



# IndiaNews

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IndiaNews is published every 2 months by:

**GIRACT**

24 Pré Colomb, 1290 Versoix – Geneva  
Switzerland  
Tel +41 22 779 0500  
Fax +41 22 779 0505

[info@giract.com](mailto:info@giract.com)

<http://www.giract.com>



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India is an enigma to most outsiders and probably to even many Indians. Last year when drought in India was the big news, India was exporting foodgrains and Indian cities had an abundance of milk. This year rains have been normal, but surprisingly foodgrain exports are grinding to a standstill and there is shortage of milk in all cities of India. This is typically what makes many foreigners throw up their hands in exasperation.

India is a vast country where a large number of forces and factors apply simultaneously. Hence, there is always a diversion of views regarding the reasons for any development. Nothing illustrates this better than the divergent views of key players regarding the milk shortage gripping vast parts of India. We have made an effort to sum up the diversity of opinions in the section on Dairy, Meat and Poultry.

Notwithstanding the diverse views of analysts, it cannot be denied that Indian dairy industry is facing serious problems. For a bit too long, V. Kurien (father of Indian dairy movement and currently Chairman of Gujarat Co-operative Milk Marketing Federation) and his juniors have indulged in self-appreciative mutual back patting. India is the largest producer of milk, but its milk farmers have been facing difficult times and their economy is virtually collapsing.

If milk is doing badly, tea and coffee are faring no better. Both tea and coffee are facing problems of overproduction and falling exports.

Moving from hot beverages to cold beverages, cola majors faced their Waterloo just as rains started. Controversy about pesticide residues in colas rocked the country. Sales of all brands of Pepsi and Coke fell. At the time of writing this editorial, news has come indicating that sales are bouncing back.

Pepsi and Coke, generally viewed as cut-throat competitors, joined hands to face the onslaught from activists. Their chief executive officers addressed press conferences jointly and worked on a common strategy. Such co-operation is relatively uncommon in Indian food and beverage industry. One hopes that in years to come one will see more competitors joining hands on matters of mutual interest.

That should not, however, distract us from the issue of pesticide residue in foods. As India integrates with the rest of the world, she will have to upgrade the food standards to world levels, not only with regard to pesticide residues, but also in all other respects. Adulteration of food products in India is not taken too seriously. The enforcement machinery is corrupt and inefficient. It is not unusual for companies to bribe food inspectors as well as food testing laboratories on a regular basis.

As long as India was insulated from the rest of the world, this sorry state of affairs did not matter. However, as India increases its exports, enforcement of standards in India is a matter of worldwide concern. The issue of Sudan 1 in powdered chilli powder has affected British food exports. Germany is asking consumers to stay away from chilli sauce manufactured in Italy and chilli powder packed in Netherlands – both are suspected to have used chilli powder imported from India.

Surprisingly, while the world is issuing red alerts regarding Indian chilli powder, Government of India has made no efforts to investigate chilli powder sold in the domestic market. This is in sharp contrast to the sharp reactions expressed in Parliament by political leaders when cola-pesticide controversy broke out.

Again as usual, there can be different views about the reasons for this. Some may ascribe the activism in the matter of colas to the ongoing movement in India against multinational corporations. Giract, on the other hand, believes that India is going through a transformation from a closed socialist-style economy to a vibrant free economy. The regulatory systems have to evolve and keep up with the needs of the global economy. Evolution is never a smooth process. Even in India, this evolution is taking place in fits and starts. Companies venturing into India have to understand this and not throw up their hands in exasperation.

Understanding the complexity of India needs patience and perseverance. India is not for those looking for short-term gains. IndiaNews understands this and aims to be at your side helping you solve the enigma called India.