

**MINUTES OF THE 89th BOARD MEETING OF SPICES BOARD HELD  
ON 5th NOV 2020 AT 11.00 AM THROUGH VIDEO CONFERENCING**

The following Members were present.

1. Shri D.Sathiyam	Chairman-cum-Secretary
2. Shri. B Y Raghavendra, Hon'ble MP	Member
3. Shri. GVL Narasimha Rao, Hon'ble MP	Member
4. Shri Ajit Pai, OSD, Niti Aayog	Member
5. Dr. B.N. Srinivasa Murthy, Horticulture Commissioner, Ministry of Agriculture and Farmers' Welfare, New Delhi	Member
6. Dr. Varghese Sebastian Moolan	Vice-Chairman
7. Dr. Santhosh J Eapen, Director, ICAR-IISR, Calicut	Member
8. Dr. Tanweer Alam, Director, IIP, Mumbai	Member
9. Dr. M. M. Naidu, Representing Director, CFTRI, Mysuru	Member
10. Shri. Rajendra Kumar Kataria, The Secretary to Government, Horticulture & Sericulture Department, Karnataka	Member
11. Shri. Stany Joseph Pothen	Member
12. Ms. Annu Shree Poonia	Member
13. Shri. P. Vikram Reddy	Member
14. Dr. Dasam Umamaheswara Raju	Member
15. Shri. Bhojraj Saraswat	Member
16. Shri. T T Jose	Member
17. Shri. Nandyala Satyanarayana	Member
18. Shri. Rajendra Kasat	Member
19. Shri. Sen Thabah	Member

Leave of absence granted to

1. Adv. Dean Kuriakose, MP	Member
2. Shri Arun Kumar Dy Secretary, M/o Labour & Employment	Member
3. Economic Adviser, Ministry of Commerce & Industry	Member
4. Shri S G Medappa	Member

The meeting was presided over by Shri D Sathiyam IFS, Chairman-cum-Secretary. After welcoming the Board members, Chairman-cum-Secretary briefed on the activities of the Board during the past 3 months. He highlighted that during the period Apr – Aug 2020, there is an increase of 15% in volume and 13% in value of spices export compared to last year. The increase in US\$ is 4%. This shows that the export of spices is not affected due to Covid-19. On the contrary, it has created new export opportunities for Indian Spices especially spices having nutraceutical and immune boosting properties. He also informed the recent activities undertaken by the Board including the initiative in collaboration with AYUSH, Govt. of India for the promotion of Spices having health benefits, organizing International Buyers Seller meet with Embassy of Egypt, MoU with Quality Council of India for IndGAP certification, NSSP project in collaboration with industry.

Chairman thanked all the Members of the Board for the support given and also requested for their continued support to serve the sector.

He requested all the members to adopt the Agenda Note. Director (Admin) presented the agenda one by one as per the instruction of Chairman.

**ITEM NO. 1: CONFIRMATION OF THE MINUTES OF THE 86<sup>TH</sup> MEETING OF SPICES BOARD HELD AT KOCHI ON 16<sup>TH</sup> NOVEMBER 2019**

**ITEM NO. 2: CONFIRMATION OF THE MINUTES OF THE 87<sup>TH</sup> MEETING OF SPICES BOARD HELD AT KOCHI VIJAYAWADA ON 29<sup>TH</sup> FEBRUARY, 2020**

**ITEM NO. 3: CONFIRMATION OF THE MINUTES OF THE 88<sup>TH</sup> MEETING OF SPICES BOARD HELD ON 3<sup>RD</sup> SEPTEMBER 2020 THROUGH VIDEO CONFERENCING**

Chairman informed that the minutes of the 86<sup>th</sup> 87<sup>th</sup> & 88<sup>th</sup> Board meeting were kept pending with the previous Chairman due to certain reservations, and the same were circulated among the members for comments.

The Board confirmed the Minutes of the 86<sup>th</sup> 87<sup>th</sup> & 88<sup>th</sup> Board meeting placed vide Item No.1, 2 & 3 respectively.

**ITEM NO. 4: ACTION TAKEN REPORT ON THE DECISIONS OF THE 86<sup>TH</sup>, 87<sup>TH</sup> & 88<sup>TH</sup> MEETINGS OF SPICES BOARD.**

The Action taken report was presented by the Director. Dr. B.N. Srinivasa Murthy, Horticulture Commissioner informed that they have requested the States to include spices in the MIDH programme.

Shri. P. Vikram Reddy requested for additional allocation for Turmeric boilers & polishers for all over India.

The Board noted the action taken on the minutes of the 86<sup>th</sup> 87<sup>th</sup> & 88<sup>th</sup> Board meeting.

**ITEM NO. 5: ELECTION OF VICE-CHAIRMAN**

Chairman informed that the term of the Vice Chairman is completed. As per the Spices Board Rules 10(1) election is held before expiry of the term of office of an existing Vice-Chairman, from the date on which such Vice-Chairman shall vacate office.

Dr. Varghese Sebastian Moolan proposed Shri. Stany Joseph Pothen's name as Vice-Chairman and other members recommended and Shri. Stany Joseph Pothen was unanimously elected as Vice-Chairman of the Board for the period from 16h Nov 2020 to 15th Nov 2021.

Shri. Stany Joseph Pothen thanked all the members for having confidence and selecting him for the post of Vice Chairman. The Board thanked Dr. Varghese Sebastian Moolan for his services as Vice-Chairman during the last 1 year.

Shri. B Y Raghavendra, Hon'ble MP informed that he discussed with Hon'ble Commerce Minister and Commerce Secretary to Govt. of India regarding establishment of Spices Park in Shimoga under TIES. He informed that out of 100 acres available in Shimoga, 25 acres have been requested for Spices Park and remaining for Food Processing. He requested the Board to submit a proposal to the Ministry for financial allocation during the current financial year. Chairman replied that establishment of spices park requires a minimum of 25 crores which would be difficult to meet for the Board. As per the guidelines of TIES, State Govt may make application for allocation of fund under TIES and the Board will provide all technical assistance for the same.

Dr. B.N. Srinivasa Murthy informed that Govt. of India has introduced schemes on Agri Infrastructure Fund. Chairman replied that the scope in this regard may be explored as well.

## **ITEM NO. 6: APPOINTMENT OF STANDING COMMITTEES**

As per Spices Board Rules 11(2), The Board shall appoint (i) Executive Committee:

Chairman informed that the Committee came into existence during last month as the minutes of the decision taken during the last Board Meeting was approved in the last month. Members suggested to continue the existing committee. The Board approved the continuation of existing committee for one more year.

## **ITEM NO. 7 : STATUS OF CONSIGNMENT SAMPLES ANALYZED BY QUALITY EVALUATION LABORATORY, SPICES BOARD**

The Board noted the samples analysed by Board's Quality Labs.

Dr. Varghese Sebastian Moolan informed it has come to his notice that Saudi Arabia has again banned Indian Cardamom. Director (Mktg) informed that the Board is not aware of any such ban. Chairman explained that Saudi Arabia has not banned the cardamom consignment and they fixed MRL for 6 chemicals which are used in the cardamom cultivation. Based on the above, 6 chemicals have been brought under mandatory test for export consignment of cardamom based on the report from Spices board laboratories, the consignment will be cleared to Saudi Arabia.

Shri. T. T Jose informed that Indian Cardamom is targeted in many Gulf countries and many hidden barriers are created to discourage import of Indian Cardamom into in these countries. Entry of Indian Cardamom in countries like Qatar, Bahrain, Saudi Arabia is getting restricted. He requested the Board and all the Hon'ble MPs to take up the matter with Indian Embassies regarding the MRL fixed by the countries through Ministry of Commerce, Govt of India.

Shri. Santhosh J. Eapen, informed that our country has MRL value only for few chemicals for spices and we have to take concrete steps for fixing MRL for all the chemicals in spices.

Chairman replied that the matter will be taken up by the Board. He has also clarified that the MRL fixed by the Importing country, should be met so as to avoid rejections, even though no MRL is fixed in India. With regard to Qatar, the Board has not received any communication regarding MRL set for spices import. The Board will take up the matter with Qatar Authorities.

Shri GVL Narasimha Rao, Hon'ble MP informed that during one of the meetings held with chilli exporters, they informed that they are not aware of any requirement for pesticides test for chilli export to Thailand. He requested to share the details of such requirement to him for informing to the exporters. The exporters also said that the results of test report take much time and he requested the Board to provide specific time frame in issuing the report. Due to delay in issuing report, the exporter

may miss the containers and may lead to cancellation of their orders. The Board may even collect additional charges for speedy issue of test reports.

He further informed that chillies are grown in Dharwad Region but testing facilities are not available in Karnataka. He suggested to explore the possibility of using the facilities available in NABL accredited lab in IIHR for pesticide testing where sophisticated equipments are available. He also suggested to consider other quality labs certified by Govt for testing spices. In the light of the new Farmers PTC act, he suggested the Board to consider a part of the spices park to operate as market yard where the farmers can get better price. He also suggested to disseminate the provisions in the new act through workshops organised by the Board and to ensure that the Spices sector is getting the benefit of this new act.

Chairman assured that the details of MRL fixed by the Thailand Govt will be shared to all the exporters. The Board will explore the possibilities of utilising the services rendered by IIHR. With regard to testing of samples through private labs, he explained that the Board had already conducted studies. As the Board is a regulatory body, the Board wanted to ensure that the participating labs are ensuring proper standards and uniformity in delivery. The proposal for accrediting private labs was kept pending as the result of the study was not satisfactory. Moreover the Board has established 8 labs in the spices hubs and their capacity could meet the existing demands.

The issue of delay in delivery of analytical report was due to certain restrictions during the Covid 19 period. The Board has nominated Nodal Officer for taking care of the issues raised by the exporters and the details are shared on its website. He assured that the proposal for issue of urgent test report at an additional cost basis will be examined. The proposal of Hon'ble MP for turning the spices park into market place will also be explored. In connection with the proposal, he informed that Spices Park at Puttady was accepted as a Market Yard for Small Cardamom by Govt of Kerala. The Board is waiting for approval from Ministry of Agriculture, GoI for enabling online sale of cardamom through e-NAM portal with possible customization. Regarding familiarisation of Govt of India Schemes and benefits under Farmers PTC act, Chairman informed that the officers from MoA & MoFPI are invited to the Board's webinars and workshops for disseminating the new schemes of GOI for the benefit of farmers and FPOs.

Shri. Rajendra Kumar Kataria requested to explore the possibilities of utilising the lab facilities available in the universities. The Board may impart sufficient training to the university personnel. He also requested to write a letter to the universities and share the copy of communication with him for further follow up. This proposal was accepted.

Chairman informed that the Board has already initiated action for exploring the possibilities of utilising the Lab facilities available in the universities. He also explained that the Board is undertaking

two types of testing viz. mandatory test for exports and voluntary test for farmers/exporters. The Board is approaching agricultural universities for testing basic parameters of farmer's samples. Chairman informed that the Board would be writing to the states on this matter and requested the Commissioner of Horticulture to provide support on the matter and issue necessary guidelines to the Universities.

Shri. GVL Narasimha Rao, Hon'ble MP informed that the APMC, Guntur has some equipments which are under-utilized due to lack of technical knowledge and personnel. He requested the Board to provide necessary technical advice to APMC on the same. Chairman assured the required technical advice/training will be provided by the Board.

#### **ITEM NO. 8 : ESTIMATED EXPORT OF SPICES DURING APRIL -AUGUST 2020 COMPARED WITH APRIL-AUGUST 2019**

The export figures were presented by Director Mktg. The export figures show that there is considerable increase in export volume & value and the export has a positive trend. Shri. Ajit Pai from Niti Ayog enquired about the export targets fixed by the Board for the five year period. He wanted to know whether the achievements are with positive trend. Chairman explained that during 2019-2020, the Board has crossed the milestone of 3 billion US\$ in export of spices. The Board has set an export target of 10 billion US\$ in 2030, tripling the current level of export. By 2025, the Board wants to achieve the target of at least 5 billion US\$ exports.

Dr. Varghese Sebastian Moolan informed that, to achieve the above target, the Board has to take steps with Ministry of Agriculture to increase the production of spices from India particularly Chilli. He also enquired about the status of his proposal for bringing 25 more spices under Spices Board's purview. Chairman explained that the Board has given its comments on his proposal to the Ministry.

Chairman informed that there is an increased demand for spices having immune boosting capabilities. Realising this demand, the Board has sent a proposal to Ayush Ministry for collaborative efforts for promotion of such spices. An action plan is worked out for collaborative efforts. Similarly, the sector needs to take advantage of the recent scheme for farm mechanisation support announced by the GoI. The Board has collected the details of FPOs and entered into an agreement with NCBC to provide support FPOs. The Board also proposes to organise programmes for FPOs.

Shri Stany Joseph Pothen pointed out the increase in export of small Cardamom compared to last year. Chairman informed that the increase of cardamom export is the result of delegation of Spices

Board officials and cardamom exporters to Saudi Arabia. SFDA has accepted CODEX Standards for Cardamom and reduced the chemicals from the earlier prescription of 120 chemicals to 6 chemicals and hence the export of cardamom is increased. The Board is creating awareness among cardamom farmers to use pesticide in a judicious way.

Shri. Ajit Pai pointed out the increase in import of Cinnamon. It was clarified that Cinnamon production in India is very low and is not meeting the domestic demand. Hence it is imported for domestic use as well as for re-export after value addition. It is imported mainly from Srilanka.

The Board noted.

**ITEM NO. 9 : SETTING UP OF QEL, KOLKATTA AND SPICE PARK LAB AT RAE BARELI**

The Board noted the status.

**ITEM NO. 10: SUBMISSION OF APPLICATION FOR GETTING GI STATUS TO RAMNAD MUNDU CHILLI**

The Board noted.

**ITEM NO. 11: CONDUCTING BUYER SELLER MEETS (BSM) FOR BUILDING DIRECT LINKAGES**

The Board noted.

Shri. GVL Narasimha Rao, Hon MP suggested to invite all the Board Members for the buyer seller meets and Stakeholders meeting as observers so that the members can improve their knowledge on the subject.

Chairman replied that presently the Board is inviting the Members from respective State / Region and assured that invitation will be extended to all Board members.

Shri. P. Vikram Reddy requested a BSM for Turmeric in Telengana and Chairman clarified the same has already been included in the current agenda item.

**ITEM NO. 12: RECOMMENDATIONS OF MARKET DEVELOPMENT (MD) COMMITTEE MEETING HELD ON 27.10.2020 IS PLACED BEFORE THE BOARD.**

**Sub item 1: Enhancement of development charges and annual lease rent of land allotted in Spices Parks to the prospective entrepreneurs**

The Board approved the recommendation of Market Development (MD) committee to continue the existing rate considering the Covid-19 situation and its impact on business and economy.

**Sub item 2: Applications received for Manual auction License for cardamom from the state of Karnataka.**

The Board accepted the recommendation of MDA committee and approved the proposal.

**Sub item 3: Allotment of plots on lease to exporters at spices parks- Additional clauses in the agreement to ensure timely establishment of processing units in the allotted plots.**

The matter was discussed in detail. Replying to a query raised by Shri. GVL Narasimha Rao, Hon'ble MP, Chairman clarified that eligibility for land allotment in Spices Park is that the applicant should have valid CRES issued by the Spices Board. Interested parties have to respond to the EoI released by the Board for allotting vacant plots. Hon'ble MP appreciated the initiative of the Board and supported the proposal.

The Board approved the recommendation of MD committee for imposing penalty condition to ensure timely completion of establishment of processing units and commencement of operations in the allotted plots in the Spices Park.

**Sub item 4: Details of show-cause notice issued to the plot allottees in spices parks and reply received from stakeholders.**

The members observed that the MD committee could not come to a consensus regarding refund of development charges and hence the committee suggested to place the proposal before the Board. The Board members discussed this at length. The Board members suggested to get legal opinion on this by examining the terms and conditions of the existing agreement and to arrive at a decision by circulation.

Shri. Staney Pothan suggested that the warehousing facilities available at Spices Park Puttady may be managed directly by the Board and available land in Spices Park Puttady may be put to use. It was



clarified that the land in Puttady Spices Park belongs to Cardamom Development Fund which is a different trust and Board has taken the land on lease for establishing Spices Park.

Dr. Varghese Sebastian Moolan requested the Board to acquire some more land adjacent to Puttady spices Park and allocate to exporters. Chairman replied that, due to paucity of fund, the Board is not in a position to purchase land now and the priority is to fully activate all Spices Parks which are already established.

**Sub item 5: Allotment of land to entrepreneurs for establishing Mint/Spice Processing Units at Spices Park Rae Bareli**

The Board approved the recommendation of MD committee to allot the land as per the EoI requests on new terms and conditions (Sub item 3) and invite fresh EoI for allotment of plot No.3.

**Sub item 6. Additional Agenda**

**Revision of the block period for issuing the Certificate of Registration of Exporters of Spices (CRES)**

The Board is issuing the Certificate of Registration as Exporter of Spices (CRES) for three-year block period commencing from the 1st September of the commencing year and ending on the 31st August of the ending year. The current block year is 2017-2020 and it is extended to 31st Dec 2020 due to Covid-19 situation.

Chairman informed that many applicants who apply for CRES have requested to consider the validity of CRES of 3 years from the date of issue of the certificate by removing the block year period concept. Necessary amendments are to be made in the CRES regulation upon Board's approval.

The Board approved the proposal.

**TABLE AGENDA**

**ITEM NO. 13: STREAMLINING OF MANDATORY TESTING AND CONCESSION FOR VOLUNTARY TESTING OF SPICE SAMPLES BY FARMERS.**

Chairman replied to the query raised by Shri. Stany Joseph Pothen that the concession in rate of analytical test was fixed based on the actual expenditure incurred for purchase of chemicals and maintenance of equipments used for testing.

Shri. Stany Joseph Pothan suggested, with respect to cardamom, the Board should encourage farmers community to practice Good Agricultural Practices and it has to be certified by the National Agencies. Farmers have to spend more cost for certification if they go individually. He requested to support the programme under MIDH.

Chairman replied that, with regard to organic certification, the Board has a scheme in place and preference can be given to farmer groups / FPOs as suggested by the member.

Shri. Stany Joseph Pothan informed that the cardamom variety ICRI 5 released by ICRI is suitable for organic farming and requested to make available sufficient planting material for direct supply to the farmers. He suggested to popularise the variety and encourage farmers by way of establishment of demonstration plot. Director (Research) replied that ICRI supplies suckers to farmers. Since the Board could not meet the requirements in full, it is encouraging certified private nurseries for multiplication of ICRI 5 for meeting the requirement. Shri. Stany Joseph Pothan suggested to multiply the planting materials through Government Agencies instead of private nurseries as the farmers are not confident in confirming the exact variety. Chairman replied that private nurseries are encouraged for meeting farmers requirement locally and the quality of the material will be ensured by the Board.

Shri. GVL Narasimha Rao, Hon'ble MP suggested that the testing of farmers sample can be undertaken by other agency as the certificate is not meant for export. The quality analysis can be at Market Yard, FPO & Village level to reduce the quantum of testing by the Board. Board can be an advocacy body on this aspect.

Chairman informed that the Board will contact agricultural universities and other agencies to provide the analytical services to the farmers as a first line of action. Required training on quality testing can be imparted to the technical personnel of Agricultural universities. The Board will also explore the possibility of supporting the Market Yard. The Board can give training to the personnel and technical support to the market yard. Chairman assured testing facilities will be extended at Puttady and Jodhpur spices park.

Dr. Santhosh J. Eapen conveyed that IISR is capable and willing to do pesticides tests and it was noted for further examination.

**ITEM NO. 14: ON BOARDING OF THE SCHEMES OF THE BOARD ON THE NATIONAL ELECTRONIC ONLINE PLATFORMS OF THE GOVERNMENT OF INDIA FOR DELIVERING ELECTRONIC-SERVICES TO THE CITIZENS.**

The Board noted.

**ITEM NO. 15: MERGER OF THE POST OF DEPUTY DIRECTOR(PUBLICITY) WITH MARKETING DEPARTMENT AND OPENING PROMOTION CHANNEL TO THE OFFICIALS WORKING IN PUBLICITY DIVISION TO THE MARKETING DEPARTMENT.**

Chairman informed that the Board is in the process of selecting qualified personnel as Marketing consultant from retired employees. Ministry has approved 9 Marketing consultants for export promotion throughout the country. Chairman also informed that, the Board has requested the Ministry of approval to fill up the vacant sanctioned posts as the Board is facing acute man power.

The Board approved the proposal of merger of the post of Deputy Director (Publicity) with Marketing Department and opening a promotion channel to the officials working in Publicity Division to the Marketing Department.

**ITEM NO. 16: PROPOSAL FOR CONSTRUCTION OF NEW QUARTERS FOR SC LABOURERS WHO ARE WORKING IN THE ICRI FARM AT MYLADUMPARA.**

Considering the dilapidated condition of the Labour quarters and provisions in the Plantation Labour Act for providing accommodation to Labours, the Board approved the proposal for construction of new quarters for SC labourers working at ICRI Myladumpara.

**ITEM NO. 17: CONTINUATION OF E-SPICE BAZAAR PROJECT**

Shri. GVL Narasimha Rao, Hon'ble MP suggested to consider all agri market applications which are launched by various agencies and its current status. The Board may consider all aspects of agri market applications and take adequate care and corrective steps in continuing eSpiceBazaar project to perform better than that of any other agri market applications. It was noted.

The Board approved the proposal to continue the eSpiceBazaar Project

**ITEM NO.18 : Any other issues**

Shri. Stany Joseph Pothan requested to increase the allotment and area for the rejuvenation subsidy scheme as cardamom farmers are struggling to get good price. The subsidy rate for irrigation scheme has to be increased to at least 50% of the total cost. He was requested to send details to the Board for consideration. He also informed that, in the light of the new farmers act passed by the Parliament, the auctioneers have started private auctions and requested Board's intervention in the matter. Regarding Private auctions, Chairman informed that the Board has already taken up the matter with Ministry of Agriculture through Ministry of Commerce for clarification on the applicability of the recent FTPC Act to cardamom and waiting for a reply.

Shri. GVL Narasimha Rao, Hon'ble MP suggested that the Board has to explore the possibility of increasing the internal revenue instead of relying on the Government fund. Chairman replied that the Board is trying to diversify and increase the internal revenues which is mainly from lab services. Outsourcing of lab services may adversely affect Board's revenue.

Dr. Santhose J. Eapen informed the Board that the institution like IISR & NRCS on Seed Spices are working for spices. The technology diffusion is not happening He requested the Board to promote such technologies and work in a collaborative manner.

Shri. BNS Srinivasa Murthy suggested that the contract farming should be encouraged through BSM wherein Exporters, Farmers & FPOs participate. It was assured that the same will be supported by the Board.

Chairman thanked all the members for their active participation and deliberations in the Board meeting

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