

**MINUTES OF THE 58TH MEETING OF THE SPICES BOARD HELD ON
17TH OCTOBER 2006 AT BOARD'S OFFICE, COCHIN**

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The 58th meeting of the Spices Board was held at 2.30 P.M. on 17th October 2006 at Board's Office, Cochin.

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

The following members were present:

1.	Shri.Anant Kumar Hegde, MP (LS)	Member
2.	Shri.Mathew.C. Kunnumkal, IAS	"
3.	Shri.George Joseph, IAS	"
4.	Shri.Rajiv Dhar	"
5.	Shri.T.Asokkumar	"
6.	Shri.Vishvanath Okte	"
7.	Shri.N.Jehangir	"
8.	Shri.Sajan Kurian Kalarickal	"
9.	Shri.D.M.Kathir Anand	"

Leave of absence was granted to Shri.V.D.Alam, Director (Fin), MOC

The following members were absent:

1. Smt. Daggubati Purandareswari, MP
2. Shri.Prasanth Goyal
3. Dr.M.L.Choudhury
4. Dr.G.S.G.Ayyangar
5. Dr.Renu.S.Parmar
6. Shri.V.Prakash
7. Dr.V.A.Parthasarathy

The following officers of the Board were present:

- [1] Shri.V.K.K.Nair, Secretary
- [2] Shri.S.Kannan, Director (Mktg.)
- [3] Dr.J. Thomas, Director (Res)
- [4] Shri.P.T.John, Director (Dev) - in charge

At the outset, Chairman welcomed the Members to the first meeting of the re-constituted Board.

Chairman stated that the Board would like to place on record its appreciation for the services of Shri.C.J.Jose, IAS, former Chairman, Spices Board for the spices sector and in particular for spices exports by introducing a control system in place to avoid aflatoxin contamination and adulteration with banned chemical dyes in chilli and chilli products and turmeric powder for ensuring quality of Indian spices, which has enhanced the export of spices, apart from improving the image of the country.

The agenda items were then taken up for consideration:

Item No.1 : Confirmation of the minutes of the meeting of the Board held on 29.06.05

Confirmed.

Item No. 2 : Notes on action taken on the decisions of the meeting of the Board held on 29.06.05

It was pointed out that diesel is being used as fuel in drying devices and the diesel prices are increasing. Shri Asokkumar suggested changing this to firewood. However it was also noted that using firewood might not be allowed since it will destroy the forests.

Regarding organic farm certification it was informed that as per the scheme, the facility of availing assistance was limited to two times in a plan period of five years. In organic farming, certification is required every year. Hence to make the scheme more popular, the same was modified to provide for assistance every year. The provision for the export obligation in the scheme was also removed to attract more persons to avail the scheme.

Item No.3 : Election of Vice-Chairman

Shri.Sajan Kurian was elected as Vice-Chairman of the Board. He thanked the members for electing him as Vice-Chairman.

Item No.4: Election of Members to the Committees

It was pointed out that for some time in the past, the committees were not functioning properly. Sub-committees are in a position to deliberate in detail on various issues and hence meetings of the sub-committees might be held from time to time. Board then took up constitution of the Committees by nominating members as provided under the Rules and the Committees were constituted as follows:

1. Executive Committee.

- [a] Chairman of the Board – ex-officio chairman of the committee
- [b] The Vice-Chairman
- G [c] Shri.George Joseph–Member representing major Spice Producing State
- [d] Director [Finance], Ministry of Commerce
- [e] The Secretary, Spices Board
- [f] Shri.Vishvanath Okte – Member representing growers of spices
- [g] Shri.D.M.Kathir Anand – Member representing exporters of spices

2. R&D Committee.

- [a] Chairman of the Board – ex-officio chairman of the Committee
- [b] The Vice-Chairman
- K [c] Shri.Mathew Kunnumkal–Member representing major spice producing State
- [d] Commissioner Horticulture
- [e] Shri.Asokkumar–member representing Elettaria Cardamom Maton growers
- [f] Director, Indian Institute of Spices Research, Calicut
- [g] Director (Research), Spices Board
- [h] Director (Development), Spices Board
- [I] Shri.D.M.Kathir Anand – Member-representing exporters of spices.

There is no member representing Large Cardamom [Ammomum Subulatum Roxb] on the Board and hence the slot in the Committee for such, a Board member shall remain vacant.

3. MD Committee:

- [a] Chairman of the Board – ex-officio chairman of the committee
- [b] The Vice-Chairman
- [c] The Director–Central Food Technological Research Institute, Mysore
- [d] The Dy.Secretary, Export Promotion (Agriculture Division), Dept. of Commerce, MOC
- [e] Shri.D.M.Kathir Anand – member representing exporters of spices
- [f] An Officer of the Export Inspection Agency of India
- [g] Director (Marketing), Spices Board
- [h] Shri.N.Jehangir – member representing spice growers

Two more slots for exporters' representatives shall remain vacant since there is only one exporter member on the Board.

Item No.5: Final Accounts of the Board for the period from 1.4.2005 to 31.3.2006.

To a query, Chairman replied that the audit is done by the Accountant General [Audit], Kerala and after approval by the Board the same needed to be sent to Accountant General for certification.

It was clarified that the increase in the IEBR is mainly due to increase in income from analysis of samples in Quality Control Laboratory.

There was a suggestion to deposit the cash on hand in C&TD account scheme available in the bank. Chairman replied that the same could be certainly explored.

The Board approved the Final Accounts for the year 2005-06

Item No.6 : Annual Report of the Board for the year 2005-06

The Annual Report was approved.

Item No.7 : Supply of Polythene Sheets – 2005-06

The details of the programmes implemented during 2005-06 were discussed. It was informed that the Board had been able to cater to the needs of the growers.

The Board took note of the details.

Item No.8 : Assistance for acquiring ISO Certification under Board's Quality Certification Scheme.

The matter was discussed and the Board approved the modification proposed in the scheme.

There was a suggestion for enhancing the assistance from 33% to 50%. It was agreed to take up this change for the XI plan period.

Item No.9: Assistance to Agricultural Produce Marketing Committee [APMC], Mandsaur, Madhya Pradesh to set up a common facility centre for processing seed spices [cleaning, grading, drying and quality assurance]

It was pointed out that this is a programme related to processing (cleaning, grading, drying etc) of seed spices, which form an important segment of the spice exports. Madhya Pradesh Govt. also needs to extend its support.

The proposal was to treat this as a pilot project to start with. In case it is successful, Board would extend such assistance to other terminal markets in the country.

The Board approved the proposal and ratified the action taken.

Item No.10: Training Programme on Quality Improvement of Spices for the year 2006-07

To a suggestion that more emphasis for the training programme should be given in Idukki and Wynad Districts, it was informed that we were having enough programmes there. Chairman suggested that we could consult the State Agriculture Department in the matter for getting the views on the number of training programmes and places where these should be conducted.

It was suggested that sufficient publicity should be given about the training programmes. Brochures and publicity materials should be provided. Chairman suggested that the concerned field officer should meet the Agriculture Officer concerned and might be asked to issue publicity materials to all concerned. Members of the Board from the area where the training is conducted should also be invited.

Item No.11: Organic Farm Certification Scheme Amendment in eligibility criteria.

The rationale for the amendment to be made in the scheme was explained. Shri Hegde asked whether there is limitation in the number of groups/farmers or any financial constraints for the scheme. He enquired whether the Board could provide assistance to 135 farmers' groups available in Kanara. Chairman replied in the affirmative and asked Director (Dev) to collect the details from Shri Hegde.

It was also suggested that new beneficiaries should be assisted and to that extent the provision should be changed. New farmers need to be given more importance, which will ensure the spread of the programme.

The Board approved the proposed amendment in the scheme.

Item No.12: Organic Certification in North East States

The Board approved the proposed change in the scheme.

Item No.13: Small Cardamom Productivity Award -2005-06

Shri.Asokkumar raised some doubts about the selection criteria adopted by the Board. He said that often the area of cultivation considered for the productivity award is very small. This goes against the spirit of the award. He suggested that at least the winner should prove the increase in productivity at least for three consecutive years. Chairman suggested that we will approve the current proposal and that the R&D Committee might look into it and come out with new criteria.

The Board noted the award winners.

Item No.14: Vanilla Productivity Award 2005-06

The Board noted the award winners.

Item No.15: Organic Vanilla Award - 2005-06

It was pointed out that there was a difference of 100 kg between the first and second prize. Chairman suggested that this might be looked into.

Item No.16: Large Cardamom Productivity Award - 2005-06

The Board took note of the award winner

Item No.17: Status of filling up of the posts of Director (Finance) and Director (Dev) in Spices Board.

Chairman informed that the two senior level posts are lying vacant for long periods. Spices Board has been writing to Government for filling up these posts. The method of filling up of these posts is direct recruitment. However, the Recruitment Rules have not been approved by the Government so far. Shri George Joseph suggested that the senior most Deputy Director who has sufficient experience in the Development Department and agricultural practices may be given adhoc promotion as Director[Dev]. Similarly senior most Deputy Director who has sufficient experience in Budget/Accounts may be given adhoc promotion as Director[Finance]. The Government of India may be approached for ratification. The Board agreed to the above suggestions and authorized the Chairman to do the needful.

Item No.18. Cut in staff Strength imposed by Government of India on the existing posts under ADRP

The staff strength is progressively being reduced by the mechanism of Annual Direct Recruitment Plans in addition to the cut already imposed based on a review held by the AS & FA in the Ministry with Chairman, Spices Board.

It was suggested that if such reduction is affecting the proper functioning of the Board, it might consider outsourcing the required manpower on contract or on deputation. Chairman was authorized to do the needful.

Item No.19: Relaxation in experience for promotion to the posts of Farm Officer/Farm Manager reserved to Scheduled Caste.

The proposal was approved.

During the discussions Chairman informed that we do not have enough technical officers mainly due to clearance required from the Government for direct recruitment. It was suggested that if feasible, ICAR might be contacted and possibility of getting officials on deputation might be explored.

Item No.20: 'Indian Recipes with Indian Spices :Quickies to suit micro-oven cooking' - publication

The Board approved the proposal.

Item No.21:Quality Assurance of Chilly/Chilly Products and Turmeric Powder -Export consignments - Status of Sampling and Testing

The Board took note of the position indicated.

Shri Kathir Anand raised some issues regarding this. He asked whether the certificate issued by the Spices Board is necessary for exporting turmeric powder to countries like Malaysia, because the buying country is not insisting on this. He also informed that it is an unwanted paper for the buyer. He also stated that the exporter has to wait for 2-3 days for getting this certificate and shipping will be delayed due to this. Director (Mktg.) pointed out that after getting samples, within 24 hours Spices Board had been faxing the test certificate to the exporter. He informed that the specified spice consignments for exports from India to all destinations should be accompanied with the Certificate issued by the Spices Board since there are chances to divert the consignments to Europe/US. This will enhance the credibility of Indian spices.

Shri Kathir Anand suggested that if the certification is mandatory, there should be offices with sufficient staff in major exporting centers like Chennai, Tuticorin etc. He mentioned the difficulties faced by the officers who are now going for sampling even in the midnight. Chairman informed him that Spices Board is planning to put up an analytical laboratory in Chennai, which may take some time.

Item No.22: WTO Compatible Subsidy scheme for export of Pepper and value added products of pepper.

The Board discussed the scheme and took note of the present status.

There was suggestion for an enhancement of subsidy. Vice-Chairman suggested that getting subsidy in the middle of a season would be of no use and subsidy should be declared before the season. Shri George Joseph suggested that the subsidy should go to the farmers. He explained that when the subsidy is declared the price of the commodity would go down to the benefit of overseas buyers.

Item No.23: Plantation Labour Welfare Schemes of the Board Continuation of the schemes during 2006-07

Shri.Asokkumar suggested that the R&D committee should look into it. Chairman agreed to this and told that this procedure will be followed in future since there is very little time this year for changing this procedure.

The proposal placed before the Board was approved.

Item No.24: Review on export performance of Spices during April-March 2005-06 compared with April-March 2004-05

The Board took note of the export performance during 2005-06.

During discussions, Chairman pointed out that at present we are having competition mainly from China in chilli and garlic, from Guatemala in cardamom and from Vietnam on pepper.

Aflatoxin is often found in Indian chillies and we are trying to demonstrate a pilot project on polyhouse in collaboration with ITC. We would like to cooperate with Govt. of Andhra Pradesh and ITC in chilli processing and drying to reduce aflatoxin level. In Guntur we are intending to put up an analytical laboratory. To a query, Chairman replied that steps are being taken to create an awareness about the problem among the farmers.

Item No.25: Review of export performance of Spices during April-August 2006 compared with April-August 2005.

The Board took note.

Chairman informed that Board's officials had a meeting with the officials of Agriculture Department, Govt. of Kerala on pepper production, replanting etc. It was decided to work out the modalities for the massive production of rooted cuttings of released varieties through the route of rapid multiplication and tissue culture.

Item No.26: Import of Spices into India during April-March 2006 compared to April-March 2004-05

The Board took note.

Board was informed that Govt. is shortly coming out with a quantitative cap of 2500 tons for pepper imports from Sri Lanka. In the case of imports for value addition the minimum level of value addition, is 15% and should re-export within 120 days.

Item No.27 : Estimated import of spices into India during April-August 2006 compared with April-August 2005

Proposals were approved.

Other items with the permission of the Chair.

Shri.Asokkumar mentioned about the package announced by the Government for Idukki and Wynad farmers. Shri Mathew C. Kunnumkal explained that the main component is interest towards loan. Idukki is not included in the package. No money has so far been received. Efforts are on to get Idukki and Alleppy included also.

The meeting came to a close at 4.30 PM with a vote of thanks to the chair.
