



on all consumer ready products. The licensing and regulation requirements on intermediate goods, used for processing, make it very difficult to import them.

Although the GOI has reduced the maximum tariff level from 110% to 60%, this has resulted in little real improvement in market opportunities for agriculture products.

### Trade Barriers and Restrictions

India uses 3 main types of imports restrictions to protect its agricultural market. These include: importing licensing, "canalization" or government purchasing, and high tariffs. Import items are placed on negative, restricted, canalized and free lists.

#### Negative List:

Imports of items on this list are banned. They include tallow, fat, and/or oils rendered, unrendered or otherwise, of any animal origin, animal rennet and unmanufactured ivory.

#### Restricted Items List:

Imports of consumer products of agricultural or animal origin must be licensed and are therefore, with few exceptions, effectively not allowed access.

#### Canalizing:

Imports of bulk commodities such as foodgrains are canalized through the Food Corporation of India (FCI). Vegetable oils such as coconut oil, palm kernel oil, refined bleached and deodorized RBD palm oil and RBD palm stearin are canalized through the State Trading Corporation of India (STC) and the National Dairy Development Board (NDDB); all other edible oils are freely importable. Import of oilseeds is canalized through the STC and the Hindustan Vegetable Oil Corporation (HVOC). Imports of these items typically bulk commodities such as grains, vegetable oils, and oilseeds may only be imported (canalized) by the Food Corporation of India (FCI) and State Trading Corporation of India (STC) respectively. Imports of these items typically occur when the GOI is concerned about domestic shortages or inflation, and are subject to cabinet decisions regarding timing and quantity.

Import duty for private trade on all edible oils is 30%. The private sector may import "feed grade maize" (duty free) and palm oil (65% duty), which are the lone exceptions to this government control of canalized products.