

**The Minutes of the 73rd Meeting of the Spices Board held on 15th November, 2011**

The 73rd Meeting of the Spices Board was held at 3.00 PM on 15th November, 2011 in the Head office of the Board at Kochi.

Dr. A. Jayathilak, IAS, Chairman, presided over the meeting. The following Members were present:

1. Shri Roy K.Paulose, Vice Chairman
2. Shri P.T.Thomas, MP (Lok Sabha), Member
3. Shri S.Thangavelu, MP (Rajya Sabha) “
4. Smt. Sutapa Majumdar, “
5. Smt. Amrit Raj, “
6. Dr. M. Anandaraj, “
7. Shri Tej Pal Singh (Nominee of Shri Mangat Ram Sharma)
8. Dr.Viju Jacob, Member
9. Shri Philip Kuruvilla, “
10. Shri P.J.Kunjachan, “
11. Shri K.M.Sulthan Ibrahim, “
12. Smt. Sushama Srikandath, “
13. Shri Ajay J.Mariwala, “
14. Shri Mathavan, “
15. Shri Abul Kalam, “
16. Shri George Valy, “
17. Shri Jojo George, “
18. Shri G.Muraleedharan, “

Leave of absence was granted to the following Members:

1. Shri Anant Kumar Hegde, MP (Lok Sabha)
2. Shri Sanjiv Chopra
3. Shri Rajendra P. Ghogale
4. Adv. Joy Thomas
5. Dr. Davendrakumar Dhodawat
6. Shri N.C.Saha
7. Dr. G.Venkateswara Rao

The following members were absent:

1. Shri K.C.Pradhan
2. Shri Umesh Kumar
3. Shri K.K.Singh

The following officers of the Board were present:

1. Shri P.M.Suresh Kumar, Secretary & Director(Mktg.)(i/c)
2. Shri S.Siddaramappa, Director (Dev.)
3. Dr. M. R. Sudharshan, Director (Res.)(i/c)
4. Shri K.R.K.Menon, Scientist 'C' (Quality)
5. Dr. P.S.S.Thampi, Deputy. Director (Pub.)
6. Shri B.Sreekumar, Deputy Director (Mktg.)
7. Smt. Amrutha M. George, Asst. Director (Accounts)

At the outset, Chairman welcomed the Members to the meeting. He also extended cordial welcome to the newly appointed Members, namely Shri S.Thangavelu, Hon'ble Member of Parliament (Rajya Sabha) from Tirunelveli, Shri K.M.Sulthan Ibrahim from Theni and Dr. M. Anandaraj from IISR, Kozhikode, who were attending the Board meeting for the first time.

Chairman informed the Board Members about the sad demise of Shri Devender Singh Raghuwanshi, Board Member from Guna in Madhya Pradesh on 30th September, 2011 at his native place. He recollected that Shri Raghuwanshi was very active in the deliberations at the Board meetings and instrumental in identifying suitable location for our office at Guna and land for the Guna Spices Park. He had actively participated in the quality improvement and field publicity programmes of the Board on seed spices in Madhya Pradesh and Rajasthan. He was a seed spices farmer. His death is a great loss to the Board. As a mark of respect to the deceased Member, one minute silence was observed and a condolence resolution passed.

**Item No.1: Confirmation of the Minutes of the 72nd Meeting of the Spices Board held on 30.5.2011**

Confirmed.

**Item No.2: Action taken report on the decisions of the 72nd Board meeting held on 30.5.2011**

Shri P.M. Suresh Kumar, Secretary narrated the action taken on the decisions at the previous Board meeting. The Board noted.

**Item No.3: Approval of Food Safety & Standards Authority of India(FSSAI) to QEL, Cochin.**

Shri Philip Kuruvilla underlined the importance of the Spices Board's Quality Evaluation Laboratories taking up testing of samples under the Food Safety Regulations 2011. He pointed out that the Spices Board should be made the only authorized centre to test the samples of spices.

Chairman informed that once the agreement is arrived at between the Spices Board and the FSSAI, the issue could be resolved.

**Item No.4: Functioning of the Quality Evaluation Laboratory at Gummidipundi, Chennai**

The Board noted.

**Item No.5: Status of consignment samples analyzed by Quality Evaluation Laboratories, Spices Board**

Shri K.R.K.Menon, Scientist 'C' (Quality) gave a detailed account of the status of samples analysed by the QELs at Kochi, Mumbai, Guntur and Gummidipundi under the mandatory sampling, testing and certification.

The Board noted.

**Item No.6: Mandatory sampling and quality analysis of Spices Board**

Shri Philip Kuruvilla informed that the issue was already raised by the All India Spices Exporters' Forum. Smt. Sushama Srikanth pointed out that Malaysia has revised its food safety standards in July this year and advised to get a copy of the same to disseminate the same among the spice industry. Even if the Spices Board has mandatory quality inspection system, she emphasized the need for other nations to accept the results generated by the Board's Laboratories. India should capitalize the opportunity to increase export to Japan in the face of Chinese chilli being subjected to stringent quality test by Japan for more than 742 chemicals identified by them including heavy metals.

Smt. Sutapa Majumdar opined that we should follow a general view on the export procedures to all the nations. The exporters have to take suitable steps to stick to the food safety standards of each nation. She also stressed the need for sharing information among exporters.

**Item No.7: Study on Minimization of Aflatoxin during transit/storage by developing appropriate packaging system by IIP, Mumbai**

The Board noted.

**Item No.8: Small Cardamom Productivity Award for 2010-11**

Shri S. Siddaramappa informed about the Productivity Award for 2010-11. There was only one nomination for this Award.

Shri Jojo George raised a doubt about the process of award being given to a single applicant. For the awards to become more meaningful, there should be more applicants. He wanted to know about the extent of the land an applicant should possess for becoming eligible for the award and the procedure for ascertaining the yield. The methodology of yield estimation process may also be revisited. The estimation about the yield should be communicated to individual farmers too.

Shri P.T.Thomas, Hon'ble MP suggested to give wide publicity through media to invite applications for award He urged the Board to constitute a Sub-committee of the Members to decide the award winners. The norms of selection should also be specified. Shri S.Thangavelu, Hon'ble MP also urged that there should be advertisement in the local languages in local newspapers.

Shri G. Muraleedharan pointed out that yield estimation for 2010-11 is not feasible when the yield for the year is still continuing.

Shri K. M. Sulthan Ibrahim also told that no advertisement of award appeared elsewhere. The farmers do not know about the awards and how they are selected for awards. The present methodology of identifying the yield is also not proper.

Mrs. Sutapa Majumdar pointed out the importance of framing specific guidelines for selecting the award winners.

Dr. M.R. Sudharshan, Director (Research) explained that we can estimate the yield at any point of time during the peak harvesting period based on the flowers, capsules, etc. The estimation is done by the statisticians.

After detailed discussion, it was decided to constitute a sub-committee of 5 members, viz. S/Shri Roy K. Paulose, Jojo George, G. Muraleedharan and Abul Kalam to decide the award winners from next financial year and also to frame necessary guidelines in this behalf. An average of 3 visits has also to be conducted to assess the yield estimation in each place. It was also decided to advertise about the grant of awards in the local dailies like Tamil, Kannada and Malayalam for encouraging the cardamom growers to produce good quality cardamom and for getting more applications.

However, the Board approved the grant of first prize to Smt. N. Sivagami of Kolli Hills as suggested in the Notes on Agenda for this year.

**Item No.9: Large Cardamom Productivity Award for 2010-11**

The Board approved the Productivity awards for Cardamom (large) as contained in the Notes on Agenda.

**Item No.10: Supply of Bamboo mats during 2011-12 season**

When Director (Dev.) explained about the supply of bamboo mats, Shri Abul Kalam suggested to start giving subsidy for constructing concrete floors for drying pepper. To this, Director (Dev.) replied that the scheme was in operation during previous plan period and due to some instances of malpractice, it was discontinued. Shri Abul Kalam also brought to the notice that some beneficiaries are also availing the benefits of subsidy from the Spices Board, State Agriculture Department and Coffee Board for the same scheme.

The Board noted the implementation of the scheme.

**Item No.11: Proposal for formation of Spices Growers' Society under Charitable Societies' Registration Act under the auspices of Spices Board**

Chairman emphasized the need to form Spice Growers' Society (SGS) since the Board is always concerned with the plight of the farmers also. The proposed Society should be formed under the Charitable Societies Registration Act instead of Companies Act. The Society will be a non-profit making institution aimed at imparting technical and scientific know-how to the members, particularly small scale growers for their overall development in social and economic status. The broad guidelines for setting up the SGS have also been framed.

Shri Jojo George described the formation of such a society as an excellent initiative on the part of the Spices Board. However, instead of restricting the benefit to the farmers holding upto 2 hectares, the scope of the scheme can be enlarged to include those who possess upto 4 hectares also since 4 hectares is the basis to determine the category of 'small farmers'. Shri P.T. Thomas also agreed to this.

Shri Philip Kuruvilla appreciated the efforts of the Spices Board since the objective is to promote technical and scientific knowhow. There should be no irregularities in the functioning of the proposed Society. Instead of restricting the programme to only Cardamom and Pepper farmers, the scheme should benefit others also especially when ten crops, viz. Turmeric, Ginger, Cardamom, Pepper, Nutmeg, Mint, Red chilli, Paprika chilli, Cumin and Garlic have been taken as focused ones during our XII Five year plan programmes.

Smt. Sutapa Majumdar opined that the programme may be confined to Cardamom and Pepper within our mandate. She also urged to revisit one of the conditions stipulated for the scheme, viz. *"When development/marketing programmes of Spices Board are implemented, preference will be given to the members of the Society"*.

Shri George Vally stated that the Rubber Board is giving finance upto 50% for the functioning of the Rubber Producers' Society. The Spices Board should finance the SGS with a financial outlay. Besides, the large-scale farmers should also be included under the scheme. To start with, there can be pepper and cardamom farmers. We can include other spices later based on the evaluation of the performance of the Society. Shri.P.T. Thomas stressed the need for identifying the source for generating fund for functioning of the SGS. There is no need to restrict the number of membership.

Dr. Viju Jacob urged to include the Chilli and Nutmeg also based on the volume of export generated by these.

Chairman clarified that this is a scheme open to all farmers who are interested. After detailed discussion, it was decided to set up pilot projects of SGS (Cardamom) at Pampadumpara and SGS (Pepper) at Kamakshy.

**Item No.12: Personal Accident Insurance Scheme**

Shri B.Sreekumar, Deputy Director (Mktg.) informed the members that this scheme is applicable only for those who possess upto 4 hectares. of estate. Casual labourers are also eligible for the benefits.

Shri George Valy enquired why the scheme was not implemented in the case of those who hold more than 4 hectares, if they are prepared to pay the premia for the labourers. He felt that denying the benefit to those who hold more than 4 hectares is not appropriate.

Shri P.T.Thomas urged to include all the labourers so that there should be no labour unrest. Shri Abul Kalam stated that no permanent labourer is available in Karnataka which is a main problem.

The Board welcomed the implementation of the Personal Accident Insurance Scheme for the labourers.

**Item No.13: Study on Cardamom with respect to Domestic Market Structure, Growth and Future Scenario**

Director (Mktg.) explained the salient features of the Study on Cardamom.

According to Shri George Valy, it was a paradox that while the consumer has to pay as high as Rs. 1,600/- a kilo of cardamom, the farmers get only an average price of Rs.500/- a kilo. Either the farmers should get a proportionate high price or the end-users should get cardamom at a reduced price. There is a huge difference between Rs.1000/- and Rs.500/-, which is not at all reasonable. He requested the Board to take steps to increase the domestic consumption of cardamom.

Smt. Amrit Raj reminded that our mandate is only for export promotion. Shri P.T.Thomas wanted improvement or modification in the cardamom auction system for getting higher price for growers.

Shri Jojo George urged to enlarge the scope of study to market research also with higher budget allocation. Shri K. M. Sulthan Ibrahim demanded MSP for the cardamom.

The Board noted the Study on Cardamom.

**Item No.14: Cardamom Market Promotion**

Dr. P.S.S.Thampi, Deputy Director (Pub.) outlined the steps taken by the Board for increasing the consumption of cardamom whereby the farmers benefit with remunerative price. Advertisements through the media, cinema halls, trains, flights, etc. with a view to improving the domestic market are being undertaken. Conduct of Cardamom food festivals is another mode of campaign to this effect. Like the Deepawali gifts, the Board can consider some spice gift packets too to be distributed among the public.

It was also noted that during the visit of 7-member delegation to Saudi Arabia, Buyer-seller meetings will be held in Jeddah, Riyadh and Damam in association with the Embassy of India and Chamber of Commerce & Industry there. The Indian Embassy/Consulate has been requested to identify appropriate locations for the Meet.

**Item No.15: XII Five year plan proposals – Highlights**

Initiating the discussion, Smt. Sushama Srikandath spoke about need of professional lobbying whereby decision makers could be briefed well by the Spices Board. We need to work with professional lobbying groups so that our concerns and demands could be put forth to the global regulators. Spices Board should set up its own technical forum. She also advocated the necessity of developing a 'Brand India' image for the Indian products, that will appeal to consumers who believe that they are contributing to the unfortunate farmers to improve their livelihood. The pepper price now rules at Rs.335/- a kilo, but how much does the farmers get, she asked. There should be social accountability. She also requested that the samples being exhibited should be ones that promote Brand India with an accompanying story. Spices Board should have a larger stall in the fairs. We need to work together with Fair Trade Associations which is gaining more popular appeal than organic. We should also focus on North Eastern Regions by developing a net work so that the products from this region are an incentive to support the women and child welfare. We should look at final usage of spices to find out where we can add value in terms of providing an Indian spice vis a vis a Chinese spice or Egyptian spice.

Smt. Sutapa Majumdar also agreed with the suggestion of Smt. Sushama Srikandath. For lobbying as spokesperson, the matter may be taken up with the Government.

Shri Philip Kuruvilla stressed the importance of going in for cultivation of spices in non-traditional areas. IISR will have more research personnel who can come to our assistance. We will have to focus on unique products. Link established from farm to customer is absent.

Dr. Viju Jacob pointed out that Erode turmeric is of poor quality with low rate of curcumin content and the low quality Erode is mixed up with the good quality Kerala turmeric to earn higher price.

Dr. M. Anandaraj said that Lakadong Turmeric variety is also of good quality with 5.5% curcumin content while the Alleppey turmeric is with 6.5%.

Smt. Amrit Raj suggested to include the small-scale exporters also in the international fairs.

Shri P.T.Thomas stated that a meeting of small farmers may be convened by the Board in Idukki where the quick wilt disease is rampant. Pepper is not available for extraction purpose. We should identify the unique properties of the produce like pepper. IISR can help the Board in the matter.

**Item No.16: Status of Establishment of Spices Parks**

Dr. M. Anandaraj wanted to make the Spices Parks green Spices Parks with renewable sources of energy.

Shri P.T.Thomas and Shri G. Muraleedharan enquired about the status of the Spices Park at Pachady, for which allotment of the land was agreed by Govt. of Kerala in 2007.

The Board noted the progress of the setting up of the existing Spices Parks.

**Item No.17: Status of Establishment of QC Lab-cum-Training Centres**

The Board noted the progress.

**Item No.18: Constitution of expert committee to review/revise the existing rules and regulations governing the domestic marketing of Cardamom including the E-auction system**

Chairman informed that there are a lot of issues to be resolved in the existing rules governing the e-auction system. A committee of growers, auctioneers, traders and exporters may be involved in framing new set of regulations.

Shri K. M. Sulthan Ibrahim wanted to know who is eligible to pool cardamom in the auction. He also referred to the Circular issued by the then Director (Mktg.) in 2008.

Shri P.T.Thomas urged for a total change in the ongoing cardamom auction system. It is only because of the auction system that the farmers are facing the serious situation of price fall. He felt that a committee could look into the issues to recommend further action.

Shri G. Muraleedharan said that since the iteration time is low, buyers are not getting enough time to rethink and revise the price. The quantity to be auctioned need not be known to the auctioneers before the auction.

After discussion, an Expert Committee chaired by Shri Roy K. Paulose and consisting of Shri Jojo George, Shri K. M. Sulthan Ibrahim, Shri George Valy, Shri G. Muraleedharan and Shri Mathavan was set up to review/revise the existing rules and regulations of the domestic marketing of Cardamom including the scheduling of the present e-auction system. The Committee can co-opt representatives of stakeholders of the industry. The Committee should submit the report within three months.



**Item No.19: Review of export of spices from India during April-September, 2011 compared with April-September, 2010**

Smt. Sushama Srikandath suggested to convert the opportunities now available because of the current political situation in the countries like Syria, which is the largest producer and exporter of Cumin. Consumers are now turning to India. However, Indian cumin is not preferred because of noxious weeds. We can also work together with ASTA to remove the negative noxious weeds image of Indian cumin.

Shri Philip Kuruvilla is of the view that US will not allow the import of weeds even by accident. Although it is not an health hazard, they wanted to protect the environment of their country.

The Board noted.

**Item No.20: Review of import of spices into India during April-September 2011 compared with April-September, 2010**

The Board noted.

**Item No.21: Grant of Awards and Trophies to the exporters of spices for excellence in exports for the years 2009-10 and 2010-11**

Director (Mktg.) briefed about the Award procedures. The details of the application from the exporters for grant of awards and trophies could be published in the newspapers also.

The methodology for selecting the Innovator of Products was approved by the Board.

**Item No.22: IPC Awards**

Director (Mktg.) informed that as on 15th November, 2011, six applications have been sent to the IPC for awards.

Shri P.T.Thomas enquired whether there exists any subsidy or any promotional scheme for making white pepper. We should give some kind of support to the farmers in this area so that they get double the price for their produce.

Chairman clarified that the Spices Board has mandate only for Pepper Replantation & Rejuvenation programmes.

The Board noted.

**Item No.23: Spice House Certification**

Shri Philip Kuruvilla spoke about enhancing the quality standards. The EU Commission representatives during their visit to the Spices Board have stressed the importance of upgrading and monitoring the quality process and certification. FSSAI has a major role in the food manufacturing sector which need to be registered with them. If the Spices Board comes out with a new Certification, the FSSAI will approve the same. The focus is now shifted to FSSAI and food safety law. Stringent measures are need to enforce food safety. Food sector is now fast changing. There requires series of documentation on our part. We are now moving from 'Quality' to 'Safety'. Even the spices farmers will have to go through the safety practices in cleaning, grading, packaging and warehousing.

Smt. Sutapa Majumdar also agreed that the Certification system needed a change.

Chairman informed that we could consider appointing some Accreditation agency to help us in the Certification process due to the shortage of manpower.

Smt. Sushama Srikandath said that unless farming and post harvesting systems are changed, the quality system is not going to improve. We should have regular communication with the Ministry of Agriculture in this regard.

The Board approved the revision of the modalities of Spice House Certification.

**Item No.24: 39th Session and Meetings of International Pepper Community**

The Board noted.

**Item No.25: World Spice Congress**

The Board noted.

**Item No.26: Engaging Professionals to design and set up Spices Board stands in popular Domestic and International Food Shows**

The Board approved.

**Item No.27: Quality Improvement – Field Publicity campaigns for Nutmeg, Seed Spices in North India and for Chillies in Andhra Pradesh and Madhya Pradesh**

Deputy Director (Publicity) explained the massive field publicity and quality improvement campaigns undertaken by the Board in association with the World Spice Organization for Nutmeg, Seed Spices and Chillies. A committee has also been formed to find a suitable drier for Nutmeg.

The Board noted.

**Item No.28: Sugandha Darshan**

The Board noted the proposal.

**Item No.29: Suganda Vidyalaya**

The Board noted.

Chairman suggested that along with the certificate, we would give a small sachet of cardamom too to the students as part of increasing its consumption.

**Item No.30: Visit of the Hon'ble Minister for Minor Exports Crop Promotion, Sri Lanka to Spices Board**

The Board noted.

**Item No.31: Audit Report on the Accounts of Spices Board for the year 2010-11**

The Board approved the Audit Report on the accounts of Spices Board for the year 2010-11.

**Item No.32: Plantation Labour Welfare Scheme of the Board for the year 2011-12**

The Board approved a budget provision of Rs. 10.00 lakhs during the financial year 2011-12 for implementing plantation labour welfare schemes.

**Item No.33: Meeting with the Hon'ble Chief Minister, Kerala and follow-up action taken by the Spices Board**

The Members expressed grave concern over the sharp decline in the prices of Cardamom.

Shri K. M. Sulthan Ibrahim emphasized the need of Minimum Support Price for Cardamom as the wages of labourers, the cost of fertilizers, etc. have gone up.

Shri G.Muraleedharan said that the price of cardamom today is at Rs. 480-500 a kilo. The warehouse at the Spices Park is not beneficial to the farmers as the banks give only 60-70 percent of the cost of cardamom stored there. The labour charges have gone up and labourers have to be brought from Tamil Nadu.

Shri George Valy pointed out that there will be no export if there is no produce.

Chairman informed that the Ministry of Commerce has written to the Ministry of Finance for Price Stabilization Fund, but the proposal has not been cleared. Yet, we can have a separate meeting with the growers, traders and auctioneers to sort out the issues for price stabilization.

Shri P.T.Thomas wanted Permanent Support Price for Cardamom. The Spices Board can consider starting Spice franchise shops at the State capitals as a part of this. If the domestic market is not taken care of, the farmers will only suffer. So, internal market is very important.

Chairman read out the recommendation of the M.S. Swaminathan Commission on Idukki. If the Govt. of India gives Rs.250.00 crores to the Spices Board through FSTL, we can buy the cardamom and sell at a better price. The sale price and the entire benefits will be given to the farmers. The market intervention by the Government is very important.

#### **GENERAL:**

##### **1. WTO Symposium:**

Shri Philip Kuruvilla stated that the WTO Cell of Kerala is finding out why the export is coming down and how they can help in the matter. In this connection, the Government of Kerala, in association with the World Spice Organization and the spice exporters, is holding a symposium on December 13, 2011 at Kochi on the Kerala-based spices, viz. Pepper, Cardamom, Turmeric, Ginger and Nutmeg. Spices Board is coordinating the proposed symposium. Farmers are also invited to this symposium.

##### **2. Pepper development in Karnataka:**

Shri Abul Kalam referred to the proposal of the Board for the Pepper Replantation & Rejuvenation programme in Karnataka under the NHM. Chairman assured that the matter will be pushed next year.

##### **3. Vacancies of staff in Karnataka**

Shri Abul Kalam brought to notice regarding vacancies of staff in the offices of the Board in Karnataka, especially after the retirement of many incumbents. He informed that the posts of Fieldman, Assistant Directors and Scientists remain vacant in field offices and the RRS at Saklespur.

He also urged the Board to open a new office of the Board at Kalasa which is about 150 Kms away from Chickmagalur. The farmers at Kalasa and nearby places find it very difficult to commute to Chickmagalur and back for any assistance from the Board.

Chairman clarified that his requests will be considered.

**4. Land at ICRI, Myladumpara:**

Shri G. Muraleedharan stated that about 150 acres of land is available in ICRI. It will be better if cultivation of some more spices is undertaken there. We can increase the yield of spices from the land which remains unused.

Chairman clarified that during the XII five year plan period, demonstration plots will be started at ICRI.

Chairman thanked the members for their presence at the Board meeting in large numbers.

The meeting came to an end at 6.00 P.M. with a vote of thanks to the chair.

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