

**MINUTES OF THE 79TH MEETING OF SPICES BOARD HELD
ON 19TH FEBRUARY 2015 AT SPICES BOARD KOCHI**

The 79th Meeting of the Spices Board was held at 2.30pm on 19th February 2015 at Spices Board Kochi. Dr. A. Jayathilak IAS., Chairman, Spices Board presided over the meeting.

The following members were present:

1. Mr. Bhaskar Shah, Vice Chairman
2. Shri B. S. Yeddyurappa, Hon'ble MP
3. Dr. M. Anandaraj, Director, IISR
4. Sri. Jojo George
5. Shri. K. Zia-ud-Din Ahamed,
6. Shri E. K. Vasu,
7. Adv. E. M. Augusthy,
8. Mr. Anjo Jose
9. Mr. Luther M. C., Director, In charge of Finance Division, Ministry of Commerce and Industry, Department of Commerce, New Delhi.
10. Shri N. C. Saha, Director, IIP
11. Shri. B. M. Muniraju,
12. Shri Man Singh Parsoda
13. M. M. Madhava Naidu, Representing Director [CFTRI]
14. Dr. Viju Jacob,
15. Shri. Ravel Gopala Krishna
16. Mrs. Anita Karnavar

Leave of absence was granted to the following members:

1. Shri S. Thangavelu, Hon'ble MP, [Rajya Sabha]
2. Shri. Pratap Simha, Hon'ble MP
3. Dr. Hatobin Mai
4. Shri. Sanjeev Chopra, Joint Secretary and Mission Director (NHM), Ministry of Agriculture and Cooperation,
5. Mr. Ajith Thomas,
6. Mrs. Vijayalaxmi
7. Dr. Mathew Samuel Kalarickal
8. Director in-charge of Export Promotion (Agriculture division) Department of Commerce, Ministry of Commerce and Industry, New Delhi
9. Mr. Kumarlal M Thailiani, Partner, M/s. Asian food Industries, Gujarat.
10. Mr. D. V. R Rajiv Mohan, M/s. ITC Limited, Kolkata
11. Director (IE), Planning commission, Yojana Bhavan, New Delhi
12. Mrs. V. Usha Rani IAS, Secretary (Horticulture), Govt. of Andhra Pradesh, Hyderabad
13. The Principal Secretary (Horticulture), Govt. of Uttar Pradesh, Lucknow
14. The Secretary, (Horticulture), Govt. of Sikkim, Gangtok

The following Officers of the Board were present:

1. Shri P.M.Sureshkumar, Secretary
2. Shri. S. Kannan, Director (Mktg)
3. Shri S.Siddaramappa, Director (Dev)
4. CA K.C. Babu. Director (Finance)

At the outset, Chairman, Spices Board welcomed all the members to the Board Meeting especially the Hon'ble MP, Shri B. S. Yeddyurappa and Mr. Luther M.C who are attending their first meeting of the Board.

ITEM NO: 1: CONFIRMATION OF THE MINUTES OF THE 78TH MEETING OF SPICES BOARD HELD AT ITANAGAR ON 25th OCTOBER 2014

Confirmed.

ITEM NO. 2: ACTION TAKEN REPORT ON THE DECISIONS OF THE 78TH BOARD MEETING HELD ON 25TH OCTOBER 2014

Secretary briefed the members the action taken on the decisions of the previous Board meeting on various subjects and the Board has noted the same. However, the members had discussion on the following and decisions were taken

Since, the Government of Kerala is the only state not supported the project on the Integrated Spices Development proposed by the Spices Board under MIDH / RKVY, the members of the Board from Kerala has again requested to take up the matter with Govt. of Kerala for consideration.

Filling up of two vacant positions in Market Development Committee was considered. The Secretary informed the Board that two vacancies in the MDC was deferred, since the members appointed under clause (d) were either not present in the meeting or members were already nominated to other committees. Hence, Shri. Man Singh Parsoda and Dr. Viju Jacob, the two eligible members who are present in the meeting, are proposed and unanimously selected as members of the Market Development Committee. Chairman welcomed the members Shri. Man Singh Parsoda and Dr. Viju Jacob as the members of the Market Development Committee.

ITEM NO: 3: SCHEME FOR THE AWARD TO THE CARDAMOM (SMALL) GROWERS 2014-15

The details on the nominations and productivity of the Cardamom (S) growers for the award for the year 2014-15 were considered and approved one first prize and one second prize and three merit certificates.

ITEM NO.4: SCHEME FOR THE AWARD TO THE CARDAMOM (LARGE) GROWERS 2014-15

The details on the nominations and productivity of the Cardamom (L) growers' award for the year 2014-15 were considered. Considering the productivity achieved and the performance of Arunachal Pradesh the board has approved one first prize and two second prizes and one

additional second prize along with two merit certificates for the year 2014-15. The members have also requested the Board to give wide publicity for inviting applications among the farmers.

While thanking the Board for the recognition, Adv. E.M. Augusthy has stated that the Cash Award to the Cardamom farmers is very less and requested for enhancement. Chairman replied that a proposal to enhance the award amount from 2015-16 onwards will be submitted to Government of India for approval. Since the award for the period 2014-15 has already been finalized the eligible amount will be provided for the current year.

ITEM NO.5: NATIONAL SEMINAR ON SPICES CONDUCTED AT ITANAGAR, ARUNACHAL PRADESH DURING 25-26, OCTOBER 2014 - REPORT

Noted. Adv. E.M. Augusthy appreciated the arrangement made in the National Seminar held at Itanagar and thanked the Board. Chairman has also explained that the Chief Minister of Arunachal Pradesh personally honored all the delegates, which is a great opportunity.

ITEM NO.6: NATIONAL CONFERENCE ON DEVELOPMENT AND EXPORT OF SPICES HELD ON 27TH JANUARY 2015 AT NEW DELHI

A brief on the National Conference on Development and Export of Spices conducted in Delhi has been presented to the members. The Board has noted the successful conduct of the National Conference. While thanking the Department of Commerce for sponsoring the event, appreciated the efforts made by the Spices Board in this regard. While explaining the road map evolved during the conference Chairman has highlighted the benefits of new project on production of export quality spices and integrated value chain development under PPP mode of the Integrated Spices Development Project (RKVY) and asked the exporters/trade associations to submit the proposal as per the draft project circulated to them for availing the scheme benefit. Under the scheme the farmers expected to get a premium price through buyback arrangement. He further explained that all the subsidies are combined and given to the farmers directly so as to bring down the cost substantially.

ITEM NO.7: OPENING OF BOARD'S OFFICES IN STATES WHERE THE BOARD DO NOT HAVE OFFICES AND STRENGTHENING OF BOARD'S OFFICES IN ARUNACHAL AND OTHER STATES

The details on the new offices of the Spices Board opened were noted. However Chairman has asked Shri. Siddaramappa, Director (Dev) to explain the details of offices in Karnataka for the kind information of Shri B. S. Yeddyurappa, Hon'ble MP. Accordingly, the Director (Dev) briefed on the details of various offices functioning under Marketing, Development and Research wings of the Spices Board. With regard to a question on strengthen the Offices in Kerala; Chairman has replied that the Board is trying for strengthening the offices in Kerala and every other State of the country.

ITEM NO.8: BUDGET PROPOSALS FOR THE YEAR 2015-16

The Board approved the BE proposed for 2015-16. Chairman explained the reason for higher allocation proposed for 2015-16 is due to reduced release of fund compared to the annual allocation in the first three year of the XII plan allocation to the Spices Board.

Chairman requested the Director (Finance) to consider higher outlay for Spices Board. In response to the request, Mr. Luther explained the status of funds in the Ministry and the difficulties for higher allocation. He further stated that Central component for ASIDE scheme is very tight. Adv. E.M. Augusthy pointed out that the outlay fixed for Research is very low and requested for additional allocation for the Export Oriented Research. In this connection, Chairman explained that the Board's mandate on research is only on cardamom and Indian Cardamom Research Institutes located in Myladumpara, Saklespur, Thadiyankudissai and Tadong are jointly implementing the programs and hence the outlay for Export Oriented Research is lower. The research on other spices is vested with Union Agriculture Ministry and looked after by ICAR.

ITEM NO.9: STATUS OF CONSIGNMENT SAMPLES ANALYZED BY QUALITY EVALUATION LABORATORY, SPICES BOARD

The details of the number of consignment samples and analyzed in various laboratories of the Spices Board during the period 11th September 2014 to 5th February 2015 along with the training programme conducted for the technical personnel working in the spice industry were explained. The Board has noted the status.

ITEM NO.10: METEOROLOGICAL PROFILER AT ICRI, MYLADUMPARA

Dr. Y.S. Rao has explained about the mathematical modeling of various crop processes (yield, incidence of pest and diseases) to predict various crop events well in advance. The predictions will help the scientists to generate crop advisories more scientifically. He has further informed on the decision to submit a multi institutional network project involving all the Research Departments of Commodity Boards, CIMAP (Lucknow), IHBT (Himachal Pradesh) with CSIR, as the nodal agency for external funding. Dr. M. Anandaraj also explained that the prediction is 85 to 95% accuracy. Mr. Luther has explained the use of space technology for Coffee, Basmati for weather forecasting and spices is not included in this. The Chairman Spices Board has agreed to send a proposal in this regard for including spices for coverage.

ITEM NO.11: Second session of CCSCH:

The conduct of second session of CODEX committee on spices during September 2015 has been noted.

ITEM NO.12: STATUS OF SPICES PARK ESTABLISHED/UNDER ESTABLISHMENT

The status of Spices Park already established and parks which are being completed as well as new proposal were explained in detail for the information of the members and noted.

Shri B. S. Yeddyurappa, Hon'ble MP requested the Board to provide the details of land required for establishing Spices Park and status on the proposal submitted for establishment of spices Park at Haveri to Government of Karnataka to take up the matter. Accordingly the Dy. Director (M) has provided the relevant copies of proposal and communications.

Regarding a question raised on operationalisation of Spices Park, it was explained that after a trail run for a period of six months, the facilities established at the Spices Parks will be leased out to agencies/ firms through a transparent system and farmers, traders and

exporters are allowed to get their products cleaned and processed on payment of a nominal user fee prescribed for this purpose.

ITEM NO.13: STATUS OF ESTABLISHMENT OF QC LABS

The Board noted the status on the establishment of QC Labs in Kolkatta, Kandla and Mumbai.

ITEM NO.14: ESTABLISHMENT OF SPICES EXPORTERS ENTREPRENEURS FACILITY

The Board noted the role of the Board as a knowledge partner for establishing the centre at IIPM, Bangalore and status on the tendering process for completion of the G+3 Building. The tentative facilities of the centre have also been briefed for the information of the members. Shri B. S. Yeddyurappa, Hon'ble MP requested the Board to give adequate publicity among the farmers and exporters regarding the facility of the proposed centre and the programmes of the Board. Director (Dev) explained about the status of MIDH proposals proposed for Karnataka.

ITEM NO.15: EXPORT OF SPICES FROM INDIA

The Board noted the item wise estimated export of spices and growth in export of spices during April - December 2014 by 8% in quantity and 10% in rupee terms and 7% in dollar terms over the corresponding period of last year.

ITEM NO.16: EXPORTER AWARD FOR THE YEAR 2012-13 & 2013-14

The Board has noted the provision for online filing of application for awards for excellence in spice export for the years 2012-13 and 2013-14.

ITEM NO.17: SPICE HOUSE CERTIFICATION

The Board has been requested to follow up with the Department of Commerce, Government of India for early approval and notification.

ITEM NO.18: AWARD OF NEW AUCTIONEER LICENCES FOR THE BLOCK PERIOD 2014-17

The Board has noted the procedure followed as per the amended regulation and details on the auctioneers' license awarded to 12 companies for conducting e-auction in Puttady and Bodinayakanur, 5 manual auctions for cardamom (small) and two manual auctions for cardamom (large). Shri. Jojo George enquired whether any possibility to review and reduce the user fee for the auctioneers. Chairman replied that it is too early, as the new system has come into force very recently, the proposal of Shri. Jojo George will be reviewed after a year.

ITEM NO.19 Fixing Minimum Import Price of cardamom:

Director (Mktg) has briefed on the recent notification imposing minimum import price of cardamom and other conditions for import of cardamom to avoid lower grade cardamom and under valuation. The members appreciated the action taken in this regard and requested the Board also to take strict action against the smuggling of cardamom into India.

ITEM NO.20: PROJECT "E-CHILLI BAZAAR: ECOMMERCE PLATFORM FOR BETTER MARKET REACH AND PRICE REALIZATION FOR CHILLI FARMERS OF ANDHRA PRADESH & TELANGANA"

The Board has noted the details and approval of the project on E-chilli Bazaar funded by the Department of Electronics and Information Technology and Spices Board for better market reach and price realization for chilli farmers. The members appreciated the effort of the Board for establishing such direct marketing facility for chilli farmers.

ADDITIONAL ITEMS

ITEM No. 21: FINANCIAL SUPPORT TO KINFRA

Considering the benefit to small and medium type of farmers/ exporters the Board approved the proposal to provide one time contribution of Rs.12.5 lakhs each for establishing world class convention cum exhibition centers at Kochi and Calicut. Towards this contribution, M/s.KINFRA is proposing to provide equity equivalent to the financial support of the Board. Since the Spices Board is an automaton body of the Government of India, the proposal of M/s.KINFRA providing equity in the name of M/s. FSTL, a company promoted by Spices Board has been considered and approved.

ITEM No. 22: PROPOSAL FOR DOMESTIC MARKETING FOR SPICES

The difficulties and problems in domestic marketing of spices grown in North Eastern Region were explained in detail. As a measure to support farmers and ensuring reasonable price realization to their crops, market intervention by Spices Board was considered. Since, the Board has no mandate for domestic marketing of spices except cardamom, it was suggested to have the required market intervention on a trial basis for selected spices particularly during the peak harvesting period by FSTL, a company promoted by the Spices Board. Accordingly, for meeting the procurement cost and working capital requirement it was decided to request the Government for Rs.5.00 crores as one time assistance to the Board for procuring important spices grown in North Eastern Region through FSTL and create an impact on assuring better price to their produce and avoid possible distress sales. After examining the need and to create a positive impact, the Board has approved the proposal of providing Rs.5.00 crores for market intervention in NE Region on selected spices by M/s.FSTL.

ITEM No.23: RE-ORGANISATION OF SPICES BOARD OFFICE

The Board has noted the establishing of 11 Regional Centres by reorganizing the Board's offices to function with greater powers, functional flexibility and delivery to services to all the stake holders in the area.

ITEM No.24: CORIANDER CROP IN GUNA, MP

Mr. Man Singh Parsoda has presented the difficulties in the cultivation of coriander in Guna district of Madhyapradesh and requested for assistance for treatment of seeds, training to the farmers on proper use of fertilizers, exposure visit to other spices growing areas etc.

The Director (Dev) has explained about the project proposal submitted to Government of Madhyapradesh under MIDH covering various components including supply of planting materials and assured that the problems of the coriander farmer will be suitably addressed.

OTHER DISCUSSIONS:

As per the observations / questions raised by the members, the Chairman Spices Board has explained the following:

1. Regarding Inauguration of Spices Park Guntur, it was informed that the traders, farmers, exporters and the media are willing to have the Guntur spices park inaugurated at the earliest. Accordingly, the Spices Board has requested for a convenient date of the Hon'ble Minister of Commerce & Industry, Govt. of India and Hon'ble Chief Minister on the same day for inaugurating the spices park. Immediately on receipt of the confirmation on the date, the required further action will be taken.

2. Regarding additional offices / staff requirement Chairman has informed that since the Board has limited manpower for servicing the entire country and opening new offices by shifting existing offices may not serve the purposes. Hence, the requirements will be evaluated for future action.

3. Shri. Ravela Gopalakrishna requested the Board to test the farmer's samples at Free of cost. Chairman replied that the Board has already been giving subsidy of 90% and the charging only the remaining 10% which is very nominal and required for to ensure seriousness.

4. Dr. Madhava Naidu informed that there is a group of 19 members as registered farmers in Chamarajanagar cultivates turmeric of high curcumin content (above 4%) and requested for support for encouraging cultivation activities. In response to this Chairman has asked him to check whether it is a co-operative society or company or charitable society. Since the curcumin content is above 4%, Chairman has requested Dr. Viju Jacob to explore the possibility of sourcing the item.

5. Mr. Luther opined that all the spice parks of the Board should be operational as the Government has invested huge money. Chairman explained that the Ministry is approving one time grant for meeting capital expenses. To operate the park funding is required, which is expected to be collected through user fee and the same will be possible after standardizing the entire processing / packing facilities in the park. Wherever good operators are available, the park is running smoothly. Since, some of the parks are established at remote places, the exporters are not coming forward to operate the plant. After due consideration and the need for operating the spices park without further loss of time, the Board has decided to permit the pilot operators to run the plant by providing operational expenses for an initial period for operationalising and standardizing the facilities established at park. Accordingly, the Board has also approved extending financial support to the pilot operators to run the plants established in Spices Park wherever it is difficult to get operators.

6. In response to the question on establishing Spices Park in Sivaganga, Rae Bareli chairman has explained the significance of mint and mint products in our export performance as well as chillies and turmeric grown in Sivaganga.

On behalf of the Spices Board Chairman thanked all the members for their kind and active participation. He further stated that the next Board meeting may be conducted at Guntur along with the inauguration of the spices park.
