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**MINUTES OF THE 69TH MEETING OF THE SPICES BOARD**  
**HELD ON 12th JULY, 2010**

The 69th meeting of the Spices Board was held at 2.30 p.m. on 12th July, 2010 in the Board's Head office at Kochi.

Shri V.J.Kurian, IAS, Chairman, Spices Board presided over the meeting.

**The following Members were present:**

1. Dr.Viju Jacob, Vice-Chairman
2. Shri S.Ahmed
3. Shri Tej Pal Singh (Representative of the Ministry of Commerce & Industry)
4. Shri G.Muraleedharan
5. Shri Abul Kalam
6. Shri Jojo George
7. Shri George Vally
8. Shri Philip Kuruvilla
9. Shri P.J.Kunjachan
10. Shri Devender Singh Raghuwanshi

**Leave of absence was granted to the following Members:**

1. Shri Tiruchi Siva, MP(RS)
2. Shri Anant Kumar Hegde, MP(LS)
3. Smt. Sutapa Majumdar
4. Dr. V.Prakash
5. Dr. V.A.Parthasarathy
6. Shri N.C.Saha
7. Dr. N. Murughasan
8. Shri K.C.Pradhan
9. Shri Mathavan
10. Smt. Sushama Srikandath
11. Shri Ajay J.Mariwala
12. Smt. Amirit Raj

**The following Members were absent:**

1. Shri P.T.Thomas, MP(LS)
2. Secretary, Agriculture, Govt. of Kerala
3. Representative from the State of Sikkim
4. Shri Rajendra P.Ghogale
5. Shri Roy K.Paulose
6. Shri Jose Kompanathottam
7. Adv. Joy Thomas
8. Shri Atanu Purkayastha

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**The following officers of the Board were present:**

1. Dr. Charles J Kithu, Director(Fin./Mktg.)
2. Dr. J.Thomas, Director(Res.)
3. Shri P.M.Sureshkumar, Secretary i/c

At the outset, Chairman welcomed the Members and introduced the Members attending for the first time, viz. Shri S.Ahmad, one of the senior-most IAS officers in the country holding the position as Addl. Chief Secretary (Horticulture/Agriculture), Govt. of Rajasthan. Shri Devender Singh Raghuwanshi, a progressive farmer and political personality from Guna in Madhya Pradesh and Shri Tej Pal Singh, Section officer representing the Ministry of Commerce.

The notes on agenda were then taken up for discussion.

**Item No.1: Confirmation of the minutes of the 68th meeting of the Board held on 30.3.2010**

Confirmed.

Item No.2: Action taken report on the 68th Board meeting held on 30.3.2010

Shri P.M. Sureshkumar, Secretary i/c briefed the action taken on the decisions of the previous Board meeting held on 30.3.2010.

The Board noted.

Item No.3: Budget allocation for 2010-11

Dr.Charles J.Kithu, Director(Finance) gave details of the Budget allocation and the actual expenditure 2009-10. As against our BE proposal of Rs. 142.90 crores under Plan and Rs. 9.50 crores under Non-Plan, the allocation from the Government is Rs. 85.00 crores and Rs. 4.00 crores respectively. The allocation for the first 3 years of the plan period is much less compared to the XI plan allocation of Rs. 442.86 crores. Chairman expressed the hope that in the RE 2010-11 we could get additional allocation of funds.

**Item No.4: Online system on consignment Sampling and Stuffing operation**

Dr. Charles J.Kithu, Director(Mktg.) informed that in the wake of rapid alert notification from the EU in 2003, the Board has introduced compulsory pre-shipment sampling, stuffing, analysis and certification of the chilli, chilli products and turmeric powder exported from the country to ensure their quality and safety. Sampling and stuffing works are done with the assistance of the private agencies. We have developed a web-enabled system by which the exporters can intimate about the consignment sampling and container stuffing online which has made the exercise easier. Applications from the exporters will be received online and the agencies for undertaking the sampling and stuffing will also be intimated online. Now, only a very few exporters have utilized the system. The Board expects to implement the online system with the participation of all the exporters.

Shri Jojo George wanted to know whether the trials of online system have been done for all the spices. It was informed that the compulsory sampling & testing is only for chilli, chilli products and turmeric powder, where online system is in use.

**Item No.5: Separate award for export excellence in 'Nutmeg & Mace'**

Dr. Charles J.Kithu, Director(Mktg.) informed that the export of Nutmeg & Mace, both combined, has increased considerably in the recent years and in 2009-10, it was 3275 tons valued at Rs. 91.87 crores. Considering the increased share in our export earnings, the exporters of these commodities have been demanding to institute Award for excellence in exports of this item also along with other spice items for which there are already Export Awards.

Shri P.J.Kunjachan wanted such an Award for new product(s), such as Ginger oleoresin, etc. which has been manufactured by adding further value, in isolation of general oils & oleoresins, even though the volume of its export may be lesser so that such manufacturer-exporters' initiatives are duly recognized and encouraged.

Shri Philip Kuruvilla suggested that although awards are already given to new products and new markets, the proposed award should be for innovative products.

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Chairman informed that if we start breaking-up the awards for each spice and product, we may require 40-45 export awards every year. However, he welcomed the suggestion to introduce export awards to 'Most Innovative products' and stated that the Board would bring the proposal as a Notes on Agenda in the next Board meeting with modalities and guidelines of selection of 'Most Innovative products' for the consideration of the members.

The Board also approved the proposal to institute export award for Nutmeg & Mace.

**Item No.6: Review on Export of Spices from India during April-May 2010 compared with April- May 2009**

Director(Mktg.) gave a brief account of the export statistics for the above period and mentioned that there has been an increase of 30% in volume and value terms. It was specially pointed out that there has been an increase in the export of cardamom(Small) during the year 2009-10 to 1975 MTs from the 750 MTs of the previous year.

The Board noted the position.

**Item No.7: Review on Import of Spices into India during April-May 2010 compared with April-May 2009**

The Board noted. However, it was mentioned that the import during the period was lesser than the same period of previous year in quantity terms, but bigger in value terms.

During the discussion, Shri S.Ahmed, IAS spoke about the necessity of setting up of the Spices Park at Kota in Rajasthan, which is the main production centre of Coriander and Popy seeds in the country.

Shri Philip Kuruvilla stated that recently the oleoresin industry has been allowed extension of time for value addition and re-exports to meet the export obligation for import of spices under the Advance licence, whereas the same has not been implemented in the case of other products. He requested the Board to discuss the same for a consensus decision. Chairman informed

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that a decision in this regard could be taken only at the Government level and suggested a joint delegation to the Government. The Board has received a communication in this regard from the Government and a proper reply to this will be furnished to the Government.

**Item No.8: Status of consignment samples analysed by the Quality Evaluation Laboratories, Spices Board**

The Board noted the status.

**Item No.9: Meeting of ISO/TC 34/SC 7**

It was informed that the 26th meeting of ISO/TC 34/SC 7 was held at Mashad, Iran during 24-26 May, 2010 which was chaired by the Chairman, Spices Board. Since at present there is no specification for culinary herbs, India has submitted a proposal for the formulation of ISO standards for culinary herbs. India has also submitted the validation and necessary data on the test method proposed for the illegal dyes. A presentation on another proposal for the ISO standards on Asafoetida was also given by India during the meeting.

Chairman informed that we are trying to get the test methods for more and more spices approved by the ISO which would help us in future. It is absolutely necessary that there should be uniform code. A technical Committee is considering harmonization of specifications for spices and spice products.

**Item No.10: Functioning of the Quality Evaluation Laboratory at Guntur**

Chairman informed that the Quality Laboratory at Guntur has already started functioning.

**Item No.11: Quality Evaluation Laboratory – Allotment of land at Gandhidham Township, Gujarat**

Chairman informed that the Kandla Port Trust has decided to allot 1.00 acre of land on a 30 years' lease basis at an upfront payment rate of Rs. 1,33,64,603/- and Re. 1/- towards advance lease rent per annum. We have decided to go in for the purchase and need the permission of the Board, since Gujarat is one of the main centres of spices.

Dr. Viju Jacob opined that a Quality Laboratory is essential at Kandla since a lot of spices are going out through this port. Shri S.Ahmad, IAS also agreed that the Quality lab at Kandla will be beneficial for the exporters. He also urged for a Quality Laboratory for the seed spices in Rajasthan.

The Board approved the proposal.

**Item No.12: Status Note on Spices Parks**

Director(Mktg.) gave a detailed account of the ongoing and proposed spices park projects across the country. He stated that the construction work for the spices park at Puttadi is nearing completion.

Chairman informed that the e-auction centre functioning at Vandanmedu has been shifted to Puttady Spices Park in May urgently because we were asked by the landowner at Vandanmedu to vacate their premises. Other activities in the Park will start functioning after its formal inauguration. He also informed the Board that the inauguration of the Spices Park, Puttady is proposed during October, 2010 after the Monsoon, Onam festival and Parliament Session and after seeking the conveniences of the Hon'ble Union Ministers.

Shri G.Muraleedharan stated that they came to know about the functioning of the Spices Park at Puttadi only from the planters and newspaper reports which also state that the park has been inaugurated on 21st May, 2010. He told that it was not proper for the Spices Board to arrange a function at Puttadi without informing the Hon'ble Member of Parliament and other Board members at least who hail from the nearby areas. There is some misunderstanding and grievance on this. He expressed the displeasure of the grower members from Idukki for not informing them about the inauguration of the Spices Park at Puttady. He also handed over a letter about this incident to the Chairman during the Board meeting stating that the letter was from the Hon'ble MP. Shri George Vally also concurred with Shri G.Muraleedharan.

Chairman explained that no inauguration of the Spices Park at Puttady has taken place. It was only an occasion to start the functioning of the e-auction centre for Cardamom(Small) consequent on the shifting of the centre from Vandanmedu and only the traders and others involved in the e-auction, as usual, participated. No publicity was also given to this. He also pointed out that the E-auction at Vandanmedu was formally inaugurated by Shri Jairam Ramesh, Hon'ble Minister of State (Commerce) earlier and there is no need for a further inauguration while shifting to a new premises.

Shri Jojo George wanted to see the functioning of the plant and machinery installed at the Puttady Spices Park.

Chairman replied that some trial runs have been done there. We are trying to modify some instruments installed there, including the scanners in the sorting machine. For the industry and the Board members to see and understand the activities at the Park and the functioning of the plant and machinery, a programme can be arranged one week prior to the official inauguration of the Park sometime in October.

As regards other Spice Parks, Chairman informed that we are planning to have activities at Jhalarpatan in Rajasthan with the assistance of State Horticulture Mission for the development of a Demonstration plot-cum-Nursery for which we have asked the National Research Centre on Seed Spices, Ajmer to prepare a project report.

Shri S.Ahmad informed that the Government of Rajasthan will not charge anything from the Spices Board for the land being allotted to it for the Park at Kota.

Shri Devender Singh Raghuwanshi welcomed the Board's proposal to start a Spices Park at Guna. Guna, Ashok Nagar, Shivpuri, Jhalawar and Kota are adjoining areas and best quality seed spices including Jeera, Coriander, Mustard are available in these places.

**Item No. 13: Status Note on Quality Evaluation Laboratories**

Director(Mktg.) explained the status of establishment of Quality laboratories at Mumbai, New Delhi, Chennai, Tuticorin and Kolkata.

The Board noted and appreciated the Board for establishing the Quality Laboratories at various centres.

**Item No.14: Training Programme on Quality Improvement of Spices for the year 2010-11**

Director(Marketing) stated that the Board is arranging a training programme in a big way since the post harvest management is the main responsibility of the Spices Board.

Chairman informed that this is only a tentative programme and the members can suggest changes as they like.

Shri Abul Kalam brought to the notice about the language problem being experienced by the farmers in the State of Karnataka since most of the Field officers posted there from Kerala and Tamil Nadu do not know local Kannada language. The farmers are not educated either. He, therefore, wanted the posting of the officials who know the Kannada language for the benefit of the farmers. Otherwise, some training to the officials posted there, preferably for Field officers, in the spoken language can also be considered.

Dr. J.Thomas, Director(Res.) stated that besides the officials from the Spices Board, the local people knowing the local language are also involved in the training programme for the farmers. Cardamom Research Centre at Appangala in Madikeri is an example of this. The Spices Board has always been involving the local institutions and officials for such programmes.

Chairman clarified that since the senior officers are from Karnataka, no language problem may be there. Basically, we do not look at the language of the persons who come for the interview at the recruitment stage. Actually, we had posted 2 Kannada knowing officials in Karnataka, but later they resigned.

Shri Philip Kuruvilla suggested that the training programme should cover the issues of pesticide residues too. He requested to include the quality requirements of the exporters in the training programmes and offered the services of the Agronomists from the spice industry as a joint training programme.

Shri Devender Singh Raghuwanshi urged that being a prominent growing centre of seed spices and Mint, a training programme for the farmers at Guna (M.P.State) can also be thought of. It will also be better if the training programme is for full day instead of half day.

Chairman informed that the Board had conducted a Quality Awareness programme for the seed spice farmers at Guna during December last year in which the Hindi language knowing officials from the Spices Board also participated. Whatever we are doing for the farmers' training programme can be considered for implementation in other places also including Guna. He also mentioned that wherever it is required, the duration of the programme will be made for a full day.

Shri Abul Kalam urged that on the same lines of bringing the farmers from the NE region to Kerala and Karnataka to know about the spice farming methods prevalent here, the farmers from Karnataka should also get a chance to come over to Kerala for more knowledge in the spice cultivation.

After detailed discussion, the Board approved the training programme.

**Item No.15: Approval of the Final Accounts of the Board for the period from 1.4.2009 to 31.3.2010**

The final account of the Board for 2009-10 comprising the receipts and payments and the income & expenditure account and the balance sheet as on 31.3.2010 was placed before the Board. Director(Fin.) informed that these accounts are subject to audit by the AG's office and the figures may vary slightly.

The Board approved the Accounts and authorized Chairman to make corrections, if any, for presenting it to Audit for Certification.

**Item No.16: Spices Board Office Manuals**

Chairman informed that the Board has no Manual of any type for the last 40 years ever since its inception as Cardamom Board. The lack of an Internal Audit Manual was pointed out by the Comptroller and Auditor General (CAG) of India. We have, therefore, formulated 5 Manuals as mentioned in the Notes on Agenda in a very comprehensive manner. It took almost one year for us to complete them. The Institute of Public Auditors of India, Kerala Chapter was engaged to prepare the Manuals. The following Manuals have been prepared:-

Manual on Internal Audit  
Manual on Delegation of Powers  
Manuals under Right to Information Act  
Manual of General Procedure  
Manual on Office Administration

The Board approved the Manuals and also authorized Chairman to effect changes, if any, required in the Manuals. The pages in the Manuals may be authenticated by the Secretary before issue.

**Item No.17: Spices Board (Recruitment) Regulations, 2010**

Director(Finance) explained the salient features of the Recruitment Regulations, 2010.

Chairman informed that higher qualifications have been included for posts like Agriculture Assistant, Junior Lab. Technician, etc. so that better people are selected in the Spices Board. The idea is to recruit manpower with higher qualifications, keeping in view the future needs of the organization to meet the challenges. Providing training to the staff is also a part of this.

Shri S.Ahmad, IAS suggested to include Degree in Horticulture also along with Agriculture and Botany as the qualification for the Development staff. Chairman agreed to the suggestion.

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To the query of Shri Jojo George whether the employees will be able to gain financially, it was clarified that only the qualification is changed and no change in pay-scale is envisaged.

Shri Philip Kuruvilla suggested structural changes in the departments of the Board since we are undertaking a lot of activities. There can be a Technical department under which the subjects of CODEX, IOSTA, ASTA could be brought. The Development department should be Agriculture Development department. The Administration department should be HRD department.

The Board deliberated on the various facets of the Recruitment Regulations and approved the Recruitment Regulations, 2010 and further authorized Chairman to effect any changes therein. The pages in the Recruitment Regulations may be authenticated by the Chairman and the original may be kept with the Secretary.

Item No.18: Annual Report of the Board for 2009-10

The Board approved the draft Annual Report.

#### Other Item

Item No.19: IPC meeting, 2010

It was informed by the Chairman that the 38th Annual Session and other meetings of the International Pepper Community are being held at Cochin during 8-12 November, 2010. A lot of pepper farmers in the country could attend the meeting so that they should know the latest developments in this field. India has got the opportunity to host this international meet after 7 years. The Spices Board is implementing two ambitious Pepper Replantation & Rejuvenation programmes: (1) NHM-sponsored 120-crore project of the Ministry of Agriculture in Idukki district and (2) Ministry of Commerce-sponsored programme in Wayanad and NE region. We have sent another proposal to the Government for implementation of a scheme in the State of Karnataka. At least 50,000 farmers are to benefit out of these programmes. The Indian Institute of Spices Research at Kozhikode and Kerala Agriculture University are supplying the high-yielding varieties of pepper produced in their Nurseries. We expect to increase the production of pepper to 1 lakh tonnes from the present 50,000 tons over a period of 5 years.

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It is a unique opportunity for India to host this year's IPC meeting here at a time when we are implementing such a massive Pepper Replantation & rejuvenation programme.

Shri George Valy doubted whether we can expect increase in pepper production in the coming years. If at all the production increases, it cannot be from Kerala since there is labour shortage to pick berries during the harvest season.

Chairman requested whole-hearted cooperation and support from the Members of the Board to make the meeting a great success.

It was pointed out that the expenditure for hosting the meeting is quite high and the Government of India would not be able to spare substantial amount and the support of the exporters would be crucial for the success of the meeting.

The Board authorized the Chairman to approach the exporters for their support and cooperation. Shri Philip Kuruvilla, who is also the President of All India Spices Exporters' Forum (AISEF) promised that he would persuade all the major exporters to contribute substantially and extend all cooperation for the meeting.

The meeting came to an end with a vote of thanks to the chair at 4.15 P.M.

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