd	N/A	7
Sadashiva Sugars Ltd	Sugar	Karnataka	3500 tpd	N/A	N/A
Bannari Amman Sugars Ltd	Sugar	Tamil Nadu	N/A	N/A	N/A
Foods & Inns Ltd	Fruit Juices	Maharashtra	N/A	N/A	N/A
L V P Foods Pvt. Ltd	Dairy Processing	Uttar Pradesh	N/A	N/A	N/A
Agya Boortmalt Pvt. Ltd	Malt-Processed food	Uttarakhand	1,70,000 tpa	N/A	N/A
Prakash Snacks Pvt. Ltd	Snack Foods	Madhya Pradesh	48,000 tpa	N/A	N/A
Bhima Shankar Sugar Mills Ltd	Sugar	Maharashtra	1,000 tpd	N/A	2.75
Sonhira SSK Ltd	Sugar	Maharashtra	5,000 tpd	N/A	17.5
Suguna Poultry Farm Pvt. Ltd	Poultry	Andhra Pradesh	80 tph	Jan-09	60
Andhra Sugars Ltd	Sugar	Andhra Pradesh	1,600-6,000 tccpd	N/A	45
Shivratana Sugars Ltd	Sugar	Maharashtra	1,250 tccpd	Oct-08	40
National Dairy Devp. Board	Dairy Products	Gujarat	N/A	Oct-09	15
S N Milk Products Pvt. Ltd	Dairy Products	Uttar Pradesh	14 tpd	Jul-08	10
Kalpatharu Breweries & Distilleries	IMFL	Karnataka	3,000 cases	Oct-08	7
Vidhi Dyestuffs Manufacturing Ltd.	Processed Food	Maharashtra	100 tpm	N/A	2.75
Dakshina Kannada Co-op Milk	Dairy Products	Karnataka	N/A	Jul-08	N/A

(Source: projectstoday.com)



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