

**MINUTES OF THE 60TH MEETING OF THE SPICES BOARD HELD ON
20TH JUNE 2007**

The 60th meeting of the Spices Board was held at 2.45 p.m. on 20th June 2007 at Board's Office, Cochin.

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

The following members were present:

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| 1. Shri Sajan Kurian, Vice Chairman | |
| 2. Shri Anand Kumar Hegde M.P. | Member |
| 3. Shri K.George Joseph IAS | Member |
| 4. Dr. V.A.Parthasarathy | Member |
| 5. Shri R.K.Pandey (Rep of Shri.V.D.Alam) | Member |
| 6. Shri T.Asok Kumar | Member |
| 7. Shri N.Jahangir | Member |
| 8. Shri D.M.Kathir Anand | Member |
| 9. Dr. K.V.Peter | Member |

Leave of absence was granted to the following members:

1. Smt.Daggubati Purandareswari, M.P. (Minister of State for Human Resources Development (School Education & Literacy)
 2. Shri K.P.K.Kumaran, M.P. (R.S)
 3. Shri Prashant Goyal, IAS
 4. Dr.M.L.Choudhary
 5. Dr.Renu S Parmar
 6. Shri Rajiv Dhar
 7. Dr.V.Prakash
 8. Shri K.Jayakumar, IAS
 9. Dr.U.Venkateswarlu
 10. Shri Balkaran Patel
- Absent
1. Shri Viswanath Okte
 2. Shri N.V.Sivarama Reddy

The following officers of the Board were present:

1. Shri V.K.K.Nair, Secretary
2. Shri S.Kannan, Director[Mktg]
3. Shri P.T.John, Director[Dev]
4. Shri Charles J Kithu, Director[fin]
5. Dr.J.Thomas, Director[Res]

At the outset, the Chairman welcomed the members and then agenda items were taken up for consideration.

Item No.1 : Confirmation of the minutes of the meeting of the Board held on 15-2-2007

Confirmed.

Item No.2 : Notes on action taken on the decisions of the meeting of the Board held on 15-2-07

Noted.

Item No.3 : Export performance during 2006-07

The Board noted the significant growth in export of spices during 2006-07 as compared to the previous year and also the target fixed for the year 2006-07.

Item No.4 : Final accounts of the Board for the period from 1-4-06 to 31-3-07

Approved.

Item No.5 : Spices Park in Idukki district of Kerala

The details were explained of the proposal for setting up a Spice Park in Idukki District. This was meant mainly for pepper and cardamom, with the main objectives of processing and further value-addition. Infrastructure facilities like uninterrupted and adequate power supply, banking, storage, packing facilities etc., would be available for the entrepreneurs setting up individual units with the facilities also for quality checking, customs clearances etc.

By setting up of such parks and other facilities for processing of spices, it is envisaged to make India the major spices processing hub. India is the only producer of almost all spices in the world. However, on a comment regarding the declining production of spices in India in the recent years, Chairman informed that some steps may have to be taken through Agriculture Ministry/NHM to increase the domestic production to meet the export demand.

He also pointed out that it is proposed to set up similar spice parks in other major spice producing states like Karnataka, Andhra Pradesh, Madhya Pradesh, Tamil Nadu etc., subject to required land being made available by the concerned State Governments.

The Board approved the proposal.

Item No.6 : Setting up of Regional Quality Control Laboratory at Mumbai

Chairman informed that the Board, in order to speed up the process of testing samples of spices, proposes to set up a Quality Control Laboratory at Mumbai. Similar Quality Control Laboratories will be set up in other places like Guntur, Delhi, Chennai, Calcutta etc in due course.

The Board approved the proposal.

Item No.7: Equity participation in two Companies in North Eastern Region

Under the Export Promotion Scheme approved by the Ministry and Planning Commission, Board is implementing a programme of Equity Participation in Companies floated by spice growers in North Eastern Region and other hill areas. Under the scheme, Board has selected M/s. Coinoniya Farms Producer Company Ltd., and M/s. Karbi Farms Producer Company Ltd., located in Karbi Anglong District in Assam. These producer companies have a financial outlay of Rs.5.93 crores and Rs.2.40 crores respectively. The estimated area proposed for spice cultivation in Coinoniya Farms Producer Company Ltd., is 500 ha. and Karbi Farms Producer Company Ltd., is 300 ha., benefiting 600 farmers and 400 farmers respectively. As per the scheme, Board is extending assistance by providing equity participation to the tune of 49% subject to a maximum of Rs.1 crore. The rest of the share capital should be mobilized by the above Companies. Accordingly, Board has transferred Rs.1 crore each to North East Development Finance Corporation (NEDFC), the designated agency for holding shares of these Companies on behalf of Spices Board. The money will be released in installments based on the progress of the work periodically verified by a Committee appointed for the purpose. Once the Company started earning profit, the shares held by Spices Board will be divested to the grower members of the Company and the realization thus obtained will be remitted to the Consolidated Fund of India.

The Board took note.

Item No.8: WTO Compatible Subsidy Scheme for export of Pepper / Value added products of Pepper

It was clarified that no further subsidy on pepper is to be given by the Government on account of better prices prevailing at present. The prices of pepper have now improved from Rs.60-65 per kg., to the present level of Rs.130-145 per kg.

The Board took note.

Item No.9: Up date on mandatory sampling and testing

Chairman informed that mandatory sampling and testing of chilli/chilli products and turmeric powder were effectively done by the Board. If consignments are not as per the quality requirements, then the export is not allowed. Presence of aflatoxin in the spice samples is a very sensitive and serious issue. Director (Dev) informed that sufficient chilli polythene driers and polythene sheets were supplied to the growers for drying the spices, particularly in Karnataka. However, it is understood that in some of the areas in Karnataka, particularly Chickmangalore, the demand for chilli polythene driers and polythene sheets is poor.

It was suggested by members that the details may be provided, period-wise, for comparison purposes.

Noted.

Item No.10: Electronic Auction System

The details about the Electronic auction system were discussed. It is expected to be started during July/August'07 in Cardamom Planters' Association (CPA), Bodinayakanur. The members wanted it to be ensured that only licensed auctioneers and traders take part in the auction. It was informed that identity cards will be provided to the growers and auctioneers and only licensed auctioneers will get the password for conducting auction. Chairman requested for the co-operation of the growers, traders and auctioneers for the successful implementation of electronic auction system. It was suggested that necessary trials may be conducted before actual electronic auction is conducted in Bodinayakanur.

Item No.11: Cardamom Promotion – Campaign in all major states through All India Radio (Radio spots and Music Jingles) and scroll ads in TV Media

There was a suggestion to focus on medicinal and health attributes of cardamom in the advertisement than the flavour and aroma. On this, Chairman informed that the Board can make advertisement focusing on medicinal and health aspects only with research support and we had asked RRL Trivandrum to conduct studies about the medicinal values of cardamom and the report would be submitted soon.

The Board took note.

Item No.12: Promoting a Company to procure, process and market Cardamom and other spices / spice products in domestic and overseas market

Board discussed the item in detail. It was proposed to utilize the CDF fund for the activities of the company. Members suggested that the Board might take steps to collect the contribution from the growers, as many of them were now not making the envisaged contribution. Chairman clarified that as per the directions of the Hon'ble High court of Kerala, Board can receive only the voluntary contributions from the growers. To attract more growers to CDF, Board is planning to introduce a suitable insurance scheme for the CDF members. It was also suggested that the new Company may use the brand name "Flavourit", which has been registered by Spices Board.

The Board approved the above proposals.

Item No.13: Spices Park at Chhindwara, Madhya Pradesh

It was informed that the land for the proposed park with an area of 9.00 acres was initially being acquired, while efforts are going on to acquire additional land at a reasonable price.

The Board approved the proposal.

Item No.14: Fixation of sale price of planting material in Departmental nurseries

Approved. Members suggested that the planting material supplied to the farmers should be of good quality. Dr. V.A.Parthasarathy offered the services of the IISR for testing the planting material.

Item No.15: Construction of permanent building for accommodating the Quality Control Laboratory of the Board at Guntur

Approved.

Item No.16: Water proofing work at ICRI, Myladumpara Building complex

Approved.

Item No.17: Light roofing (Aluminium roofing) work at the top of the Head Quarter Building, Spices Board at Palarivattom

Approved.

Item No.18: Import of spices into India during April – March, 2006-07 as compared to April – March, 2005-06

Noted. Shri Sajan Kurian, Vice Chairman and Shri.T. Asok Kumar wanted the Board to look at the cardamom imports as the price of Rs.91.27 per kg., at which the import has taken place seemed very less, indicating the possibility of under invoicing. Chairman informed that Spices Board would look into this. A list of importers of cardamom would be prepared along with the prices at which they imported cardamom. Chairman also informed that it had been suggested to the Government as well as Customs to fix Rs.250 as the base price and fix the import duty accordingly.

Item No.19: Plantation Labour Welfare Scheme of the Board – Continuation of the scheme during 2007-08

Approved.

Item No.20: XI Plan proposals of Spices Board

Noted.

Addl. Item No.1 : Feeder categories for promotion to the post of Assistants in the Ministerial cadre.

Approved.

General

Shri.Kathir Anand requested the Board to make necessary corrections in the Exporters Directory as the telephone numbers and addresses of many firms mentioned in the Directory were out dated. Chairman assured that this will be done immediately.

Shri.Kathir Anand also wanted the Board to collect and disseminate information on spices processing machinery and their suppliers. Director[Mktg] informed that Board had collected the details of Machinery and prepared a machinery profile. Chairman asked Director (M) to publish the available details in the Board's website.

The meeting came to a close by 5.00 p.m.

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