

**MINUTES OF THE 63<sup>RD</sup> MEETING OF THE SPICES BOARD  
HELD ON 29.5.2008**

The 63<sup>rd</sup> meeting of the Spices Board was held at 11.00 AM on 29<sup>th</sup> May, 2008 at Cochin.

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

The following members were present :

1. Shri Sajan Kurian Kalarickal Vice-Chairman
2. Shri D.M.Kathir Anand Member
3. Shri T. Ashok Kumar ""
4. Dr. K.V.Peter ""
5. Shri H.Vishwanath ""
6. Shri George Joseph, IAS ""
7. Shri V.D. Alam ""
8. Shri Mangat Ram Sharma, IAS ""
9. Shri K.C. Chowde Gowda ""
10. Shri K.N. Hazarika, Special Invitee

Leave of absence was granted to the following members:

1. Dr. V. Prakash
2. Shri K. Jayakumar, IAS
3. Dr.G.S.G.Ayyangar
4. Dr. M.L. Chowdhury
5. Member from Planning Commission
6. Shri Tiruchi Siva, MP (RS)
7. Shri Viswanath Okte
8. Shri Rajiv Dhar
9. Shri Balkaran Patel
10. Dr. V.A. Parthasarathy

Absent

1. Shri N. Jehangir
2. Shri J.V. Narayanaswamy

The following officers of the Board were present:

1. Shri V.K.K. Nair, Secretary
2. Shri S. Kannan, Director (Mktg)
3. Dr. Charles J Kithu, Director (Fin)
4. Dr. J. Thomas, Director (Res)
5. Shri R. Chandrasekhar, Director (Dev)

At the outset, Chairman welcomed all the members, especially the new members Shri Chowde Gowda, Shri Mangat Ram Sharma, Director (Plantations) in the Ministry of Commerce and Special Invitee Shri Hazarika, Chairman & Managing Director of NEDFC to the Board meeting.

Thereafter, the agenda items were taken up for consideration.

**Item No.1: Confirmation of the minutes of the Board meeting held on 28.1.2008**

Confirmed.

**Item No.2: Action taken on the decisions of the meeting of the Board held on 28.1.2008**

Noted.

**Item No.2 (62:5) : E-auction system for cardamom (small) at Bodinayakanur and Vandanmettu**

As per the decision, the Committee consisting of Director (Mktg) and Director (Fin) proposed a User Fee of Rs.200/- (Rs.Two hundred only) per ton of cardamom transacted through the e-auction system to meet the recurring expenditure. In this regard, Shri Ashok Kumar opined that since the infrastructure is facilitating the auctioneers, the User Fee should not be collected from the farmers and suggested that the same may be borne by the auctioneers from their commission.

Regarding the commencement of e-auction in Karnataka, Chairman informed that since the quantity coming for auction was very low, we could wait for the completion of the cardamom replantation/rejuvenation programme which would result in increase in the production of cardamom for consideration of the e-auction in Karnataka.

**Item No.3: XI Plan Schemes of the Board**

Chairman explained the Schemes approved by the Government of India and being implemented by the Board during the XI Plan period. The Government has sanctioned Rs.443 crores of which Rs.122 crores have been provided as Special Purpose Fund for Replantation and Rejuvenation of cardamom plantations in Kerala, Tamil Nadu and Sikkim.

On a query on vanilla, Chairman informed that Government has sanctioned Rs.4.08 crores towards subsidy for procurement of Vanilla. Under this scheme, STCL will purchase the stock of vanilla with the farmers at Rs.450/kg (cured beans) and they will sell it to the Mother Dairy or to Amul at the price fixed for the

synthetic vanilla. The difference in cost will be met by STCL and they have been asked to get into the market at the earliest.

Shri Ashok Kumar enquired about setting up of curing unit for drying of cardamom using Radio Frequency Technology. Chairman informed that this technology will be taken up on trial basis at ICRI, Myladumpara. If it is found successful and working properly to the satisfaction of the Scientists/farmers, the Board will take steps to extend the new drying system to other areas.

Shri Vishwanath from Karnataka enquired about the share of Karnataka in the replantation and rejuvenation. Chairman replied that full area under cardamom was to be replanted in the States of Kerala, Tamil Nadu, Karnataka, Sikkim and Darjeeling District of West Bengal whereas rejuvenation is mainly intended for cardamom plantations in Kerala, Tamil Nadu, Sikkim and Darjeeling District of West Bengal.

**Item No.4: Guidelines/working procedures for the scheme under “Export Development and Promotion of Spices” – XI Plan**

The Chairman informed the Board that the “Export Development & Promotion” Scheme has already been approved by the Government for implementation during the XI plan period. The details regarding the eligibility, export obligations, consideration of deemed export for discharging the export obligations, etc., were explained. It was also informed that the subsidies are paid to the beneficiaries based on the bank guarantee, wherever, applicable provided by them. The Board approved the guidelines/working procedure of the scheme for dissemination among the spice industry.

**Item No.5: Guidelines for implementing programmes under the scheme for “Export Oriented Production and Post Harvest Improvement of Spices” during XI Plan**

During discussions, a view was expressed that the farmers in Karnataka generally do not feel any need for assistance under the Scheme for Rainwater Harvesting for Byadagi chilli (1 of Item D – Other Spices). However, convincing clarification was provided to the Member that this scheme was prepared because of specific demand from the Byadagi chilli growers of Karnataka.

Regarding the Scheme 6 (Lakadong turmeric) and Scheme 7 (Ginger) coming under Item C – Other North Eastern States, it was enquired whether this scheme was aimed at organic cultivation only. Chairman confirmed that the scheme is for organic cultivation only and mentioned that the organic cultivation area/land is to be certified by certifying agency accredited under NPOP (National Programme on Organic Practices).

Board noted the norms/guidelines.

**Item No.6: Progress report on setting up of Regional Quality Control Laboratories**

The status of the process of setting up of Labs in Mumbai, Guntur and Delhi was explained. It was informed that the Lab in Mumbai was expected to be inaugurated in June, 2008.

Board noted the position.

**Item No.7: Participation in international fairs and food festivals during 2008-2009**

Shri D.M. Kathir Anand suggested that the Board might take more space for participation in different international trade fairs so as to enable the participating exporters to negotiate/discuss with the buyers conveniently and avoid possible difficulties/unhealthy competition among them.

It was clarified that the Board has already discussed with the industry on the subject. Accordingly, considering the importance of the fair participation, the list of fairs approved for the year 2008-09 has been categorized into (A) and (B). Under (A) category, upto 70 sq. mtr. of space has been considered to provide separate cubicle space for the participating exporters. It was also suggested that the spice exporters should inform about their confirmed participation in the approved fairs well in advance for the successful participation. However, it was also expressed that the small and medium exporters will also be provided adequate opportunity for participation in the trade fairs.

The Board has noted the list of fairs and food festivals approved for participation during the year 2008-09.

**Item No.8: Export performance of spices during 2007-08**

The Members congratulated the officials of the Spices Board for achieving spectacular performance in the exports of spices during the fiscal 2007-08. Shri Ashok Kumar appreciated the Board for getting the approval for the enhanced subsidy for replantation and rejuvenation of cardamom and for other activities like establishment of Spices Parks, initiated recently for the development of the spice industry in the country. He has also requested to explore the possibility of regaining the Japanese market, which was lost due to the problems of pesticide residues. Chairman has clarified that the Board has taken several measures to reduce the chemical residues at farm level through quality awareness programme. He pointed out that the Guatemalan cardamom is comparatively free from pesticide residues and hence, recently the Japanese buyers have started preferring Guatemalan cardamom. Chairman also informed that major campaign would be started immediately on the ill effects of the pesticide residues on the food and human health to promote the marketing and export of residue-free cardamom. In this context, it was also informed that the M.S. Swaminathan Commission is in the process of preparing separate package for drought/flood-affected districts including Idukki for educating the farmers on organic farming and reducing the cost of production by mechanization, wherever possible.

**Item No.9 : Distribution of Awards and Tropies for excellence in export of Spices and in productivity for Cadamom and Vanilla.**

Board noted.

Chairman invited all the members to attend the Award distribution ceremony in the afternoon.

**Item No.10 : Large Cardamom Productivity Award for 2007-08**

Noted.

**Item No.11 : Issue of ID Cards to Cardamom Growers, Traders, Exporters and Auctioneers.**

Approved.

**Item No.12 : Amendment in the Application form and Certificate of Registration as Exporter.**

Approved.

**Item No.13: Projects at Churachandpur District, Manipur (NE Region)**

Board noted.

**Item No.14 : Approval of the Final Accounts of the Board for the period from 01.04.2007 to 31.03.2008**

Approved.

**Item No.15 : Election of Vice-Chairman and Sub-Committees**

Vice-Chairman

Shri Kathir Anand was elected unanimously as Vice-Chairman. Chairman welcomed the newly elected Vice-Chairman and thanked the outgoing Vice-Chairman, Shri Sajan Kurian.

The Members authorized the Chairman to reconstitute the Sub-Committee.

**Item No.16: Proposal for enhancement of rates of subsidy and amendments in Eligibility criteria for programmes under scheme for "Export Oriented Production" for implementation in N.E. States during XI Plan.**

Board approved the changes/revisions proposed.

It was decided to send the proposal to the Government for approval/necessary sanction.

**Item No.17: Spices Park in major spice growing/marketing centres:**

Board note was approved.

The subject was discussed in detail. The Board decided to operate all the spices park through M/s Flavourit Spices Trading Limited, which has the Chairman, Spices Board as the Chairman and Managing Director of the above company so that the necessary experienced, skilled personnel and professional can be detailed for the successful functioning of the park.

The Board was informed of the progress with regard to the ongoing projects like the Spices Parks in major spice growing/marketing centres in the country. Regarding the land identified for the proposed Park in Mehsana district of Gujarat, it was reported that the Gujarat Government has no provision to provide the land to the Spices Board at free of cost. Hence, it was suggested to ask the Government of Gujarat to allot the land at a nominal value or to alienate the land under the "Agriculture" category at an estimated price of Rs.1.05 crores. The Board has requested Shri George Joseph, Additional Chief Secretary (Personnel), Gujarat to help in expediting the land allotment for establishing the Spices Park in Mehsana district.

**Additional Item: Proposal for appointments on compassionate grounds and regularization of casual workers (temporary status), project related staff and contingent workers.**

Shri V.D. Alam, Director (Finance), Department of Commerce, Ministry of Commerce & Industry informed that the Government approval, especially from the Department of Personnel, was needed for the proposal for appointments on compassionate grounds. Taking into account all aspects of the case, Board decided to recommend the case for approval by the concerned Ministry/Department.

It was decided to send the proposal to Department of Personnel with the recommendation from the Board.

Regularization of casual workers with temporary status and project related staff etc., also would be considered subject to clearance of vacancies by the Government.

The meeting came to an end at 12.45 P.M.