

Voluntary Report – Voluntary - Public Distribution

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Report Name: India Officially Permits Limited Soybean Meal Imports

Country: India

Post: New Delhi

Report Category: Agriculture in the News, Oilseeds and Products, FAIRS Subject Report, Biotechnology - Plants and Animals, Biotechnology and Other New Production Technologies, Agriculture in the Economy, Policy and Program Announcements, Climate Change/Global Warming/Food Security, Export Accomplishments - Market Access, SP1 - Expand International Marketing Opportunities, SP2 - Prevent or Resolve Barriers to Trade that Hinder U.S. Food and Agricultural Exports

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Report Highlights:

On August 24, 2021, the Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry published a directive in the Gazette of India Extraordinary that will officially permit India to import 1.2 million metric tons (MMT) of soybean meal and soy cake derived from genetically engineered (GE) soybeans through October 31, 2021. The DGFT cites no objection from Ministry of Environment and Forest on the import of soybean meal derived from GE-soybeans as it does not contain any living modified organism (LMO). The Indian government has restricted the imports of GE-soybean meal to containerized shipments through two ports which may limit significant imports within the quota period.

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GENERAL INFORMATION

On August 24, 2021, the Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry published a directive in the Gazette of India Extraordinary that officially permits India to import 1.2 million metric tons (MMT) of soybean meal and soy cake derived from genetically engineered (GE) soybeans through October 31, 2021. Soybean meal is India's most common animal feed protein source. It is utilized extensively by India's poultry, dairy, shrimp, and pork production sectors in compound feeds.

MARKET ACCESS ACHIEVED

On August 24, 2021, the Directorate General of Foreign Trade, Ministry of Commerce and Industry published Notification No. 20/2015-2020 in the Gazette of India Extraordinary (official gazette) permitting Indian traders to import 1.2 MMT of soybean meal and soy cake derived from GE-soybeans through October 31, 2021 (see, Appendix I). Previously, on August 9, 2021, the local press indicated that the Indian government was approving imports of up to 1.5 MMT of GE-soybean meal. However, at that time, the DGFT had not published an official notification on the import procedures. The Directorate General of Foreign Trade is the national authority that governs all agricultural import requirements (see, [GAIN-INDIA - IN2021-0096 – India - A Thumbs Up for Soybean Meal Imports Possible](#)).

In the Directorate General of Foreign Trade's notification of August 24, 2021, the Ministry of Environment, Forest, and Climate Change (MoEFCC) specifies that "Since soya de-oiled and crushed (DOC) cake does not contain any living modified organism (LMO), this Ministry has no concerns and no objections for imports of soya cake from [sic] environmental angle."

DRIVERS FOR CHANGE

Sky High Soybean Meal Prices: In January 2021, Indian domestic soybean meal prices commenced to climb without warning. Prices in recent months have rocketed to unprecedented highs. August 2021 prices for soybean meal are currently averaging \$1,115 (India rupee -INR 83,000) per metric ton (MT), 110 percent above the government's minimum support price (MSP) of \$531/MT (INR 39,500). Earlier in July, soybean meal prices peaked at a record high of \$1,350/MT (INR 100,050), averaging \$1,243/MT (INR 92,500) in local markets. Prices quoted in some cases are 200 percent above 2020's prevailing prices.

With the Viability of the Livestock Sector Jeopardized by High Prices, Petitions Fly: With soybean meal prices soaring, the viability of India's livestock sector has been shaken, necessitating relief. Beginning in

March 2021, India's poultry feed industry began aggressively petitioning the Indian government for relief, seeking authorization to import soybean meal derived from GE-soybeans.

Industry's pleas for relief led to the July 27 request by the Ministry of Fisheries, Husbandry and Dairying (MoFHD) to the Ministry of Environment, Forest, and Climate Change, to allow foreign-origin soybean meal imports. On August 6, the MoEF, which houses the Genetic Engineering Appraisal Committee (GEAC), India's apex biotech regulatory body, cited that since de-oiled and crushed GM soya cake (necessarily soybean meal derived from GE-soybeans) does not contain any living modified organism (LMO), they do not object to imports of the product from an environmental angle.¹

PORT ACCESS IS HOWEVER LIMITED

The DGFT's Notification No. 20/2015-2020 restricts the imports of GE-soybean meal, limiting access to only two Indian ports. These ports being Jawaharlal Nehru Port Trust, Nhava Sheva (India's largest container port) and LCS Petrapole, the largest land custom station on the India-Bangladesh border.

This measure limits GE-soymeal imports to containerized shipments, precluding bulk shipments. This will affect potential supplies from major global soybean meal exporters from North and South America, including the United States.

The decision on port access is likely to favor regional suppliers including Bangladesh, Malaysia, Vietnam, and the United Arab Emirates. The current COVID-19 lockdown in Vietnam, as well as Bangladesh's lower crush capacity, may limit regional soymeal producers' ability to supply the full 1.2 MMT quota volume.

FAS New Delhi (Post) will request that additional ports, capable of handling bulk shipments be authorized.

¹ The Genetic Engineering Appraisal Committee is India's apex biotechnology regulatory body. It regulates the use, manufacture, storage, import and export of genetically engineered organisms in India.

APPENDIX I - MINISTRY OF COMMERCE AND INDUSTRY/DIRECTORATE GENERAL OF FOREIGN TRADE, NOTIFICATION NO. 20/2015-2020

MINISTRY OF COMMERCE AND INDUSTRY

(Department of Commerce)

(DIRECTORATE GENERAL OF FOREIGN TRADE)

NOTIFICATION

New Delhi, the 24th August, 2021

No. 20/2015-2020

Subject: Relaxation in applicability of provision in Para 6 (b) of General Notes Regarding Import Policy Schedule – I (Imports) of the ITC(HS) 2017, Schedule – I (Import Policy).

S.O. 3464(E).—The following communications have been received regarding the import of crushed and de-oiled GM soya cake (Non-living organism only):

1 (i) Vide DO No. R-43011/2/2021-Anim_Dadf dated 27.7.2021, Ministry of Fisheries, Animal Husbandry & Dairying sought permission/approval of MOEF&CC for allowing import of 12 Lakh MT crushed and de-oiled GM soya cake (Non-living organism) upto 31st October 2021, or earlier;

[भाग II—खण्ड 3(ii)]

भारत का राजपत्र : असाधारण

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(ii) In response to the above, MOEF vide OM dated 6.8.2021, has clarified that, "Since soya de-oiled and crushed (DOC) cake does not contain any living modified organism, this Ministry has no concerns and no objection for import of soya cakes from environmental angle";

(iii) DoCA vide F. No. M-1/1/2020-PMC dated 16.8.2021 and Corrigendum dated 16.8.2021 has conveyed the approval of the Competent Authority to facilitate the import of 12 Lakh ton of GM soya de-oiled cake; and

(iv) DAHD vide letter dated 19.8.2021 has communicated those imports may be facilitated at 2 ports namely, Nhava Sheva (sea port) and Petrapole border (land port);

2. Therefore, in exercise of powers conferred by Section 3 read with Section 5 of FT(D&R) Act, 1992 and paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Central Government hereby relaxes the provision in Para 6 of General Notes Regarding Import Policy, Schedule – I (Imports) of the ITC(HS), 2017.

3. Accordingly, Condition No. 6 (b) of General Notes Regarding Import Policy Schedule -I (Imports) of the ITC (HS) 2017 will not apply to the import of 12 Lakh Metric ton of crushed and de-oiled GM soya cake (only Non-living organism) under ITC HS codes 23040020 and 23040030 till 31st October, 2021 or until further orders, whichever is earlier, only from Nhava Sheva (INNSA1) port and LCS Petrapole (INPTPB).

4. Strict monitoring of import quantity of the above items through the designated ports shall be carried out by CBIC through the customs authorities at the respective ports to ensure that the quantity of 12 lakh Metric ton is not breached.

Effect of the Notification: Application of provision as in Condition 6(b) of General Notes Regarding Import Policy Schedule – I (Imports) of the ITC (HS) 2017 is relaxed to allow imports of 12 Lakh Metric ton of crushed and de-oiled GM soya cake (only Non-living organism) under ITC HS codes 23040020 and 23040030 from Nhava Sheva (INNSA1) port and LCS Petrapole (INPTPB), till 31st October, 2021 or until further orders, whichever is earlier.

This issues with the approval of the Minister of Commerce & Industry.

[F. No. M-5012/300/2002/PC-2[A]/Part-VI/E-9019]

AMIT YADAV, Dir. Genl. of Foreign Trade
& Ex- officio Addl. Secy.

Attachments:

No Attachments.