DAIRY, POULTRY AND THE RIGHT TO FOOD

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Dairy sector: relevance for RTF

- India top milk producer with 112.5 million tonnes and 90 million jobs
- 14 millions farmers, 75% of cows owned by small and marginal farmers
- Current tariff: 60% on Skimmed Milk Powder and 15% in Tariff Rate Quota for 30,000 tonnes
- EU wants to cut tariff to 0, increase production and maintain option for export refunds in CAP
Dairy sector: possible impact

• 1999 experience: quantitative restrictions lifted and 0 tariff: EU imports: 600 to 25,000 tonnes
• 2009 experience: TRQ extended from 10 to 30,000: imports tripled immediately
• Likely impact FTA: imports depress producer prices, reduce income, increase debt: no space to protect RTF
• Disconnect national supply from growing demand: worse environment to fulfill RTF
• Increased transmission of volatility: sometimes for the benefit of consumers, sometimes not
Poultry sector: relevance for RTF

- 96 million small, marginal and landless agric. Hh keep 85% of poultry
- Poultry meat currently protected with a 100% tariff prohibits any imports
- EU is third largest exporter and wants to cut Indian tariffs to 0 within 7 years
- Price differentiation: fillets sold at high prices in EU, legs exported at very low prices
- Indian consumers prefer legs
- Small contract farmers’ RTF is threatened most: high production cost, debts, very price sensitive
- Backyard poultry keepers affected indirectly due to change in cropping patterns from food crops to commercial maize, and loss of land which results in reduced crop-residue for BYP. Hence environment worsened to fulfill the RTF