

**MINUTES OF THE 65<sup>TH</sup> MEETING OF THE SPICES BOARD  
HELD ON 27<sup>th</sup> March 2009**

The 65<sup>th</sup> meeting of the Spices Board was held at 2.45 p.m. on 27<sup>th</sup> March 2009 at Board's Head Office, Cochin.

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

The following members were present:

1. Shri K.Zia-Ud-Din Ahmed
2. Shri Mahendra Parmer
3. Shri T.Asokkumar
4. Shri Sajan Kurian
5. Dr.K.V.Peter
6. Shri H.Vishwanath
7. Shri K.K.Phull (for Shri Mangat Ram Sharma, IAS)
8. Shri N.Jahangir
9. Shri Chowde Gowde

Leave of absence was granted to the following members:

1. Shri Tiruchi Siva, MP (RS)
2. Dr. M.L. Choudhury
3. Shri V.D. Alam
4. Shri K. Jayakumar, IAS
5. Shri George Joseph, IAS
6. Dr.G.S.G. Ayyangar
7. Member from Planning Commission
8. Shri Rajiv Dhar
9. Dr. V. Prakash
10. Dr. V.A. Parthasarathy
11. Shri K.N. Hazarika, Special Invitee
12. Shri Prakash Uttamchand Wadhwani
13. Shri K.S.R.J. Rajkumar
14. Shri Ravibabu Seelam

Absent

1. Shri Vishvanath Okte
2. Shri Balkaran Patel
3. Shri D.M. Kathir Anand
4. Shri J.V. Narayanaswamy

The following officers of the Board were present:

1. Smt. K.Lekshmikutty, Secretary i/c
2. Shri.S.Kannan, Director[Mktg]
3. Dr.J.Thomas, Director[Res]
4. Shri.R.Chandrasekhar, Director (Dev)

At the outset, Chairman welcomed the members and introduced Smt.K.Lekshmikutty, Secretary I/c of the Board and Shri K.K.Phull, Under Secretary, Department of Commerce attending the meeting representing the Ministry of Commerce & Industry. The Board put on record the good services rendered by Shri V.K.K.Nair, former Secretary, who retired from the services of the Board on 31.12.2008. Then the agenda items were taken for consideration. (X)

Item No.1 : Confirmation of the minutes of the meeting of the Board held on 31.10.2008.

Confirmed.

Item No.2 : Notes on action taken on the decisions of the meeting of the Board held on 29.5.2008.

Noted.

Item No.3 : Audit Report on Spices Board for the year 2007-08.

It was informed that the Audit Report was placed before the Parliament in December 2008.

Noted.

Item No.4 : Review of XI Plan Schemes – Budget allocations.

Members expressed concern over the lower budget allocation of funds on the budget estimates in the first two years of the XI Plan. It was informed by Shri K.K.Phull that an additional release of Rs.8.00 crores has been sanctioned for 2008-09 in addition to Rs.50.00 crores already released. The present allocation is Rs.60.00 crores and more funds can be allotted in RE for 2009-10.

Noted.

Item No.5 : Status Note on the Spices Parks.

The Board noted the status of Spice Parks in Guntur, Sivaganga, Chhindwara, Jhalawar, Puttadi and Mehsana and the members agreed to

the suggestions made in the note. Shri Mahendra Parmar suggested for establishing dehydration facilities in all the spices parks. Chairman informed that the intention of the Board is to make it an entity of farmers by making them partners in the venture and once it started functioning effectively over a period of time, say eight or ten years, these Spices parks will be ultimately handed over to the growers of that area. He also informed that the funds thus generated thereon will be utilized for similar projects in other spices growing areas.

The first ever spice park and the Garlic Dehydration Plant set up in the Park were inaugurated at Chhindwara, Madhya Pradesh by the Hon'ble Union Minister of Commerce & Industry on 17<sup>th</sup> February, 2009. The work of setting up of spice parks in other parts are in progress, except in places like Mehsana (Gujarat) and Jhalawar (Rajasthan).

In Mehsana (Gujarat), during the verification, it was observed that the proposed land price is comparatively very high. Hence efforts were being made to locate a suitable site in Mehsana or other spices growing areas. One such land identified is Mandal, which is closer to the seed spices growing area in Saurashtra. The response to the proposal put forward to the District Collector, Ahmedabad by the Board to alienate the land at Mandal is under active consideration. The Gujarat Agricultural Marketing Board has also put forward some proposals for setting up of park in collaboration with them.

Regarding Jhalawar (Rajasthan), some members informed that it is not an ideal location because there is no spices cultivation in and around Jhalawar. They have suggested Ganganagar near to Abu Road where Government land might be available and seed spices like cumin seeds are cultivated in plenty may be examined.

Shri Vishwanath informed that Karnataka Government has made budget provision for spices park. Chairman informed that there is absolutely no response from the State Government for land allotment at Dharwad and requested him to get a copy of the notification for follow-up action.

Noted/approved.

Item No.6 : Establishment of Regional Quality Evaluation Laboratories.

Noted the status of establishment of Regional Quality Evaluation Laboratories at Mumbai, Guntur, Delhi, Kolkata and Chennai. Based on the discussion with Scientist, Mumbai and industry representatives and Senior Scientist and considering the need to introduce testing other important parameters to ensure food safety and quality, Chairman informed that the lab in Mumbai is facing difficulty due to shortage of space and needs expansion. In this connection, Shri K.K.Phull clarified that 20%

additional funding can be considered under ASIDE scheme for expansion of laboratory and requested to send a proposal in this regard. Accordingly, it was approved to identify suitable Government building and purchase the same for expanding the analytical capabilities of the laboratory of Mumbai on priority basis.

Approved.

Item No.7: Establishing additional Quality Evaluation Laboratories and upgradation of offices.

The members appreciated the idea. Considering the prime location of Kandla and Tuticorin ports and also considering the significant volume of trade in these two ports and to minimize the hardships faced by the exporters to get the samples tested in time, setting up of Quality Evaluation Labs in these places and upgrading the present office in Tuticorin to a Regional Level were unanimously agreed to by the Members and urged for immediate action.

Approved.

Item No.8: Purchase of land for the Spices Board office at Bangalore.

It was suggested that instead of getting land for lease of 30 years, efforts may be made for outright purchase of land and consult the exporters of that area before finalizing the location of the office. Board members from Karnataka have been asked to assist the Board for identify suitable land.

Noted/approved.

Item No.9: Amendment in the Spices board (Quality Marking) Regulations, 1992 – to include all packs of spices & spice products.

Noted/ratified.

Item No.10: Development and promotion of ethnic spice blends.

Members welcomed the proposal and appreciated the Board for such initiative and requested to enhance the provision from Rs.10 lakhs to Rs.25 lakhs to start with the programme and this was agreed and decided to provide a provision of Rs.25 lakhs within the approved budget provision of Spices Board.

Approved.

**Item No.11: Status of consignment samples analyzed by Quality Evaluation Laboratory, Spices Board.**

**Noted.**

**Item No.12: Amendments proposed on various awards given by Spices Board and revision of prize money for productivity related activities.**

Board discussed the proposal in detail. It was decided on consensus to enhance the prize amount for productivity awards for first prize to Rs.1.00 lakh and two second prizes of Rs.25000/- each, one for women farmer and the other for general category. The suggestion to restrict productivity awards to cardamom small and cardamom large was not approved by the Board and decided to continue the present system.

**Approved.**

**Item No.13: Large cardamom Productivity award for 2008-09**

**Approved.**

**Item No.14: Small cardamom productivity award for 2008-09**

**Approved.**

**Item No.15: Vanilla productivity award for 2008-09.**

**Approved.**

**Item No.16: Organic vanilla award for 2008-09**

**Approved.**

**Item No.17: Establishment of Bio-control laboratory and production unit at ICRI, Myladumpara.**

Director (Res) briefed about the proposal. Shri Vishwanath, Member expressed doubt on whether there is enough demand for IPM inputs like trichoderma and pseudomonas. It was clarified that there is good demand for the IPM inputs and farmers are coming forward to set up bio-agents units under Board's plan scheme.

**Approved.**

**Item No.18: Commencement of VIII batch of GAP training**

It was informed that the GAP training for 30 students from North Eastern region has been commenced. Shri Viswanath wanted to start similar programme in Saklespur and it was clarified that since it is a residential programme, there is no facility in RRS, Saklespur to accommodate students and conduct the programme. However, Board will look at the possibility of conducting short term training in Saklespur.

Noted.

**Item No.19: Review of export performance of spices during April-January 2008-09 compared with April-January 2007-08.**

Noted.

**Item No.20: Review of Import of spices into India during April-January 2008-09 compared to April-January 2007-08.**

Members drew the attention to the higher unit value of pepper imported and the large quantity of import of spice oils and oleoresins. It was clarified that it was mainly because the unit price of imported pepper includes the price of white pepper and in the case of spice oils and oleoresins the import is mainly semi-processed items for fractionation/isolation of components and re-export after value addition. It was suggested to make footnotes in this regard to the statement to have more clarity.

Noted.

**Item No.21: Plantation labour welfare scheme of the Board – continuation of the scheme during 2009-10.**

Approved.

**Item No.22: Re-construction of Spices Board Chairman's Bungalow at Kaloor.**

Approved.

**Item No.23: Protection of interests of cardamom planters – Amendment in the Spices Board policy**

This additional item was placed before the Board for discussion as per the request of Shri Sajan Kurian, Member. The item was discussed in detail and the following decisions taken.

a) Monitoring of Cardamom Auction Centres by Spices Board

In order to protect the cardamom planters and industry and to ensure proper accounting, transparency, a well-monitored e-auction has been introduced by the Board. He also opined that Board should have more powers and control to avoid possible mismanagement/misappropriation of funds, which led to the closure of CMC, Vandanmedu and urged the Board to have the auction system in a centralized place by bringing all auction houses, traders under one roof for better administration of the entire system. Accordingly, it was unanimously agreed to have a centralized auction centre with better control to protect the interests of planters and other stakeholders of the industry.

b) Legalization of Cardamom Development Fund

It was unanimously agreed in principle that CDF is a good source of fund for meeting any eventuality and hence it may be made mandatory. Board desired that the matter may be discussed with the farmers' associations and get their willingness in writing. As there is a directive from the High Court of Kerala on the issue, the Government of India insisted on a letter showing that there are no legal matters pending on the issue so that a final decision can be taken. Accordingly, it was decided to send the proposal to the Government for approval with the consent of farmers' associations and copy of court order.

Item No.24: Collection of user fee from the auctioneers

This item was placed before the Board as per the request of Shri Zia Ud-Din Ahamed, Member.

Shri Zia Ud-Din Ahamed stated that paying user fee by auctioneers some times become difficult when the prices of cardamom goes down below the remunerative level, say Rs.250/- or Rs.300/- per kg. On this, Chairman replied that very small amount is charged as user fee i.e., 20 paise per kg as per the Government directions and Board's decision, taking into account the recurring expenses to run the e-auction system viz., the cost of system maintenance, electric power, diesel, labour/security, computer, stationery, cost of manpower and other consumables. All recurring expenses put together will come to the tune of Rs.229/- per tone on an assumption that a minimum quantity of 8000 tonnes will be put for auction. During this year only, we have touched 8000 tonnes. If the performance is below 8000 tonnes, maintenance cost per tonne will become much more higher than the amount of Rs.229/- per tonne. So instead of Rs.229/-, we are charging a lesser amount of Rs.200/- per tonne, which is quite a reasonable amount. It was also clarified that against 1% commission received by the auctioneers (Rs.3.78 crores approx), the user fee being charged by the Board is very nominal.

The Chairman informed the Members that the total expenditure in regard to the e-auction will be assessed and possible reduction in user fee will be considered. Chairman also clarified that when we move to new premises being constructed at Puttadi, the rent factor will not be there, which will reduce the maintenance cost and resultant reduction in user fee.

Item No.25: Proposal for amendment to the Recruitment Rules for the post of Field Officer in the Board.

Dr. KV Peter stated that with the introduction of OGPA (Overall Grade Point Average) system, the Universities do not offer First class degree in Agriculture throughout India and hence the stipulation of First Class degree in Agriculture/Horticulture is not correct. As regards MSc Botany, he pointed out that now very few universities offer MSc Botany course. Therefore, he suggested that the prescribed qualification should be Degree in Agriculture/Horticulture with OGPA 8 out of 10.

Shri K.K. Phull suggested to get the qualification prescribed by ICAR before finalizing the qualification for the post of Field Officer.

However, it was clarified that the whole Recruitment Rules of the Board requires revision. The Board authorized the Chairman to review the Recruitment Rules in total and get it approved by the Government of India as per the norms laid down for the same.

General:

Shri Mahendra Parmar requested to distribute the export awards every year and the function shall be conducted in different centres like Mumbai, Chennai, Cochin so that it will attract the local traders and give mileage to the Board and winners. He also requested to delink the award function of export awards and productivity awards as these two are entirely different. On this, Chairman informed that the award for the year 2007-08 is ready for distribution. The dates will be finalized on formation of the new Central Government.

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

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