



WTO CELL NewsLetter

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WTO AND INDIAN AGRICULTURE

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Exports Quality Norms

COVER PAGE

NewsLetter Released

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Dr. S. Raghu Vardhan Reddy releases WTO CELL NewsLetter

The WTO CELL newsletter was released by the Hon'ble Vice Chancellor of the University Dr. S. Raghu Vardhan Reddy at his chamber. While talking to the staff of WTO CELL, he appreciated the initiative to provide information regarding the WTO and commodity wise analysis useful for the farming community. He also felt that the Intellectual property rights (IPR) issues should be included in the bulletin here after as there is lot of scope for bringing commercial value to the research work of scientists and innovations of farmers through getting due recognition by way of patents and protecting plant varieties by *suigeneris* Protection of Plant Varieties and Farmers Rights (PPV- FR act).

Dr. Reddy opined that the role of Geographical Indications (GI) can not be neglected while working with groups of farmers in the area of Indigenous technologies, value addition and processing.

Follow quality norms and export Groundnut

In India Groundnut is accounting for 45% of oilseed area and 55% of oilseed production in the country. The estimated area of Groundnut in Andhra Pradesh is 18.59 lakh ha with a production of 13.76 lakh tons in 2005-06. Majority of cultivation is concentrated in dry land areas of Anantapur and Mahaboobnagar Districts. The agreement on SPS (sanitary and phyto sanitary measures) is standing as an obstacle to the current exports. 85% of peanut exports used to reach European Union before SPS agreement. But from 1998 onwards the exporters are concentrating on new external markets like Indonesia and Malaysia since exports of peanuts from India are rejected by the European Union.

continued....in side....

Destiny countries for Indian Groundnut exports

- Indonesia
- Malaysia
- United Kingdom and
- Philippines

Recognized lab for export certification and testing

M/s. Vimta Labs Ltd.,
142, IDA, Phase II, Cherlapally,
Hyderabad 500 051.
Tel: 040 7124141
Fax: 040 7123657
E-mail: crm@vimta.com

Training programme on WTO and Its implications to extension personnel of the University

A one day training programme to sensitize the extension personnel of the University working at DAATT centres and KVKs were organised on 06-02-2006 and 16-02-2006 respectively and 34 members have attended the programme. The topics covered were

- GATT, WTO and Agreement on Agriculture and implications
- Agreements on SPS and TBT
- IPR Issues and its implications to India
- Interaction



Release of WTO CELL Newsletter

Dr. S. Raghu Vardhan Reddy
VICE CHANCELLOR
ANGRAU

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What makes groundnut exports competitive ?

The general guidelines for the quality of groundnut pods and kernels formulated by the Natural Resources Institute of the United Kingdom Ministry for Overseas Development are:

- Pod colour and type, size, pod texture, cleanliness, freedom from damage and absence of blind nuts; for in-shells and,
- Quality guidelines specify that the groundnut lots must be free from aflatoxin
- Grading for size or count, shape, ease of blanching, skin colour and conditions; resistance to splitting, moisture content, cleanliness, oil content and flavour; for kernels.

Groundnut-processing factory makes its purchase based upon the following qualities:

- Size/grade: for medium runners graded between 83 mm and 71 mm slot screens a count size of 155 to 170 kernels 100 g⁻¹.
- Aflatoxin: Five parts per billion maximum, however; recently European Union has modified the aflatoxin B₁ limit to 2-µg kg⁻¹ for the consumption of groundnuts by human beings.
- Moisture: between 6 to 8 percent (determination by air oven drying of ground samples at 130°C for 2 h)
- Oil quality: the acid value of cold pressed oil from kernels shall not exceed 1.5, while the peroxidase value shall normally be zero and shall not exceed 1.0 mille equivalents kg⁻¹.
- Edibility: groundnut shall be free from pathogenic organism (e.g. *Salmonella*, *Escherichia coli*) and also free from insect infestation, live or dead and viable eggs.

There are certain other conditions regarding odour and flavour, splits, damaged kernels and unshelled groundnuts, foreign matter and discolored / mouldy nuts

MRLs specified by CAC (Codex Alimentarius Commission)

Pesticide	Value MRL (mg/kg)
Aldicarb	0.02
Bentazone	0.05
Chlorothalonil	0.05
Clethodim	5
Cypermethrin	0.05
Disulfoton	0.1
Dithiocarbamates	0.1
Ethoprophos	0.02
Fenamiphos	0.05
Hydrogen Phosphide	0.01
Metalaxyl	0.1
Oxamyl	0.05
Permethrin	0.1
Phorate	0.1
Pirimiphos-Methyl	2
Propargite	0.1
Propiconazole	0.05
Pyrethrins	0.5
Quintozene	0.5
Tebuconazole	0.05
Terbufos	0.05
Peanut as a whole	
Fenvalerate	0.1
Piperonyl Butoxide	1
Pirimiphos-Methyl	25
Propiconazole	0.1

Maximum permissible residue levels of aflatoxin in imported groundnut

Country	Aflatoxin type	Maximum permissible level (ng g ⁻¹), 1995	
		Food stuffs	Livestock feed
CODEX		15	20
Belgium	B ₁	5	20
France	B ₁	1	20
Germany	B ₁	2	20
Ireland	B ₁	5	20
Italy	B ₁	5	20
The Netherlands	B ₁	0	20
Sweden	B ₁ , B ₂ , G ₁ , G ₂	5	10
UK	B ₁ , B ₂ , G ₁ , G ₂	4	20
USA	B ₁ , B ₂ , G ₁ , G ₂	20	20
India	B ₁	20	30

Note: Aflatoxin, a carcinogenic substance, is produced by a widely spread saprophytic fungus-*Aspergillus flavus*. Aflatoxin contamination hampers groundnut potential in the major export markets. The importers are required to systematically test incoming shipments, for the total amount of aflatoxins, and reject those exceeding the permitted maximum levels. Exporters unaware of aflatoxin contamination issues, limits, regulations, and standards, risk costly rejections

- Indian groundnut is very popular in the international market for the table purpose characteristic natural flavour,
- Nutty taste and crunchy texture
- Relatively longer shelf-life.

Have a better deal for organic produce

- Organic food with natural flavour, has better export potential.
- Consumption of groundnut as nuts and the manufacture of peanut butter is based on the use of roasted groundnut kernels.
- Roasting time has a significant influence on the strength of the odour and flavour.
- Raw and roasted groundnuts should be free of foreign material, unadulterated with toxic or noxious substances such as pesticides and microorganisms.

Country wise exports of Groundnut (shelled) from India

Quantity in Mt, Value in Rs. lakhs and price in Rs / Mt

Country	2002-03			2003-04			2004-05		
	Quantity	Value	Average Price received	Quantity	Value	Average Price received	Quantity	Value	Average Price received
UK	1853.46	527.33	28451	11913.34	3284.49	27569	13245.85	3780.92	28544
Indonesia	36559.95	9871.42	27001	58747.40	16309.47	27762	68653.84	18789.02	27368
Sri Lanka	3881.93	796.03	20506	1228.97	219.26	17841	2551.11	326.84	12812
Malaysia	15858.57	4241.84	26748	36342.53	10118.48	27842	47049.54	12712.88	27020
Philippines	1319.72	376.37	28519	13722.26	4034.76	29403	10956.40	3202.59	29230
Singapore	2561.19	685.48	26764	5361.29	1531.60	28568	5387.50	1513.15	28086
Thailand	2002.00	157.21	7853	103.00	46.10	44757	38.00	11.79	31026
Total	67889.75	17830.18	-	176109.3	54430.44	-	177114.96	50300.14	-

Export of peanut to UK was very low at 1853 MT in 2002-03 but during the last three years the trend is increasing. On the other hand exports to Thailand have drastically fallen. Exports to Malaysia have gained and shown a positive trend.

The prices received for Indian peanut exports at different markets are shown in the above table. United Kingdom, Indonesia, Malaysia and Singapore markets have shown favorable prices for peanut exports

Prices received by major groundnut exporters (US\$ per Metric Ton)

Country	1999	2000	2001	2002	2003
China	579	595	548	519	672
Argentina	691	722	702	564	680
USA	873	834	866	786	879
Netherlands	929	843	897	886	1065
Vietnam	590	534	488	484	629
India	548	520	505	538	684
Nicaragua	719	638	728	529	689
South Africa	659	699	521	445	840

Quality improvement required to get premium price

- Netherlands fetching premium price
- United States of America and Argentina are getting fair profit than India and China in the international markets
- Recent years are showing increasing trend for Indian export prices
- Quality improvement/ organic produce can only fetch premium price

Tips for getting peanuts exported

- Register with APEDA
- Link up with Export Agencies
- Get the produce certified
- Get organic certification from institutes like

Ecocert SA (India Branch Office)
Sector-3, S-6/3 & 4, Gut No. 102
Hindustan Awasthi Ltd. Walmi-Waluj Road
Nakshatrawadi, Aurangabad 431 002 (Maharashtra).
Contact Person: Dr. Alexander Daniel
Phone No.: 0240-2377120, 2376949,
Fax No.: 0240-2376866 Email: ecocert@sancharnet.in

Do not neglect quality for local market

- Moisture should not exceed 10% for pods and 9% for kernels.
- If high moisture is retained, aflatoxin infestation increases
- Delayed harvest leaves more pods in soil and gives less yields
- Do not harvest premature crop
- More handling losses if threshing is done on kucha floor
- If produce is not graded fetches low price
- Do not store pods in open place
- Avail price support schemes during glut (Excess production)
- Proper bagging should be done before storage and transport to avoid losses

What is decided for cotton in Hong Kong**1. Agreed Framework**

The General Council recognizes the importance of cotton for a certain number of countries and its vital importance for developing countries, especially LDCs. It will be addressed ambitiously, expeditiously, and specifically, within the agriculture negotiations. The provisions of this framework provide a basis for this approach, as does the sectoral initiative on cotton. The Special Session of the Committee on Agriculture shall ensure appropriate prioritization of the cotton issue independently from other sectoral initiatives. A subcommittee on cotton will meet periodically and report to the Special Session of the Committee on Agriculture to review progress. Work shall encompass all trade-distorting policies affecting the sector in all three pillars of market access, domestic support, and export competition, as specified in the Doha text and this Framework text.

Coherence between trade and development aspects of the cotton issue will be pursued as set out in paragraph 1.b of the text to which this Framework is annexed.

2. Hong Kong Ministerial Declaration

Decision adopted by the General Council on 1 August 2004 to address cotton ambitiously, expeditiously and specifically, within the agriculture negotiations in relation to all trade-distorting policies affecting the sector in all three pillars of market access, domestic support and export competition, as specified in the Doha text and the July 2004 Framework text. We note the work already undertaken in the Sub-Committee on Cotton and the proposals made with regard to this matter. Without prejudice to Members' current WTO rights and obligations, including those flowing from actions taken by the Dispute Settlement Body, and an explicit decision on cotton within the agriculture negotiations and through the Sub-Committee on Cotton were as follows:

- All forms of export subsidies for cotton will be eliminated by developed countries in 2006.
- On market access, developed countries will give duty and quota free access for cotton exports from least-developed countries (LDCs) from the commencement of the implementation period.

Members agree that the objective is that, as an outcome for the negotiations, trade distorting domestic subsidies for cotton production be reduced more ambitiously than under whatever general formula agreed and that should be implemented

Lamy visited India on April 5

World trade Organisation Director General Mr. Pascal Lamy has come to India on a two day visit in April 2006

The visit was considered important in the wake of the April end dead line for establishing modalities in Agriculture and Industrial products

This was his first visit to India since taking charge as DG of WTO. During his visit he addressed farmer's organizations and stressed that its better to fight for farmer's welfare by continuing as a member rather than quitting the membership of WTO

**Post HONG KONG developments on cotton
Yet to reach final consensus**

Speaking for the "Cotton Four", Chad (one of the "Cotton Four" countries) said on 27th March, 2006 meeting, delegations had more time to study it. The objective was to put into practice members' agreement in the 2004 framework to treat cotton "ambitiously, expeditiously and specifically". Several delegations supported the proposal, including the European Union, the African Group (Benin speaking), Cuba, Brazil and Nigeria.

The EU said the proposal should go beyond domestic support to include the other two pillars of the agriculture negotiations export competition and market access. For market access, the EU suggested that the developed countries commitment to allow cotton products to be imported duty-free and quota-free should be extended to imports from all developing countries, not only the least developed.

Developing countries in a position to do so should make the same offer, the EU went on and it reminded members that before the Hong Kong Ministerial Conference it had suggested totally eliminating trade-distorting domestic support ("Amber Box" support) for cotton.

Colombia supported the proposal and presented information on difficulties faced by its domestic cotton sector. It also called for developing countries to be given special treatment to allow them to support their farmers. China and Paraguay agreed. But the United States said that the treatment for cotton should be discussed after the agriculture "modalities" are agreed, arguing that this proposal prejudices the outcome for farm subsidies as a whole, and diverts attention from them. It said negotiators cannot address the issue of "how much more ambitious" cotton will be before the overall cuts area agreed.

The US objected to the way lower ambition in general would lead to a wider gap between the cuts in agriculture and cotton. This would not lead to success, because an ambitious results in cotton can only be achieved as part of ambitious results for the agriculture negotiations as a whole, the US said. It also proposed a discussion on which developing countries are ready to join the duty-free, quota-free offer made in Hong Kong. Benin replied that the Cotton Four's proposal can be used as a basis for finding an acceptable solution.

NOTE

Please send your feed back to the address given below as it will enhance the quality of the publication

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