

**MINUTES OF THE 71ST MEETING OF THE SPICES BOARD HELD ON
22ND MARCH, 2011**

The 71st meeting of the Spices Board was held at 3.00 PM on 22nd March, 2011 in the Board's Office, Kochi.

Shri V.J. Kurian, IAS, Chairman, Spices Board presided over the meeting and the following members were present:

1. Dr.A. Jayathilak, IAS
2. Shri K.K. Singh
3. Dr.Viju Jacob
4. Dr.V.A. Parthasarathy
5. Shri P.J. Kunjachan
6. Shri Devender Singh Raghuwanshi
7. Shri Philip Kuruvilla
8. Smt.Sushama Srikandath
9. Shri Mathavan
10. Shri G. Muraleedharan
11. Shri Abul Kalam
12. Shri Roy K Paulose
13. Shri George Vally
14. Shri Jojo George

Leave of absence was granted to the following Members:

1. Shri Anant Kumar Hegde, MP (LS)
2. Shri P.T. Thomas, MP (LS)
3. Smt.Amirit Raj
4. Smt.Sutapa Majumdar
5. Shri Sanjiv Chopra
6. Shri Ajay J Mariwala
7. Adv.Joy Thomas
8. Dr.V. Prakash
9. Shri Mangat Ram Sharma
10. Shri K.C. Pradhan

The following were absent:

1. Shri Umesh Kumar
2. Dr.N.C. Saha
3. Shri Rajendra P Ghogale

The following Officers of the Board were present:

1. Shri P.M. Sureshkumar, Secretary & Director (Mktg)
2. Dr.J. Thomas, Director (Research & Development)
3. Shri K.C. Babu, Director (Finance)
4. Shri K.R.K. Menon, Scientist 'C'
5. Shri B. Sreekumar, Deputy Director (Mktg)
6. Dr.P.S.S.Thampi, Deputy Director (Pub)

At the outset, Chairman welcomed the members to the meeting and introduced Shri K.K. Singh, Director of Horticulture, Government of Sikkim, who was attending the Board meeting for the first time.

Chairman also informed the Board Members about the sad demise of the Board Member, Shri Jose Kompanathottam on 24th January, 2011 after a prolonged illness. It was recollected that Shri Jose Kompanathottam had attended two Board meetings and was active in the deliberations. As a mark of respect to the deceased Member, one minute silence was observed and a condolence resolution passed.

Thereafter, agenda items were taken up for discussion.

Item No.1: Confirmation of the Minutes of the meeting of the Board held on 06.01.2011

Confirmed with a change in the minutes under Item No.14 as suggested by Shri Philip Kuruvilla that the cases detected were mainly those of Aflatoxin and not pesticide residue.

Item No.2: Action taken report on the decisions of 70th meeting of Spices Board held on 06.01.2011

Shri P.M. Sureshkumar, Secretary briefed the action taken on the decisions of the Board meeting held on 6th January, 2011. As regards item no.7 on strengthening of Guna Office with additional man power, Secretary informed that a casual labourer on daily wages was also engaged for the office. Chairman assured that additional staff will be considered shortly.

The Board noted.

Item No.3: Review on Export of Spices from India during April-January, 2010-11 compared with April-January, 2009-10

A brief review of the performance in the exports during the current year was done by Shri B. Sreekumar, Deputy Director (Mktg). During April-January, 2010-11, spices export has attained the level of 4,33,455 tonnes valued Rs.5485.00 crores. In Dollar terms, the achievement is 1.20 billion. If the present trend continues, it is hoped that the export will reach the level of US\$ 1.4 billion.

The Board noted.

Item No.4: Review on Import of Spices into India during April-January, 2010-11 compared with April-January, 2009-10

A brief review of import was done and it was reported that in quantity-wise, the import has come down from 93,545 tonnes during Apr-Jan, 2009-10 to 69,927 tonnes during Apr-Jan, 2010-11, which is a good trend. Shri P.J.Kunjachan opined that in the long run, large scale imports may affect the domestic production.

The Board noted.

Item No.5: Registration/Renewal of Registration as Exporter of Spices for the block period 2011-2014 – enhancement of registration fees

Regarding the enhancement in the registration fees from Rs.2,000/- to Rs.10,000/-, Shri Philip Kuruvilla, Board Member suggested that the facilities of the manufacturer exporters need to be visited/assessed before the proposal is approved. Shri P.J. Kunjachan suggested that the proposed increase may be limited to Rs.5000/-.

After a detailed discussion, the Board decided to enhance the registration fee from Rs.2000/- to Rs.5000/- and renewal fee from Rs.1,000/- to Rs.2,500/-.

Item No.6: Status of Establishment of Spices Parks & Status of Establishment of QC Lab cum Training Centres

The status of Spices Parks and Quality Evaluation Laboratories were explained in detail by Shri B. Sreekumar, Deputy Director (Mktg). The Spice Park at Puttady has been inaugurated on 13th February, 2011. It is expected that by the end of May, 2011, three more Spices Parks will become fully operational.

The Board has allotted 35 acres of land to about 12 exporters in Guntur Park for setting up their own processing facilities. In Sivaganga, 10 acres of land were allotted to 6 exporters. Request for the remaining 30 acres of land is being received from the individual exporters. The project is expected to be completed by the end of May, 2011. Regarding Jodhpur, almost all the civil and electrical works have been awarded and are on the way to completion and there has been overwhelming response from the exporters to set up their units. In Kota, Rajasthan, the civil work is in progress and will be completing in 5 to 6 months time. In Mehsana, Gujarat, 96 acres of land have been taken possession and we have engaged M/s. KITCO as consultant for the project. In Guna, we are awaiting the land allotment from the State Government. The District Collector, Guna has forwarded the details of the land identified for the park to State Government.

On a query from Shri Abul Kalam, member regarding setting up of Spice Park in Karnataka, Chairman informed that land has not been made available by the State Government to the Board so far and that on getting the land, the Board will try to get it approved in the next five year plan (2012-2017).

Regarding Quality Evaluation Labs, all the major equipments for the Lab in New Delhi has been procured and the installation is in progress. The Lab will become functional in another month. The work in respect of Chennai Lab is almost completed and will be functional by the end of April, 2011. Regarding Kolkata, land has been allotted and the tendering of civil and electrical works are in progress. Regarding Tuticorin, the lab building has almost been completed and will be operational by May, 2011. In Kandla, the Board has got the land recently and engaged M/s KITCO for doing the project. M/s. KITCO has given the layout of the plan.

The Board noted.

Item No.7: Visit of European Union Mission to study the Aflatoxin contamination in spices

The EU Commission visited the Quality Evaluation Laboratories of the Board at Kochi and Mumbai during February, 2011. They also visited 3 spice processing units each at Cochin and Mumbai during the month. They held detailed discussions with the officials of the Board and exporters regarding the aflatoxin contamination in spices and spice products and the ways and means to control it. The report from the EU Commission on their visit is still awaited. Once it is received, it will be circulated among the industry representatives for feed back. Based on the feed back received, the final report will be sent back to the Commission.

The Board noted.

Item No.8: Budget Estimates for 2011-12

The Board had a detailed discussion on this item. It was informed that against the budget allocation of Rs.85.00 crores during 2010-11, the expenditure upto first week of March, 2011 was Rs.74.07 crores. Since lot of applications for subsidies are being processed, the entire amount will be spent by March 31st. For 2011-12, eventhough the Board had sent proposals for Rs.171.64 crores, the expected allocation will be only Rs.100.00 crores. Hence, some projects have to be sliced down. It was also informed that budget allocation is a one time exercise, which cannot be changed by the Board or the Ministry for taking up more programmes or initiatives. Chairman informed that the Board has already initiated discussion with the stakeholders in the industry for the preparation of the Approach Paper for XIIth Plan.

Shri Jojo George requested for a clarification regarding the less expenditure under "Replantation and Rejuvenation of Cardamom Plantations and Pepper". Chairman clarified that the large cardamom growers are not showing much interest to the Schemes as they are more engaged in tourism.

Shri K.K. Singh, Director, Horticulture also informed that eventhough a large number of farmers are involved in the large cardamom cultivation in the North-East, its cultivation in the recent years has come down drastically i.e., about 18% due to diseases and other problems. The farmers are also not keen to adopt new technologies as a result of which the production is coming down. Chairman agreed that this is a serious problem, which needs to be discussed with the officers and find some solution. Shri K.K. Singh appreciated the fact that Spices Board has taken up various programmes to increase the area of large cardamom.

Dr.J.Thomas, Director (R&D) informed that the Board would spend Rs.5.00 crores in Wayanad and NE States and by the end of March, the Board would achieve the target.

The Board noted.

Item No.9: Status of consignment samples analyzed by Quality Evaluation Laboratory, Spices Board.

Status of consignment samples analyzed by the Quality Evaluation Laboratory were explained in detail. Smt. Sushama Srikanth suggested that the samples should be analyzed for other 21 colours/dyes. Presently for such

analysis, the samples have to be tested in international laboratories, which are very expensive. Hence it was suggested for mandatory testing for other colours/dyes in addition to the 9 dyes at present for which the testing is done in Quality Evaluation Laboratory. Chairman clarified that we can make a beginning in this direction.

The Board noted.

Item No.10: Quality awareness campaign on Seed Spices at Guna (MP)

Dr. PSS Thampi, Deputy Director (Publicity) explained the Quality Awareness Campaign conducted in Guna during the first week of March, 2011 especially for coriander with the active support of the Hon'ble Board Member, Shri Devender Singh Raghuwanshi. He informed that the programmes were carried out at the farm level and extended the programmes to schools. At the schools, children were engaged in fruitful interaction through quiz on spices. The Board published a book titled "Nirakhem Parakhem" in Hindi, which narrated through a story line cultivation and quality aspects of spices. This is to ensure a total coverage of the issue in the village. There was overwhelming response from the farmers, traders, students and other stake holders on the farming activities and other quality issues. Shri Devender Singh Reghuwanshi has also appreciated the Board for initiating such an exercise. He informed that discussions were held with the representatives of Government, farmers and growers on cultivation aspects and quality, which were very helpful in understanding the issues involved in the matters of cultivation and quality.

The Board noted.

Item No.11: Spices Board Silver Jubilee Celebrations

Dr.P.S.S. Thampi, Deputy Director (Publicity) briefed on the programmes being undertaken in connection with the Board's Silver Jubilee Celebrations from February this year to 26th February, 2012. A highlight of the programme is the involvement of the retired officials of the Board.

Shri Philip Kuruvilla stated that since the quality is the main issue today, the film proposed should be quality education focused. He suggested to consider all the spice items as important and select spices which are major export earners and also emphasized that importance be given to value-addition. He also urged the Board to concentrate on all spices and not to neglect spices other than cardamom since the Board is primarily concerned with export promotion of all the spices unlike other Commodity Boards such as Tea Board, Coffee Board, Rubber Board etc., which are looking after single products only. Towards this end, more budget allocation should be made for all the 52 spices.

He also cited the example of Nutmeg, which is an important spice item to be considered in this connection.

Shri George Vally suggested that the farmers should also be involved in the Silver Jubilee celebrations and they may be given awareness education on pesticide residue contamination. He further suggested to bring 25 spice farmers from different regions of the country to Kochi in the 25th year of the formation of Spices Board and honour them.

Shri Jojo George opined that along with exporters, awards should be given to the farmers also. Shri P.J. Kunjachan also agreed that more motivation has to be given to the farmers also. Dr.V.A. Parthasarathy suggested that criteria should not be limited to a few spices but the whole gamut of spices. However, Shri Jojo George stated that since the Board's mandate is only for cardamom, it should be restricted to the cardamom growers only.

Chairman suggested that the productivity should be the main criteria and agreed to consider including representatives of farmers/exporters also in the committees. He also stated that the Board can concentrate atleast on 7 to 8 major spices in terms of production, productivity and export viz., Cardamom, Pepper, Chilli, Ginger, Nutmeg, Coriander, Cumin and Mint. An award for the Best Farmer in terms of productivity could also be considered. The farmers who are brought here could be paid TA, DA, etc.

After detailed discussion, the Board approved the financial involvement of Rs.25.00 lakhs for the programme including the above suggestions.

Item No.12: Suggestions from Board Member to increase export of spices

Shri Philip Kuruvilla gave a gist of the suggestions put forward by him to increase export of spices in the coming years. He stated that during the next 5 years, we are targeting more exports in terms of value addition, exportable surplus and quality improvement. He emphasized the need for expansion of the mandate of the Board to overcome the deficit in the exportable surplus in respect of certain spices, which is a major problem in the export front. He also opined that non-availability of surplus production is a problem not only to exports, but domestic consumption also. He recommended expansion of schemes for cultivation of spices to the non-traditional areas also under RKVY schemes. Post-harvest improvement programmes is another area to be looked into, which is now extended only to few items.

He also felt the need to have close interaction with FSSAI on the food safety front. Out of 3510 registered exporters, 606 nos. are manufacturer exporters and 33 exporters are having Spice House Certification. It is in this context that the importance of FSSAI in ensuring safety aspects in food products including spices for domestic as well as international market are felt. Now restricted to one or two items, almost all the items need to be covered under the rules of food safety by FSSAI.

Smt.Sushama Srikandath also agreed that there is a tremendous scope for us to work in association with the farmers. Contaminants like heavy metals come from the soil and there is also the problem of pesticide residues. We should make the entire programme workable.

Chairman informed that the matter needs a lot of discussion and consideration. The recommendation will form the basis for the approach paper for being taken to Government for finalizing during the action plan for the XII Five year Plan. Chairman also agreed to the views expressed by Shri Philip Kuruvilla and suggested forming a Committee consisting of the following members to look into all such aspects, so that the same can be taken up with Government in the next five year plan period:

1. Shri Philip Kuruvilla – Chairman of the Sub-Committee
2. Smt.Sushama Srikandath
3. Shri P.J. Kunjachan
4. Shri Jojo George
5. Shri George Valy
6. Shri Roy K Paulose

It was also decided that a note towards this end shall be prepared and submitted by Director (M).

Item No.13: Election of Vice-Chairman to the Board

Proposed by Shri Philip Kuruvilla and seconded by Dr.Viju Jacob, Shri Roy K Paulose was unanimously elected as Vice-Chairman of the Spices Board for a period of one year commencing from 22nd March, 2011.

Item No.14: Re-Constitution of Standing Committees

The following Statutory Committees have been re-constituted for a period of one year commencing from 22nd March, 2011:

1) Executive Committee (7 members)

- a) Chairman – Ex-officio - Chairman, Spices Board
- b) Vice-Chairman - Shri Roy K Paulose
- c) One Member to represent the major spice producing State to be nominated yearly by rotation - Dr.A.Jayathilak, IAS
- d) One Member to represent the Ministry of Central Government dealing with Finance - Smt.Amrit Raj
- e) Member, Spices Board - Shri PM Sureshkumar, Secretary
- f) One Member to represent Growers of Spices - Shri Jojo George
- g) One Member to represent Exporters of Spices - Shri Philip Kuruvilla

2) R & D Committee for Cardamom (10 Members)

- a) Chairman – Ex-officio - Chairman, Spices Board
- b) Vice-Chairman - Shri Roy K Paulose
- c) One Member to represent the major spice producing State to be nominated yearly by rotation - (will be filled)
- d) One Member to represent the Ministry of Central Government dealing with Agriculture - Shri Sanjiv Chopra
- e) One Member to represent *Elettaria Cardamomum Maton* Growers - Shri G. Muraleedharan
- f) One Member to represent *Amomum Subulatum Roxb.* Growers - Shri K.K. Singh
- g) One Member to represent NRCS (Now IISR) - Director, IISR, Kozhikode
- h) Officer of the Board in Charge of Cardamom Research – Director (Research)
- i) Officer of the Board in Charge of Cardamom Development – Director (Dev)
- j) One Member to represent Exporters of Spices - Shri Mathavan

3) Market Development Committee for Spices (11 Members)

- a) Chairman – Ex-officio - Chairman, Spices Board
- b) Vice-Chairman - Shri Roy K Paulose
- c) Member, CFTRI - Director, CFTRI, Mysore
- d) One Member representing the Ministry of Central Government dealing with Commerce - Director(Plantations)
- e) Three Members to represent trade interests - 1.Smt.Sushama Srikandath
2.Dr. Viju Jacob
3.Shri P.J.Kunjachan
- f) An Officer of the Export Inspection Agency of India - Officer from EIA

- g) An Officer of the Board dealing with the Market Development
- h) Two Members representing growers of Spices:

- Director(Mktg), Spices Board
- 1. Shri Abul Kalam
- 2. Shri Devender Singh Raghuwanshi

General

1. Synthetic Turmeric

Shri P.J. Kunjachan drew attention to alarming export/sale of synthetic curcumin at a high price (16 US\$/kg), which is manufactured in Hyderabad and found to be a cancer causing stuff. Since the consumption of the material is reported to be going up, members demanded that the stuff should be banned. Chairman suggested that some quantities of the stuff may be purchased and then it can be tested for hazardous chemicals and other parameters in the laboratories and with solid proof, the issue can be taken up with the Government. Shri Viju Jacob suggested conducting of some tropical test also towards this end. Chairman also suggested that the testing can be entrusted to IIT also so that scientific data can be collected and sent to the Government for necessary action.

2. Board Meeting

Shri Philip Kuruvilla suggested to have one more Board meeting before the tenure of the present Chairman is over by mid-May, 2011 and suggested to hold the meeting on 17th May, 2011. Chairman suggested that date of Board meeting will be confirmed later.

The meeting came to a close by 5.00 PM with a Vote of Thanks to the Chair.

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*Revised Minutes
18/5/11*