IndiaLive

LIVESTOCK, DAIRY, MEAT, POULTRY & AQUACULTURE DIGEST

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Contents

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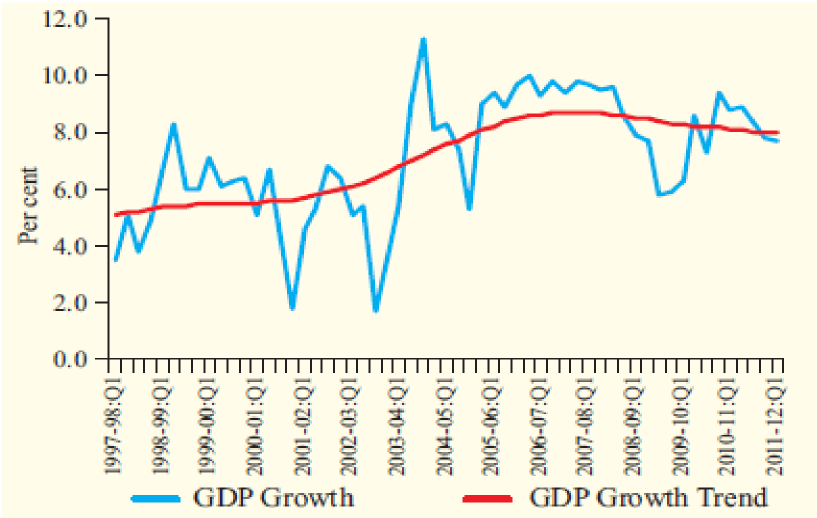
Overview of Indian Economy

Year 2010-11 marked the completion of the process of recovery from the adverse impact of the global financial crisis and the consequent slowdown of the global economy. Slack in the advanced economies, with their output gap estimated at 3.4 per cent in 2010, as also the uncertainty about their future growth, employment and debt still impinge upon the activity levels in India. However, growth in India was back to the earlier high growth path.

Starting in double digits, headline inflation remained elevated throughout 2010-11. With vegetable prices spiking following unseasonal rains after a good monsoon and global commodity prices firming up in the second half of 2010-11, inflation expectations started to feed on themselves and cost-push factors from the manufacturing side exerted pressures on inflation. Inflation turned persistent and generalized as a result.

Real GDP growth at factor cost increased to 8.5% in 2010-11 from 8.0% in 2009-10. At this pace, the real GDP growth rate increased for the second successive year after the global crisis-induced sharp slowdown in 2008-09.

The main impetus to growth during 2010-11 emanated from agriculture which rebounded to above-trend growth rate on the back of a normal monsoon. Reflecting this, the contribution of the agriculture sector to overall GDP growth increased sharply in 2010-11. Services sector continued to be the predominant driver of growth, though its growth was slightly lower than the average in the pre-crisis high growth phase of 2003-08.



After above trend growth during 2010-11, growth is expected to decelerate but remain close to the trend of about 8.0 per cent in 2011-12. Growth prospects for the year 2011-12 seem to be relatively subdued compared to the previous year due to a number of unfavorable developments. Global uncertainties have increased. If global financial problems amplify and slows down global growth markedly, it would impart a downward bias to the growth momentum.

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Overview of Indian Economy (Continued)

As the year 2011 comes to a close, it seems that growth in 2011-12 is likely to moderate to below trend. Agriculture prospects remain encouraging with the likelihood of a record Kharif (harvesting in October-November) crop. However, moderation is visible in industrial activity and some services, mainly construction and community, social and personal services. Given the linkage of domestic industrial growth with global cycle, some further moderation is likely.

Indications are that investment demand is softening as a result of combination of factors including monetary tightening, hindrances to project execution and deteriorating business confidence. Planned corporate fixed investment in new projects declined significantly since the second half of 2010-11. Consequently, the pipeline of investment is likely to shrink, putting 2012-13 growth at risk. Private consumption is also starting to soften in parts, but it still remains robust as is evident from corporate sales performance. There are also risks to demand management if government consumption spending overshoots budget estimates.

The Current Account Deficit (CAD) widened in Q1 of 2011-12. Exports are expected to decelerate in H2 of 2011-12. If global financial market stress increases further and affects capital flows to the emerging markets, financing of CAD could pose a challenge. The Indian rupee has seen significant nominal and real depreciation in Q2 of 2011-12. However, this trend has been in line with that of other emerging market currencies, which too depreciated significantly as US dollar appreciated with flight to safety amidst rising risk aversion.

Growth risks have increased on account of global headwinds and domestic factors. The baseline inflation path still remains sticky and broadly unchanged from earlier projections. This has made policy choices more complex. Some sacrifice of growth is inevitable in the current milieu of high inflation. On the current assessment the growth in 2011-12 is likely to moderate slightly from that projected earlier. Various surveys conducted suggest that business expectations have suffered, while inflation expectations remain high. At the same time inflation risk persists.

Notwithstanding these challenges and risks, overall assessment suggests that GDP growth is consolidating around the trend of 7-8 per cent per annum.

Equity Markets

The volatility1 in the Indian financial markets was generally lower in 2010-11 than in the previous year, barring a brief spell of heightened volatility during May 2010. The increased volatility during May 2010 could be attributed to the transition of the liquidity situation from surplus to deficit mode for the money and G-sec markets and to the resurfacing of sovereign debt concerns in the Euro Area for the equity and forex markets.

Equity markets remained range-bound during 2010-11. Much of the gains during Q2 and Q3 of 2010-11 were offset by a correction during Q4 of 2010-11. Equity markets, which were negatively impacted by the sovereign debt crisis in the Euro Area in May 2010, rallied during July-December 2010 on the back of large Foreign Institutional Investor investments, better corporate performances and relatively strong economic growth. During Q4 of 2010-11, equity markets were weighed down by concerns over domestic corporate profitability, weakening investment climate and global uncertainty.

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Overview of Indian Economy (Continued)

During financial year 2011-12, taking cues from the global turmoil, Indian financial market segments that have a high degree of cross-border linkages turned volatile, while the other segments without strong linkages remained orderly. As a result, increased volatility was evidenced in the equity and currency markets since September 2011.

Indicator	BSE Sensex			NSE Nifty		
	2010-11	Apr-Sep 2010-11	Apr-Sep 2011-12	2010-11	Apr-Sep 2010-11	Apr-Sep 2011-12
1	2	3	4	5	6	7
1. BSE Sensex/S&P CNX Nifty						
(i) End-period	19445.22	20069.12	16453.76	5833.75	6029.95	4943.25
(ii) Average	18605.18	17866.06	18003.77	5583.54	5360.57	5406.38
2. Coefficient of Variation(%)	6.32	4.88	5.64	6.40	4.92	5.62
3. Price-Earning Ratio @	21.25	22.99	18.35	22.14	25.46	17.85
4. Price-Book Value Ratio	3.70	3.70	3.40	3.70	3.80	2.90
5. Market Capitalisation to GDP Ratio (per cent)@	86.80	90.45	66.28	85.10	88.36	64.81

@: As at end-period.
Source: Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

In line with the global markets, the Indian equity prices continued their declining trend in Q2 of 2011-12. The rise in equity indices at the beginning of Q2 due to FII inflows could not sustain the momentum owing to global developments and net sales by FIIs ensued. The two key Indian equity indices, Sensex and Nifty, declined (y-o-y) by about 14.5 per cent and 14.7 per cent, respectively, as on October 19, 2011.

Items	Stock Price Variations (Per cent)			P/E- Ratios		
	End-Mar 2010@	End-Mar 2011@	End-Sep 2011*	End-Mar 2010	End-Mar 2011	End-Sep 2011
1	2	3	4	5	6	7
Brazil (Bovespa)	72.0	-2.5	-23.7	16.4	10.9	8.0
China (Shanghai Composite)	31.0	-5.8	-19.4	23.1	16.3	12.6
India (BSE Sensex)	**80.5**	**10.9**	**-15.4**	**17.7**	**17.6**	**17.9**
Indonesia (Jakarta Composite)	93.7	32.5	-3.5	13.6	16.9	16.1
Malaysia (KLCI)	51.4	17.0	-10.2	18.9	17.0	14.8
Russia (RTS)	128.0	30.0	-34.4	9.8	8.4	5.1
Singapore (Straits Times)	69.9	7.6	-13.9	13.4	10.3	7.4
South Korea (KOSPI)	40.3	24.4	-16.0	12.2	13.8	12.3
Taiwan (Taiwan Index)	52.0	9.6	-16.8	19.1	15.7	13.8
Thailand (SET Composite)	82.6	32.9	-12.5	12.4	13.3	11.1
France (CAC 40)	41.6	0.4	-25.3	15.2	11.9	8.6
FTSE 100	44.7	4.0	-13.2	15.6	14.4	10.0
FTSE EUROTOP 100	44.8	13.3	-17.3	14.2	12.6	9.7
Germany (DAX)	50.6	14.4	-21.9	17.5	12.8	9.8
Hong Kong (Hang Seng)	56.5	10.8	-25.2	15.2	12.0	8.1
Japan (Nikkei)	36.8	-12.0	-10.8	39.1	17.9	16.3
United States of America (S&P 500)	46.6	13.4	-14.7	17.1	15.1	12.4

@: Year-on-year variation. *: Variation over end-March 2011.
Source: Bloomberg.

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Overview of Indian Economy (Continued)

Nonetheless, the decline in Indian equity markets was relatively less than that in many emerging and developing economies (EDEs). P-E ratio of Indian equities remained higher than other EDEs as at end September 2011.

Balance of Payments

The improvement in India's balance of payments (BoP) during 2010-11 primarily reflected pick-up in exports during the second half of the year. Coupled with a higher invisibles surplus, it led to a moderation in the current account deficit (CAD) in 2010-11.

While recovery in global growth augured well for pick-up in exports and invisibles, higher international commodity prices, particularly crude oil, impacted the import bill. The improved net capital inflows helped bridge the higher CAD and foreign exchange reserves increased modestly. Key external sector indicators such as CAD, level of external debt and import cover of foreign exchange reserves continued to remain comfortable.

On the capital account, the composition of inflows poses some concern as there was slow down in FDI (Foreign Direct Investment) while the volatile components such as FII (Foreign Institutional Investors) and short-term trade credits showed some rise that have implications for external debt sustainability. The bilateral nominal rupee-dollar exchange rate showed a two-way movement broadly reflecting demand and supply conditions in the foreign exchange market.

India's merchandise exports grew robustly during 2010-11 aided by higher rate of growth in global income and diversification in direction and composition of trade. Imports grew at a lower pace than exports during 2010-11.

Merchandise exports grew at a higher than anticipated rate during April-September 2011 reflecting continued diversification in terms of commodities as well as export destinations. However, during this period, there was a sharp rise in imports as well, which led to the widening of the trade deficit.

(US $ billion)

	2009-10 (PR)	2010-11 (P)	2010-11				2011-12
			Q1(PR)	Q2(PR)	Q3(PR)	Q4(PR)	Q1(P)
1	2	3	4	5	6	7	8
1. Exports	182.2	250.5	55.3	52.0	65.9	77.2	80.6
2. Imports	300.6	380.9	87.2	89.3	97.4	107.1	116.1
3. Trade Balance (1-2)	-118.4	-130.5	-31.9	-37.3	-31.5	-29.9	-35.5
4. Net Invisibles	80.0	86.2	19.8	20.5	21.5	24.5	21.3
5. Current Account Balance (3+4)	-38.4	-44.3	-12.1	-16.8	-10.0	-5.4	-14.2
6. Gross Capital Inflows	345.7	496.0	94.5	112.1	173.7	115.7	127.3
7. Gross Capital Outflows	292.3	436.3	77.7	90.8	160.3	107.5	106.4
8. Net Capital Account (6-7)	53.4	59.7	16.8	21.4	13.4	8.2	20.9
9. Overall Balance (5+8)#	**13.4**	**13.0**	**3.7**	**3.3**	**4.0**	**2.0**	**5.4**

#: Overall balance also includes errors and omissions apart from items 5 and 8.
P: Provisional. PR: Partially Revised.

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Overview of Indian Economy (Continued)

India's export growth has shown unexpected buoyancy in recent months, despite the slowdown in advanced economies (AEs) and rising global uncertainty. This, among others, was a reflection of the continued diversification of India's exports to other emerging and developing economies (EDEs) where growth buoyancy was still intact as also the domestic trade policies intended to support exports. However, the slowing of AEs, with some weakening of growth prospects of EDEs, may weigh on India's exports in subsequent months.

The surplus on account of invisibles continued to finance around 60 per cent of the merchandise trade deficit in Q1 of 2011-12. Within services, export of software services continued to grow in Q1, though at a lower rate than during the previous quarter. Private transfers, representing workers' remittances from abroad, remained marginally higher in Q1 than in the corresponding quarter of the previous year despite uncertainties in source countries. The decline in investment income, reflecting lower interest rates abroad, also impacted the overall net receipts on account of invisibles. In the coming quarters, a slowdown in the US and the Euro area may have some impact for exports of invisibles, particularly software services, as was evident during Q4 of 2008-09 to Q2 of 2009-10.

So far in 2011-12, capital inflows have exhibited an uptrend, mainly on account of robust FDI inflows and rise in external commercial borrowings (ECBs) and trade credit. FDI inflows were almost double the level recorded during the corresponding period of 2010-11 while ECBs also registered healthy growth. However, net FII inflows have not only been volatile but also significantly low up to October 14, 2011. Volatility in FII inflows witnessed in Q2 mainly reflected concerns of a double-dip recession in the US and a worsening debt crisis in the Euro area.

During 2010-11, net capital account surplus, after financing a larger CAD, resulted in a net accretion to foreign exchange reserves of USD 13.1 billion (excluding valuation effect). Inclusive of the valuation gains, the foreign exchange reserves increased by USD 25.8 billion. India's foreign exchange reserves stood at USD 317.5 billion as on October 14, 2011.

Variation in Foreign Exchange Reserves

Period	Variation USD Billion
Full Year	
2004-05	28.6
2005-06	10.1
2006-07	47.6
2007-08	110.5
2008-09	-57.7
2009-10	27.1
2010-11	25.8
Financial Year (up to October 16)	
2008-09	-35.8
2009-10	32.9
2010-11	16.34
2011-12	12.68

Source: Reserve Bank of India

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Overview of Indian Economy (Continued)

With progressive diversification both in terms of commodities as well as destinations, exports during the year so far (up to September 2011) have grown faster than imports and net services also continue to grow albeit at moderate pace. However, owing to increasing uncertainty in growth prospects of US and European economies, the growth momentum in exports seen so far may not be sustained and growth in services exports may also remain moderate in the coming months.

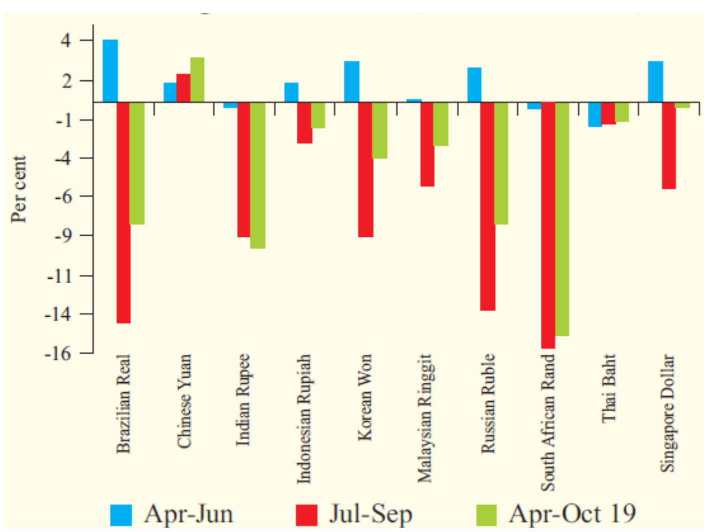
Trends in capital inflows so far suggest that the economy has received sufficient flows to finance CAD during the first half of 2011-12. Although there has been a marked decline in net FII flows, a significant pick up in FDI inflows augurs well from the sustainability point of view. Going forward, capital flows into India will depend on how the economic and financial conditions in AEs, particularly the US and the euro area, evolve during the second half and whether relative growth and interest rate differential would suffice to outweigh the general risk perception among foreign investors. Overall, the balance of payments outlook for 2011-12, although stable, warrants close monitoring.

Foreign Exchange

Rupee gained strength through 2010-11 on the back of pick-up in capital inflows and strengthening of growth outlook.

During April-July 2011, the Indian rupee exhibited two-way movement. However, since August 2011, it witnessed depreciation against all four major international currencies, reflecting prevailing global market sentiment led FII-sell-offs. Nevertheless, in comparison to some of the Emerging Developing Economies, the depreciation in the Indian rupee during Q2 of 2011-12 has been less stark.

As on 15 December 2011, Indian Rupee sank to a level of Rs. 54.24 to a USD. At this level Reserve Bank of India intervened and within a week Indian currency rose to a level of about 52.75.



Exchange Rate Variation vis-à-vis USD April-October 2011

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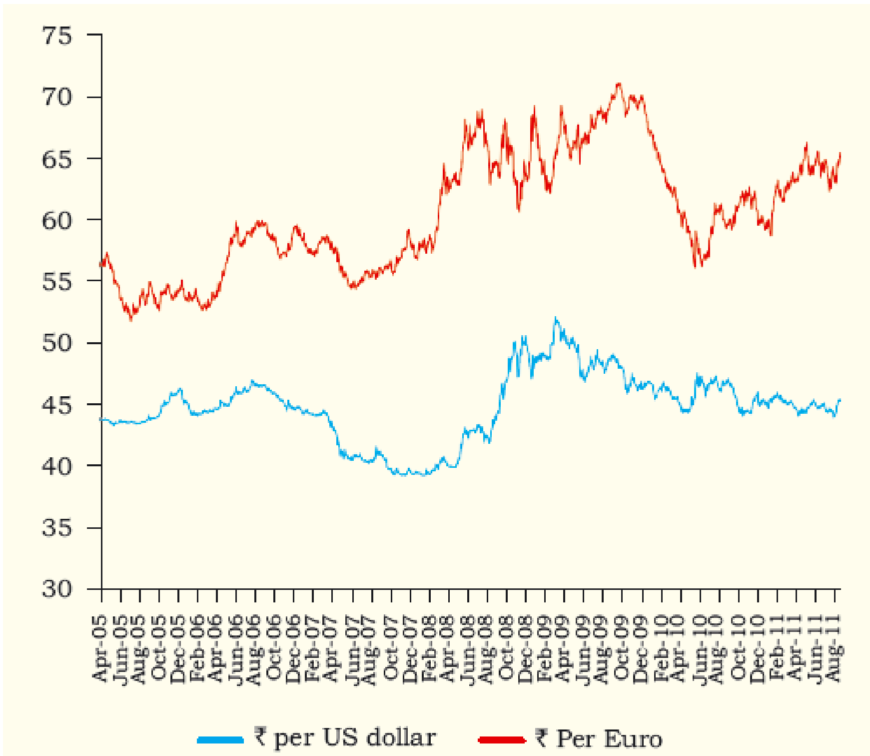
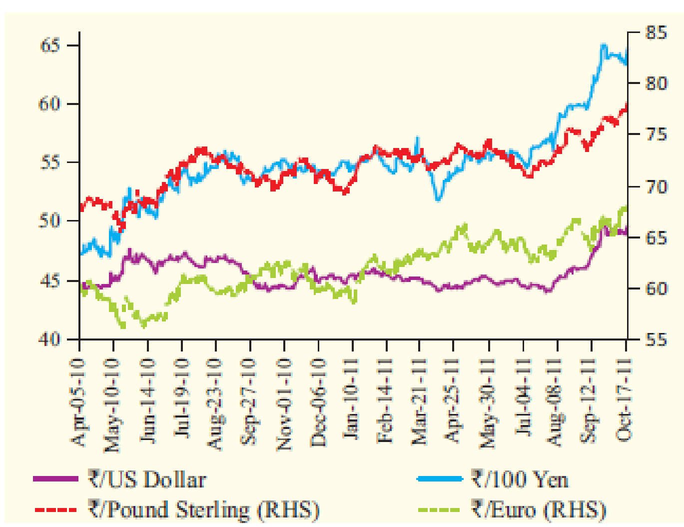
Overview of Indian Economy (Continued)

The sharp devaluation of Indian currency during the last two months of 2011 may be a short-term phenomenon that may be corrected through 2012 depending on various global factors.





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Overview of Indian Economy (Continued)

Date	1 USD =	1 GBP =	1 EURO=	100 YEN=
15-Dec-11	54.24	83.77	70.46	69.49
15-Nov-11	50.56	80.30	68.79	65.60
16-May-11	45.07	72.97	63.57	55.69
15-Nov-10	45.66	72.18	61.12	54.90
14-May-10	46.67	67.64	58.38	51.65
16-Nov-09	46.09	77.03	68.99	51.46
15-May-09	49.55	75.30	67.38	51.87
14-Nov-08	49.46	73.17	62.96	50.87
15-May-08	42.40	82.57	65.84	40.51
15-Nov-07	39.28	80.87	57.68	35.30
15-May-07	40.87	80.99	55.39	33.98
15-Nov-06	45.34	85.82	58.05	38.45
15-May-06	45.39	85.88	58.55	41.34
16-Nov-05	45.82	79.43	53.66	38.41
16-May-05	43.49	80.22	54.75	40.37
16-Nov-04	45.01	83.15	58.21	42.65
14-May-04	45.44	80.05	53.72	39.71
14-Nov-03	45.35	76.63	53.43	41.97
19-May-03	47.06	76.78	55.06	40.84

Source: Reserve Bank of India

Spot Rates of Four Foreign Currencies, 2003-11

Most of India's exports and imports are designated in USD. Hence, a weakening of the Indian Rupee or appreciation of USD against INR will benefit Indian exporters and harm importers.

Business Confidence / Expectations

A comparative study of business expectations surveys, conducted by different agencies, indicates stiff moderation in business climate. Both global and domestic factors seem to have weakened the perception about the performance of the economy.

The 55th round of the Industrial Outlook Survey of the Reserve Bank conducted during July-September 2011, showed further decline in Business Expectation Index (BEI). The index is a composite indicator based on assessment of several business related parameters for the assessment quarter (July-September 2011) as well as for the expectation quarter (October-December 2011). However, BEI still remained in growth terrain (i.e. above 100, which is the mark that separates contraction from expansion).

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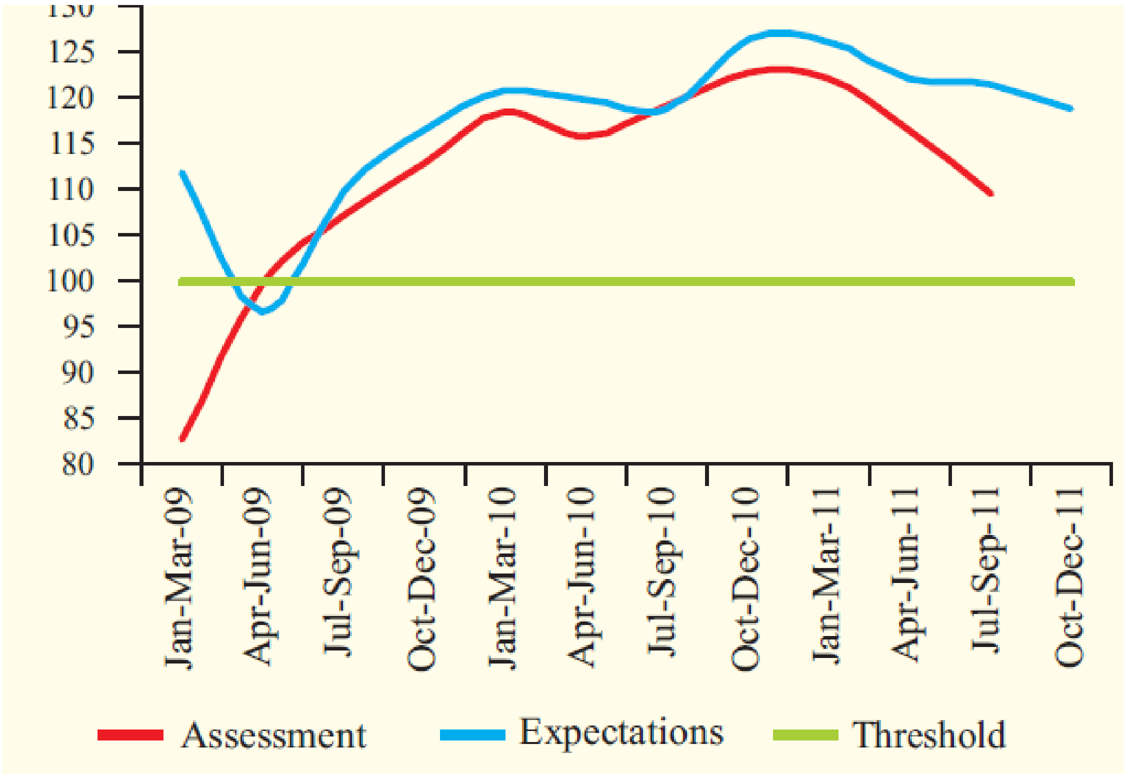

Reserve Bank of India's Industrial Outlook Survey-Business Expectations Index, 2009-2011

The demand conditions of the Indian manufacturing sector continued to moderate as net responses on production, order books and exports declined for the assessment as well as expectation quarters. Most industry groups reported lower optimism on demand and financial conditions.

The CII and FICCI business confidence indices have shown significant decline over the previous quarter and year too. The CII index stands lower than the index value recorded during the period October-March 2008-09, following the global financial crises. The top two concerns, according to CII Business Outlook Survey are high interest rates and high raw material costs. The latest survey of NCAER on business confidence recorded significant decline in index on both q-o-q and y-o-y basis. Dun & Bradstreet Business Optimism Index is at the second lowest since September 2010.

Persistent high inflation, weakening demand, lower availability of credit and prevailing global uncertainties appear to be affecting the business sentiments of the Indian companies. Current assessment is that growth may moderate slowly and not fall to the levels seen during the post-Lehman crisis.

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Period Index	NCAER-Business Confidence Index Sep. 2011	FICCI Overall Business Confidence Index Q1:2011-12	Dun & Bradstreet Business Optimism Index Q4: 2011	CII Business Confidence Index Q2: 2011-12
1	2	3	4	5
Current level of the Index	125.7	51.6	143.7	53.6
Index as per previous survey	145.2	63.7	143.6	62.5
Index levels one year back	162.1	71.9	163.5	67.6
Per cent change (q-o-q) sequential	-13.4	-19.0	0.1	-14.2
Per cent change (y-o-y)	-22.5	-28.2	-12.1	-20.7*

*: Percentage change over April-September 2010-11 survey.

To sum up the business confidence scenario, it can be said that there is **apprehension in the air, but there is no alarm and the optimism is guarded in Indian businessmen**. **The general mood is of hope with caution.**

Economic Growth Statistics

Real GDP growth at factor cost increased to 8.5 per cent in 2010-11 from 8.0 per cent in 2009-10. At this pace, the real GDP growth rate increased for the second successive year after the global crisis-induced sharp slowdown in 2008-09.

The main impetus to growth during 2010-11 emanated from agriculture which rebounded to above-trend growth rate on the back of a normal monsoon. Reflecting this, the contribution of the agriculture sector to overall GDP growth increased sharply in 2010-11. Services sector continued to be the predominant driver of growth, though its growth was slightly lower than the average in the pre-crisis high growth phase of 2003-08.

Growth is expected to moderate to the trend level of about 8 per cent in 2011-12. If global conditions worsen, downside bias to this projection may arise. This raises concern about sustainability of the high growth over the medium to long-term.

A pre-requisite for high growth is upfront removal of structural constraints with close attention on legal and institutional framework, as also execution and governance. In the short run, growth will have to contend with risks from low agricultural productivity, poor infrastructure, high global commodity prices, quality of corporate governance and low productivity enhancement in the manufacturing sector. Furthermore, the substantial increase in oil prices in 2010-11 and 2011-12 so far, has raised concerns about the near-term growth

Downside risks to growth are also likely to emanate from the impact of monetary policy in the context of high domestic inflationary pressures and the worsening global environment. These add further downside risk to growth projection of 8.0 per cent for 2011-12.

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Overview of Indian Economy (Continued)

The first five months of 2011-12 witnessed significant moderation in the growth of industrial production to 5.6 per cent from 8.7 per cent in the corresponding period of 2010-11. The slowdown in production was driven by manufacturing and mining, while electricity recorded robust growth.

	Sector		1990-91 to 1999-00 (Average 10 yrs.)	2000-01 to 2009-10 (Average 10 yrs.)	2008-09	2009-10	2010-11
1	Agriculture and Allied Activities		3.2	2.4	-0.1	0.4	6.6
			(28.4)	(19.4)	(15.7)	(14.6)	(14.4)
2	Industry		5.7	7.3	4.0	8.3	7.8
			(20.1)	(20.0)	(20.1)	(20.2)	(20.0)
	of which	Manufacturing	5.6	8.0	4.2	8.8	8.3
3	Services		7.1	9.0	9.5	9.7	9.2
			(51.5)	(60.6)	(64.2)	(65.2)	(65.6)
4	**Real GDP at Factor Cost**		**5.7**	**7.3**	**6.8**	**8.0**	**8.5**
			(100)	(100)	(100)	(100)	(100)
5	Gross Domestic Saving Rate (% of GDP)		23.0	30.7	32.2	33.7	-
	Gross Domestic Investment Rate (% of GDP)		24.4	31.2	34.5	36.5	-
Memo:				Amount in Rs. billion			
a)	Real GDP at factor cost (2004-2005)				41,625	44,937	48,778
b)	GDP at current market prices				55,826	65,503	78,756

Note : Figures in parentheses denote shares in real GDP. All figures except in Memo are in per cent.

Source : Central Statistical Organisation & Reserve Bank of India.

Manufacturing sector growth decelerated significantly to 6.0 per cent during April-August 2011 from 9.2 per cent during the corresponding period of last year. The lower growth in manufacturing was on account of deceleration / negative growth in 14 out of 22 industry groups. As per use-based classification, moderation in growth was evident in all categories except basic goods and consumer non-durables. The sharp moderation in manufacturing growth was reflective of deceleration in production of both capital and intermediate goods

Even though agriculture is poised to register good growth in 2011-12 and services sector continues to be robust, industrial growth during the year so far has been subdued. The PMI (Purchasing Manager's Index) Index for September 2011 is just above the threshold level of 50, suggesting negligible expansion. This may partly reflect global factors, given the recent weak global manufacturing PMIs and the observed linkage between domestic and global industrial growth cycles. The mining sector, particularly coal, has been adversely affected. The sluggishness in core infrastructure sector growth could also pull down GDP growth in 2011-12. The under performance of the construction sector, which is the lead indicator of capital formation, suggests further weakening ahead. Capital goods production has shown considerable volatility since the previous year. Thus, **lead indicators suggest the economy will experience moderation in growth during 2011-12**.

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Overview of Indian Economy (Continued)

Growth Projections

Various agencies have revised downwards their earlier growth forecasts for India for 2011-12, with some even projecting the growth to be below 8.0 per cent. Undoubtedly, there are significant downside risks to growth during 2011-12. The buoyant export growth observed up to August 2011 may not hold out on account of the sluggish growth in the advanced economies and further deepening of global uncertainties mainly because of Euro area crisis, downward revision of US's credit rating by S&P and lowered debt ratings for several banks.

Furthermore, domestic industry is exhibiting signs of slowdown on account of the lagged effects of past monetary policy actions. Risks to growth also emerge from the worsening global environment, volatility in international crude oil prices and high inflation.

At sectoral level growth forecasts are revised downward for 'agriculture and allied activities' and industry, whereas that for services has been revised upward marginally. Annual average inflation forecast for the year 2011-12 is revised marginally upward as compared to previous survey round, though it is expected to decline gradually over the quarters.

An overall assessment suggests that GDP growth is consolidating around the range of 7.5 to 8.5 per cent.

Agency	Latest Projection		Earlier Projection	
	Real GDP Growth (Per Cent)	Month of Projection	Real GDP Growth (Per Cent)	Month of Projection
Economic Advisory Council to Prime Minister	8.2	Jul-11	9.0 (±0.25)	Feb-11
Ministry of Finance	8.6	Jul-11	9.0 (±0.25)	Feb-11
International Monetary Fund*	7.6	Sep-11	8.0	Jun-10
OECD (at market prices)	8.5	May-11	8.5	May-11
World Bank	7.5	Sep-11	8.2	Jun-11
Asian Development Bank	7.9	Sep-11	8.2	Apr-11
National Council for Applied Economic Research (NCAER)	8.3	Jul-11	8.5	Apr-11
Range	**7.5-8.6**		8.2-9.0	

Figures in Per Cent *: IMF's forecast is 7.7 per cent for GDP at market prices for 2011-12

Projections of Growth Rates for 2011-12 by Various Agencies

(Source for data on Indian economy – Reserve Bank of India, Government of India)

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Overview of Indian Economy (Continued)

Monsoon 2011

In 2011, for the country as a whole, the rainfall for the season (June-September) was 101% of its long period average (LPA). Seasonal rainfall was 107% of its LPA over Northwest India, 110% of its LPA over Central India, 100% of its LPA over south Peninsula and 86% of its LPA over Northeast (NE) India.

Out of the total 36 meteorological subdivisions, 33 subdivisions constituting 92% of the total area of the country received excess/normal season rainfall and the remaining 3 subdivisions (Arunachal Pradesh, Assam & Meghalaya, and NMMT constituting 8% of the total area of the country) received deficient season rainfall.

Out of 603 meteorological districts for which data are available, 453 districts (76%) received excess/normal rainfall and the remaining 150 districts (24%) received deficient/scanty rainfall during the season.

Monthly rainfall over the country as a whole was 112% of LPA in June, 85% of LPA in July, 110% of LPA in August and 106% of LPA in September.

Rainfall – South-West Monsoon (June-September)

Year	Cumulative Rainfall	Spatial Distribution			
	Above(+)/Below (-) Normal (Per Cent)	(Number of Sub-Divisions)			
		Excess Rainfall	**Normal Rainfall**	**Deficient Rainfall**	**Scanty/ No Rain**
2000	-8	5	23	8	0
2001	-8	1	30	5	0
2002	-19	1	14	19	2
2003	+2	7	26	3	0
2004	-13	0	23	13	0
2005	-1	9	23	4	0
2006	-1	6	20	10	0
2007	+5	13	17	6	0
2008	+2	2	30	4	0
2009	-23	3	10	23	0
2010	+2	14	17	5	0
2011	+1	7	26	3	0

Excess : +20 per cent or more. Normal : +19 per cent to -19 per cent.
Deficient : -20 per cent to -59 per cent. Scanty : -60 per cent to -99 per cent.
No Rain : -100 per cent.

(Overview of Indian Economy continued on next page)

Overview of Indian Economy (Continued)

The season rainfall is classified as normal when the actual rainfall is within LPA ±CV. The CV for season rainfall over various regions is given in the table above. Similarly season rainfall is classified as deficient when the actual rainfall is less than (LPA – CV) and as excess when the actual rainfall is more than (LPA+CV).

Region	Actual (mm)	Long Period Average (LPA) (mm)	Actual for 2011 (% of LPA)	Coefficient Of Variation (CV) (% of LPA)
All-India	899.9	887.5	101	10.7
Northwest(NW) India	654.8	615.0	107	18.9
Central India	1073.6	975.5	110	15.0
South peninsula	715.2	715.5	100	15.3
Northeast (NE) India	1233.6	1438.3	86	12.6

In 2011, the southwest monsoon season (June to September) rainfall over the country as a whole was 101% of LPA. Season rainfall over NE India was below its LPA by 14%. Season rainfall over south Peninsula was normal. However, the season rainfall over Central India and NW India were 10% and 7% above their LPA values respectively.

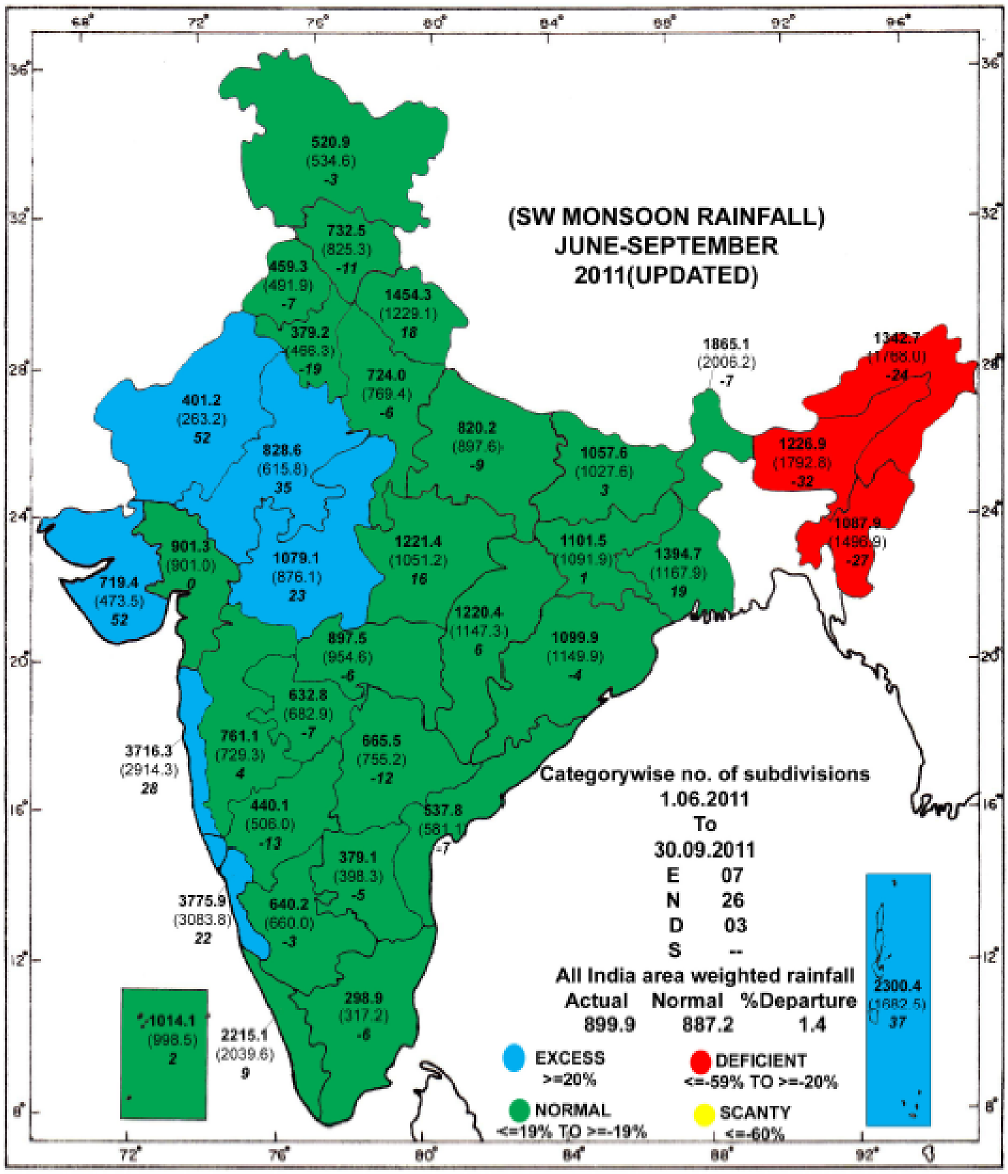
The cumulative season rainfall from 1st June to 30th September 2011 was excess in 7 meteorological subdivisions (21% of the total area of the country), normal in 26 meteorological subdivisions (71% of the total area of the country) and deficient in 3 meteorological subdivisions (8% the total area of the country). Three subdivisions (Arunachal Pradesh, Assam & Meghalaya, and NMMT) from the eastern part of the country recorded deficient rainfall.

Incessant rainfall associated with the monsoon low pressure systems and active monsoon conditions in the presence of strong cross equatorial flow and deep monsoon trough, often caused flood situations over various states during different parts of the season. Some of the states which experienced flood situations are west Bengal, Bihar, Kerala, Karnataka, Himachal Pradesh, Madhya Pradesh, Rajasthan, Gujarat, Jammu & Kashmir, Maharashtra, Goa, Assam, Andhra Pradesh, Uttarakhand, Chhattisgarh and Orissa.

The reservoir position as on October 20, 2011 was also much higher than during the corresponding period last year. The timely arrival and normal progress of the monsoon, combined with equitable spatial distribution, contributed favourably to *kharif* sowing. Till October 14, 2011, sowing under all *kharif* crops was 2.4 per cent higher than in 2010-11 and was also higher than the normal area sown.

(Overview of Indian Economy continued on next page)

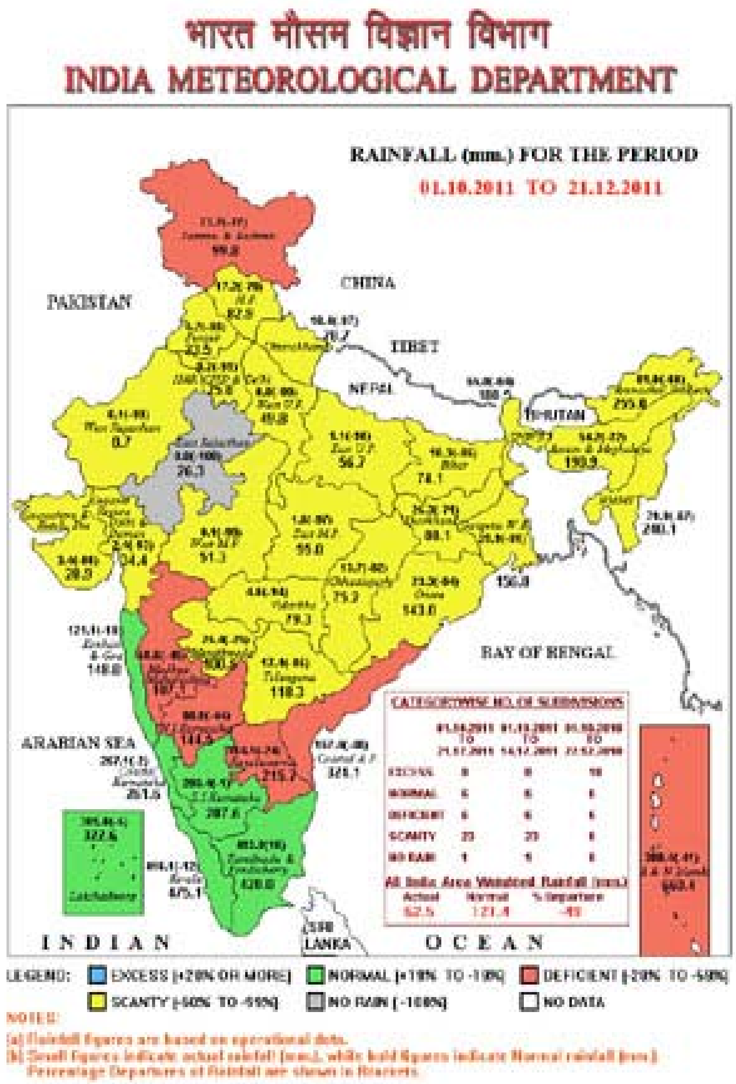
Overview of Indian Economy (Continued)



After a good monsoon, the post-monsoon during the months of October and November were scanty through most of the country. The figure below shows the rains during the period from 1 October 2011 to 21 November 2011.

(Overview of Indian Economy continued on next page)

Overview of Indian Economy (Continued)



As per the First Advance Estimates, production of major *kharif* (harvesting in October-November) crops in 2011-12 is expected to be higher than in the previous year. This is significant given the record production of foodgrains during 2010-11. The prospects of *rabi* (harvesting in March-April) crop are also perceived to be favourable due to the satisfactory performance of the monsoon. Thus, growth prospects of the agricultural sector in the current year appear to be good.

Source for data on monsoon – Indian Meteorological Department

Food Industry Overview

- Fitch Ratings has revised India's GDP growth projections to 7.5 per cent from 7.7 per cent, for FY 2011-12 and to 8 per cent from 8.2 per cent for FY 2012-13 on the back of deteriorating global growth prospects.

- Real GDP moderated for the third consecutive quarter, rising 7.7 per cent year-on-year in Q2 2011, down from a 7.8 per cent y-o-y rise in Q1 2011.

- India's foreign exchange reserves dropped by USD 1.22 bio at USD 311.48 bio for the week ended Sep 30, registering a sharp decline for the second straight week largely due to revaluation of non-dollar assets, official data showed.

- India and Indonesia have agreed to establish a working group to discuss and perhaps solve the latter's ban on import of Indian buffalo meat and the delays faced by Indian pharma companies in drug registration there. Indonesia continues to impose a ban on import of Indian buffalo meat stating that India is not free from Foot and Mouth Disease.

- During inflationary times, affluent Indian shoppers prefer larger packs of consumer products, rather than seasonal sales in order to economize, says a survey. Nielsen's 2011 Global Online Shopping and Saving Strategies Survey of over 25,000 Internet respondents in 51 countries shows that 46 per cent of India's online consumers prefer to purchase larger ‘value' packs to save. Compared to those who preferred larger pack sizes for better value, 23 per cent of respondents think that purchasing smaller packs with lower unit price would help them save on their household expenses. Indians also see an advantage in shopping at value retailers (41 per cent), and at locations close to their homes and offices (40 per cent).

- Food inflation fell sharply to single digit at 9.01 per cent for the week ended November 12 even as prices of most agricultural items, barring potatoes, onions and wheat, continued to rise, on an annual basis. According to the data released by the government today, onions became cheaper by 32.85 per cent year-on-year, while potato prices were down by 7.23. Price of wheat also fell by 3.09 per cent. However, all other food items became expensive on an annual basis during the week under review. Vegetables became 17.66 per cent costlier, while pulses grew dearer by 14.28 per cent, milk by 10.46 per cent and eggs, meat and fish by 11.98 per cent. Fruits also became 4.59 per cent more expensive on an annual basis, while cereal prices were up 2.86 per cent.

- Food Inflation seems to be pinching more because vegetable prices barely decline in winters, milk rises through the year and egg prices remain high in summers. Over the years, the seasonal variation in prices has dropped and consumers do not have the option to shifting to cheaper produce to keep daily costs down, says a recent Reserve Bank of India study.

- With rising number of complaints from consumers about misleading ads, the Government is considering setting up a regulatory body to curb such advertisements on television and print media.

- India may be home to a large number of poor but the average wealth of an Indian has nearly tripled in the last ten years to USD 5,500- making the country the sixth largest contributor to overall global wealth. Still the averagw wealth for Indians was way below the global average of USD 51,000- and just about 1% of the world’s highest per-adult wealth of USD 540,010- recorded in Switzerland, found a global wealth study by investment banking Credit Suisse.

Dairy

- With rapid increase in domestic demand for milk and milk-based products, the dairy industry in India is likely to reach about Rs. 5000 bio by 2015, industry body-Associated Chambers of Commerce and Industry of India (Assocham) said. Milk production is likely to reach about 190 mio ton in 2015 from current level of about 123 mio ton, according to a study conducted by Assocham.

- The Centre is considering re-allowing casein exports, banned early this year. However, the lifting of export ban could be linked to import of skimmed milk powder (SMP), sources said. Dairies could be allowed to import 2.5 kg of SMP duty-free, in return for export of one kg of casein, a protein compound extracted from milk. About 12 liters of milk is required to produce one kg of SMP, whereas one needs 32-38 liter of milk to make a kg of casein. The Government had banned exports of casein and milk power on February 18 after dairies in the country, particularly in the North, experienced a shortfall in milk procurement. The ban was imposed ahead of summer, which generally witnesses a dip in milk production by animals particularly buffaloes. The ban applied to milk powders (including skimmed milk powder, whole milk powder, dairy whitener and infant milk foods), Casein and Casein products (Casein, caseinates and other casein derivatives; casein glues). India's casein exports are around 10,000 tons and are mainly destined to countries such as the US, Germany and Korea. Major exporters include Baramati-based Schreiber Dynamix Dairies Ltd, north-India based VRS Foods, Bhole Baba Dairy Industries, Modern Dairies and Industrial Progressive (India) Ltd and Kohinoor Foods.

- The Government is considering allowing further duty free import of skimmed milk powder (SMP) and fat (butter oil) under the tariff rate quota (TRQ) regime. Currently, the Government allows duty-free imports of up to 50,000 tons of powder (both skimmed as well as whole) and 15,000 tons of fat (butter oil, white butter and anhydrous milk fat) under the TRQ. Imports beyond these attract higher customs duty of 60 per cent (on powder) and 30 per cent (on fat). Meanwhile, domestic dairies are seeking preference over imports in supply of skimmed milk powder (SMP) to the National Dairy Development Board (NDDB)-owned Mother Dairy.

- The wholesale price of milk has increased 34 per cent in the last three years because of spike in cost of production. The wholesale price index (WPI) (base year 2004-05=100) of milk has increased from 146.9 on November 7, 2009 to 196.9 on November 5, 2011. This happened even though milk production in the country increased 7 per cent during the last three years, from 108.6 mio tons in 2008-09 to 116.2 mio tons in 2010-11.

- The Rs. 15.84-bio World Bank-funded National Dairy Plan aimed at empowering the dairy farmers is likely to be launched within next six months, a Planning Commission official said.

- Board of Approvals for Special Economic Zones (SEZ) has rejected the Indian Farmers Fertiliser Cooperative (Iffco) proposal to set up an integrated dairy project in its Kisan SEZ in Nellore District in Andhra Pradesh. The entity will be knocking the doors of the Ministry of Commerce to reconsider the decision, according to a senior Iffco official. The board's move may hamper Iffco's ambitious project involving around Rs. 10 bio. A consortium of Iffco, Fonterra, a New Zealand-based dairy company, and an Indian company called Global Dairy Health are developing a mega dairy as part of Iffco's SEZ. The Kisan SEZ will entail an investment of about Rs. 50 bio and will be spread over 2,600 acres. The SEZ will undertake activities related to producing agricultural and milk products.

(Dairy continued on next page)

Dairy (Continued)

- A good monsoon, stable cattle-feed cost and better price to farmers are expected to increase domestic milk production by six-seven per cent and ensure stable prices to consumers. The production growth rate will be higher than three-four per cent increase achieved in recent years. R S Sodhi, managing director, Gujarat Cooperative Milk Marketing Federation, which sells milk and milk products under the Amul brand across most domestic markets, said, “A series of price increase has been taken up. However, the uptrend seen in the past one year will not continue and prices will be stable now, on better availability”. Leading milk retailers like Amul and Mother Dairy have taken a series of price increases in the current calendar year. Over a year, the retail milk price has increased by nearly 20 per cent. In September, Mother Dairy raised the price of full cream milk by Rs. 2 to Rs. 37 per litre and the price of double-toned milk from Rs. 24 to Rs. 25 per litre. Sodhi said the country’s milk production is expected to touch 127 mio tons (mt) this financial year, against 120 mt in the previous year.

- With many States facing a power crunch, *kirana* (grocery) shops as well as customers are facing the heat in terms of ice cream sales and consumption respectively. *Kirana* shop owners in various parts of Mumbai are complaining and have stopped stocking ice cream. Mr Rajesh Gandhi, President, Indian Ice cream Manufacturers' Association, said, “Ice cream sales would grow 30 to 40 per cent more if the power situation in the country is stable. Sales in tier-two cities have been most affected by the power cuts.”

- Prices of certain milk products are coming down. Prices of skimmed milk powder (SMP) have come down by seven per cent compared to last month. “SMP was selling at Rs. 200 a kg around Diwali and is now available for Rs. 185. Prices have come down as the flush season has started. Prices of ghee have also come down from around Rs. 295 a kg to Rs. 280.

- Quick service restaurant (QSR) players like Mcdonalds are all set to see a new competitor as Amul, owned and marketed by Rs. 100 bio strong Gujarat Co-operative Milk Marketing Federation (GCMMF), is entering this segment by launching its first two quick service restaurants at Ahmedabad and Bangalore. Unlike its existing retail outlets which retail the entire range of Amul products under one roof, the new cafes will offer consumers recipes such as pizzas, burgers, sandwiches, dosa, pav-bhaji, sundaes and milk shakes apart from the milk products that Amul manufactures. Amul plans to roll out total 10 such quick service restaurants across India by March 2012.

- Orissa State Cooperative Milk Producer Federation Limited (OMFED) has decided to hike the milk price by Rs. 2 per liter from October 11. Out of this, Rs. 1.75 will go to the milk producers. With this the cost of toned milk will be Rs. 24 per liter in the state. OMFED, on an average, procures 0.35 mio liters of milk and markets 0.47 mio liters per day. The procurement and supply gap is filled up with the processing of milk with milk powders. Following the hike, the milk producers, on an average, will get Rs. 17 per liter for supplying to the societies.

- No firm can claim exclusive rights over use of Lord Krishna's name to brand its milk and other dairy products, the Delhi High Court has ruled. A Bench, Mr. Justice Pradeep Nandrajog and Mr. Justice Sunil Gaur, gave the ruling rejecting an appeal by dairy firm, Bhole Baba Milk Food Industries Ltd, against a single-judge Bench order earlier declining its claim of exclusive right over the word ‘Krishna' to name its dairy products.

(Dairy continued on next page)

Dairy (Continued)

- India is the largest producer of liquid milk, but there is a demand-supply mismatch as production has slowed down in the last two years, the Union Finance Minister has said. In the last two years, the production in India increased by 3 to 4.5 mio tons a year, against the steady increase of 6 mio tons a year in the earlier years.

- Buffalo milk containing 6.5 per cent fat and 8.5 per cent solids-not-fat is today landing in northern dairies at around Rs. 30 a litre. At this price, 100 litres or 103 kg of milk, from which it would be possible to produce 6.7 kg of fat (ghee) and 8.75 kg of SMP, would cost Rs. 3,000. If to this, one adds a manufacturing cost (inclusive of labour, energy and packing charges) of Rs. 14/kg for ghee and Rs. 20/kg for SMP, the total cost of procuring and processing 100 litres of milk would now be close to Rs. 3,270. On the revenue side, dairies are currently realising roughly Rs. 250 a kg on sale of ghee, which, on 6.7 kg, translates into Rs. 1,674. Therefore, even to cover basic milk procurement and processing costs, the realisations from SMP would have to be Rs. 1,596. On 8.75 kg, this would work out to Rs. 182 a kg. "This is the minimum price I need to be in a position to pay Rs. 30 a litre for buffalo milk. The alternative is to pay less and depress prices for farmers. It is for the Government to take a call on whether it wants us to do that", an official of a dairy company added. "Today, imported SMP from New Zealand is quoting at USD 3,150 a ton, which, after adding freight and port handling charges, will cost not more than Rs. 165 a kg. That makes it cheaper for Mother Dairy to sell milk in Delhi or Chennai using imported material rather than sourcing SMP based on milk from Uttar Pradesh and Tamil Nadu. We hope the Government will not make India a dumping ground for dairy imports the way it has happened in edible oils", the official said.

- Impressed with the success story of Gujarat Co-operative Milk Marketing Federation Ltd (GCMMF), South Africa has expressed interest in following this model in its land. The visiting South African officials said that Amul personified the best model for poverty alleviation.

- French dairy firm Danone has launched a new business unit in India dedicated for developing products for the masses, as it looks to expand its presence in smaller towns and cities. The new unit, Danone BOP India will focus on development and marketing of products that will primarily target smaller towns, where disposable incomes are low. Announcing the launch of two diary products under the brand 'Fundooz' priced at Rs. 10 and Rs. 5, the company said India is the first country where Danone has launched such a dedicated unit for the bottom of the pyramid by the group. Danone is currently present only in the metros like Mumbai, Hyderabad, Pune and Bangalore. The company said it would focus in six cities --Delhi, Gurgaon, Faridabad, Panipat, Sonepat and Ambala -- before gradually moving to other parts of the country.

- Keeping the needs of different segments of society in mind, the Dakshina Kannada Cooperative Milk Producers Union Ltd is all set to launch five products in the market. To be launched on November 15, these products are aimed at youths, sportspersons and hotel industry. The cooperative is also releasing 'kokum fruit punch' to the market. This energy drink is a mixture of kokum fruit (Garcinia indica) juice and whey. (Whey is a by-product in the manufacture of cheese.) A 200-ml bottle of 'kokum fruit punch' will be retailed at Rs. 10.

- Tamil Nadu Government has announced a steep increase in the price of milk supplied by Aavin. The price of toned milk will be revised to Rs. 24 a litre from the current Rs. 17.75. Correspondingly, the procurement price of milk paid to dairy farmers too has been raised from Rs. 18 to Rs. 20 a litre for cow's milk and Rs. 26 to Rs. 28 a litre for buffalo milk.

(Dairy continued on next page)

Dairy (Continued)

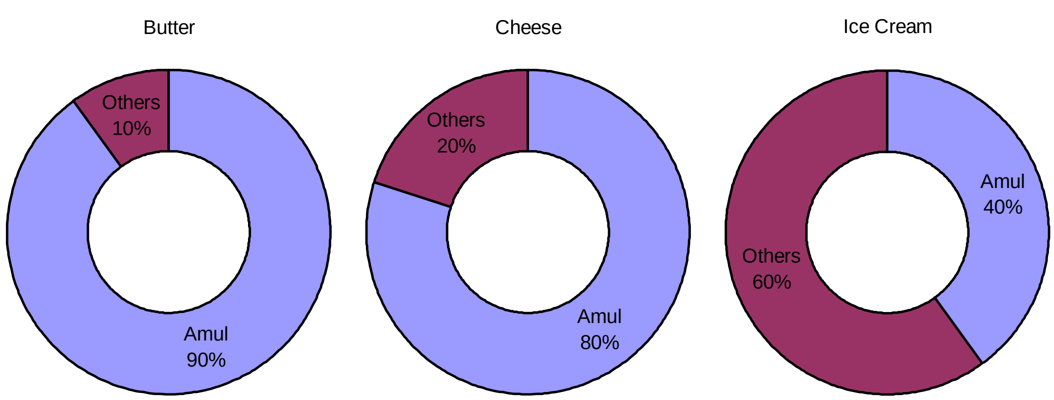
- Of the 15-mio liters of milk produced in Tamil Nadu, industry estimates that about 6 mio liters per day comes to the cooperative and organized private sector – brands which procure over 30,000 liters of milk a day. Aavin handles about 2.2 mio liters of milk, followed by the private sector player Hatsun Agro, which handles about 1.7 mio liters, with the rest of the field made up of about 50 brands. This includes some large players based in neighbouring States, brands such as Heritage, Dodla, Tirumala and Jersey.

- Bengal's ice cream market is set to get 'heated up'. The largest player in the State – Metro Dairy Ltd – is planning to nearly double its capacity to grab a bigger slice of the market pie, in the face of increased competition from national players such as Mother Dairy, Amul, Kwality Walls and others. Metro, which currently produces 15,200 liters of ice cream a day, plans to scale it up to 25,200 liters a day in the next two years by way of green-field expansion, said Mr. Sumit Deb, managing director, Metro Dairy. Metro Dairy is a three-way joint venture between West Bengal Milk Federation, Keventer and ICICI Bank. The new plant will come up on the Malda Food Park at an estimated investment of Rs. 100 mio and will produce about 10,000 liters of ice cream a day.

- Reliance Retail is in talks with international frozen food retailer Dairy Queen Inc, owned by Warren Buffett's Berkshire Hathway, for a joint venture in India. A tie-up between the two companies would help Reliance Retail become a serious player in the Indian frozen foods market and help it scale up its dairy operations. Reliance currently operates a dairy business under Dairy Pure brand, retailing milk through Reliance Retail stores and outside retailers in some northern and southern states.

- In a bid to grow its average ticket size of Rs. 120 to Rs. 140 across 235 outlets in India, McDonald's will push its newly launched ice-cream brand McFlurry. The ice cream market (size) is estimated at Rs. 20 bio and is growing at 12 to 13 per cent annually. McDonald's believe they can play a role in growing this industry.

Share of Amul in India's Milk Products Market



Poultry

- Business chamber Assocham has pegged the market size for the poultry products at Rs. 1320 bio by 2015 against the current size of Rs. 490 bio. The Associated Chambers of Commerce and Industry of India (Assocham), which came out with the study 'Trends in Domestic Poultry Segment', said that the market had been growing 20 per cent annually. Broiler meat and table eggs accounted for most of the domestic poultry market. India was the third largest egg producer and fourth largest broiler meat producer in the world. It produced 3 mio tons of broiler meat and about 2.86 mio tons of eggs annually, the Assocham study said. The study observed that there was a huge opportunity for foreign direct investment in the poultry sector in areas like breeding, medication, feedstock, vertical integration and processing.

- Venkateshwara Hatcheries will go global with its Venky's Xprs, the Indian answer to multinational food giants such as KFC and McDonald's. The Pune-based firm will open 100 outlets, including in London, in the next three years with an investment of Rs. 2.5 bio. These joints will offer chicken and vegetarian items on their menu. The company will raise money from internal resources and banks. It expected a break-even for the new initiative in 15 months.

- Coimbatore-based integrated meat processing company VKS Farms has attracted Rs. 250 mio investment from Ventureast Life Fund, an early growth and growth stage fund that focuses on food, agriculture, clean environment and healthcare delivery sectors. The company has a diverse product mix of chicken, egg, meat and salt and apart from catering to the domestic market, it exports to over 30 countries.

- Cashing in on its first mover's advantage in Gujarat, Chennai-based quick service restaurant (QSR) chain Bangs Hospitality India Pvt. Ltd. plans to expand its fried chicken outlet network in the state. India's first domestic Fried Chicken QSR brand, Bangs already has two outlets in the state, including Ahmedabad and Vadodara. Apart from 15 outlets in Gujarat by next year, the company is planning to expand its network to other states as well with at least 50 outlets coming up within the next one year in states like Haryana, Punjab, Maharashtra, Bihar and Karnataka. Currently, it runs over 20 such outlets across the country.

- Kerala State-owned Meat Products of India has chalked out various expansion initiatives, which include setting up an automated poultry processing plant; a bio-waste disposal facility; a chilling and freezing plant and a modern pig rearing farm at a combined cost of nearly Rs. 25 mio. The new poultry processing plant will be the most sophisticated in the State with a capacity to process 250 birds an hour.

- The country's first emu processing unit will be coming up at Nuziveedu in Krishna district of Andhra Pradesh by April 2012.

Aquaculture

- There has been a spurt in Indian shrimp production though disease outbreaks, adverse weather and crop delays have hit global output. Production in China, Thailand and Vietnam has been affected, said Mr. Anwar Hashim, the former President of the Seafood Exporters Association of India. The farmed shrimp production has been substantially higher, Mr. Hashim said. To add to that, the vannemei crop, which is being increasingly cultivated in India, is of a significantly bigger size, he said. Farms have reported high productivity of 10 tons a hectare after shifting to vannamei. The shift to vannamei cultivation has been reported more from South India, while East India continues to farm black tiger.

- As purchases from Europe and the US dwindle, Indian seafood exporters are turning more to China. Already, China is the top buyer and with the ongoing economic distress in the US and Europe, China could further raise its share in the Indian seafood market. By the end of the current fiscal, Chia's share in Indian seafood by value could rise beyond the current 15 per cent.

- Gujarat, the largest exporter of fish in both quantity and value from India, saw demand from Europe and the US fall by 5 per cent to 7 per cent. "We expect a further decline of 5 per cent from these markets. The European buyers are currently adopting a wait-and-watch policy, anticipating that the prices will by 10 per cent or the market will stabilize", an official of Gujarat Seafood Exporters Association said.

- Concerned over depleting marine catches mainly due to weak presence in the Exclusive Economic Zone (EEZ) and high seas, India is working on harmonized development of coastal and deep sea sector to enhance marine capture fisheries to 3 mio tons in 2011-12 fiscal. Present annual production of marine fisheries is 2.96 mio tons, official sources said.

- Massive floods in major player, Thailand, are creating ripples in the global seafood industry. Destruction of fish farms in Thailand could become an opportunity for other producers such as India to fill the gap. However, India's export of mackerels may be lower with major buyer Thailand out of the market.

- Owing to a surge in global demand for organic feed, the Marine Products Export Development Authority (MPEDA) seeks to actively promote organic aquaculture in suitable areas.

- The Union government is considering granting agriculture status to the seafood industry, including aquaculture. The seafood sector has an industry status and is under the control of the ministry of commerce. The fish production sector, especially aquaculture farms, is not getting sufficient loans from financial institutions. Once the status is granted, loans at lower interest rates will be easy and will benefit thousands of aquaculture farmers. Also, power will be provided at lower rates, as in the case of farming.

- Detection of abundant deep sea squids in the central Arabian Sea by the Central Marine Fisheries Research Institute (CMFRI), Kochi, has opened up new opportunities to export these high value seafood delicacies on a larger scale.

(Aquaculture continued on next page)

Aquaculture (Continued)

- Appetite for Indian marine products and fish, both raw and ready-to-eat format, is growing in India and abroad. This segment is growing at an encouraging 7 per cent compound annual growth rate. Assocham has pegged the industry at Rs. 678 bio in the next four years from the present level of Rs. 530 bio. In its study 'Indian Marine and Fish Industry', the Associated Chambers of Commerce and Industry of India, however, felt that the processed segment comprised only Rs. 80 bio or 15 per cent of the domestic marine and fish industry. The chamber asks the Government to encourage foreign direct investment in infrastructure for distribution and storage to help fishermen and exporters discover better price overseas.

- The fish production in India is likely to cross 12 mio ton by 2015 from the current level of about 9.3 mio tons. Captured fish accounts for about 65 per cent of total fish production, while aquaculture accounts for over 30 per cent of annual fish production. The seafood exports from India are likely to touch 4.7 bio dollars (about Rs. 235 bio) by 2013 from 2.8 bio dollars (about Rs. 140 bio) in 2010-11 through value addition, expansion of aquaculture, technological upgrading and by tapping unexplored resources.

- The Seafood Exporters Association of India (SEAI) will sign a memorandum of understanding (MoU) with its Indonesian counterpart, The Indonesian Fishery Product Processing and Marketing Association (Ifpma) for augmenting trade in fishery-related business. According to sources, the MoU would be signed by March 2012. It is likely that Indonesia would import fish items, especially shrimp from India in large volumes. The former is also expected to invest in the latter in value-added products. This indicates trade barriers between the two countries would be reduced.

- With increased production from aquaculture and good catch from the sea, it is boom time for Indian seafood industry. Seafood exports during the first six months this year surged by over 40 per cent compared with last year, Mr. Anwar Hashim, former President of the Seafood Exporters' Association of India said. Aquaculture has become the mainstay of seafood exports, accounting for 90 per cent of current shrimp exports. The first aquaculture harvest this year has been very good, including a bumper crop of vannammei shrimp, which was available to processing plants even far south in Kerala.

Milk & Dairy Products in India – Production, Consumption & Exports

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- Contact details of all major dairy companies
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- Projections for next five years

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Documentation: We understand documents. We take pride in crafting all types of documents including agreements, notices, petitions, statements, forms etc. with the utmost care, diligence and patience. We can help you create them as well as store them.

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