

**MINUTES OF THE 95<sup>th</sup> BOARD MEETING HELD ON HYBRID MODE AT VANIJYA BHAVAN, NEW DELHI ON 29TH JUNE 2024**

The 95<sup>th</sup> Meeting of Spices Board was conducted in hybrid mode on 29<sup>th</sup> June 2024 at Vanijya Bhawan, New Delhi. The meeting commenced at 11.30 am. Shri Amardeep Singh Bhatia IAS, Additional Secretary, Ministry of Commerce & Industry and Chairman, Spices Board, chaired the meeting.

Out of 15 members of the Board at present, the following participated:

1. Shri Amardeep Singh Bhatia IAS, Chairman
2. Shri S. K. Sathyanarayana, Vice-chairman
3. Dr K. G. Jagadeesha IAS, Secretary (in-charge)
4. Shri S. Thirumurugan, Member
5. Dr Neelam Patel, Senior Advisor (Agriculture), NITI Ayog, Member
6. Dr R. Dinesh, Director, ICAR-IISR, Member
7. Dr Vanlalramsanga IES, Economic Advisor, Ministry of Commerce & Industry, Member
8. Dr Atya Nand, Director, Ministry of Labour and Employment, Member
9. Shri Gautam Ghosh, Member (attended online)
10. Shri Chandrasekhar Singh Raghuvanshi, Member (attended online)
11. Dr Prabhat Kumar, Horticulture Commissioner, Ministry of Agriculture & Farmers Welfare, Member (attended online)

In addition, the following Directors of the Board attended the meeting with the permission of the Chair.

1. Dr. A.B. Rema Shree, Director (Research & Finance i/c)
2. Shri Basisth Narayan Jha, Director (Marketing) i/c
3. Shri Dharmendra Das, Director (Development) i/c

**ITEM NO.1: CONFIRMATION OF THE MINUTES OF THE 94<sup>TH</sup> BOARD MEETING HELD IN HYBRID MODE ON 30<sup>TH</sup> JANUARY 2024 AT KOCHI**

The Board confirmed the minutes.

**ITEM NO.2: ACTION TAKEN REPORT**

2.1 In regard to revamping of the firefighting system in Spices Park, Guntur, the Director (Marketing) informed that the estimate from CPWD would be received shortly. The firefighting work should be completed quickly and a report placed in the next Board meeting for review.

2.2 In regard to auctions conducted without obtaining license from Spices Board, the Secretary informed that a team of officials had been constituted as advised by the legal counsel to inspect the two firms, to find out their legal validity. The inspection of the firms should be completed and take actions based on the findings of the team within 45 days for which the Board delegated authority to the Secretary.

2.3 In regard to the circular issued regarding display of the sample collection and refund details in pooling centers, the Chairman suggested to have a monitoring mechanism through random inspection by the Board's officials at pooling centers and the data collected through sampling should be analysed

  
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and used for decision making to improve functioning etc.. Action taken report should be furnished in the next Board meeting.

### ITEM NO.3: STATUS OF FUNCTIONING OF SPICES PARKS

3.1 The Director (Marketing) presented the status of the common processing units and units established at Spices Parks and its performance. While noting the current performance of the Spices Parks, the Board felt that a study needs to be conducted to assess the performances of the common processing units, storage units, and units established at Spices Parks based on the installed capacity and its utilization, for considering replacement of old / outdated equipment with new machines / technologies, to identify the challenges, and steps to be taken for improving the performance of Spices Parks, etc., with clear timeline.

3.2 After detailed discussion on the performance of Spices Parks, the Board decided the following:

a) To prepare a problem statement and suitable Terms of Reference (TOR) by a three-member team for the study to be entrusted to an identified agency.

b) To appoint any one of the competent agencies viz. NIFTEM or NABCON or any similar agencies to visit each Spices Park to assess the performance, study the challenges, feasibility of increasing efficiency of running of the Spices Park through alternate outsourcing/contracting/PPP models and submit recommendations to the Board for improving the performance of the Parks, within three months.

C) Action taken to be placed in the next Board meeting.

3.3. The Director (Marketing) also presented the actions taken viz. cancellations letters issued, time extension letters issued and show cause notices issued to the plot holders as decided in the 94<sup>th</sup> Board meeting. The Director (Marketing) added that as on date, a total of 16 responses received (14 as indicated in the table given in agenda and two responses received from Spices Park, Sivaganga) and requested the Board for decision on the responses received from plot allottees seeking time extension to commence construction, surrender of plot and not registered lease deed but sought time extension for construction.

3.4 Secretary briefed the Board on the suggestions put forth by the MD Committee of the Board.

a) Whenever an EOI is invited for allotment of plots, minimum financial turnover for various categories of applicants viz. woman, start up, companies, etc., and submission of financial statements (audited balance sheets) may be indicated in EOI. DPR should invariably indicate the source of funds and timelines for establishing the unit. It was suggested to include the following clauses in the plot allotment letter:

i) If the applicant satisfies eligibility conditions, a provisional allotment letter will be issued to the applicant subject to the condition that the applicant would show the proof for availing funds through bank loan or availability of funds in own bank account or certificate / approval letter for establishing unit under schemes from the scheme implementing agencies within three months from the date of issue of provisional allotment letter. If the proof for sourcing of funds is not submitted within three months, the provisional allotment will automatically get canceled.

ii) On receipt of the proof for sourcing up of funds, the Board will issue final allotment letter with a condition to commence construction in the plot within two months from the date of issue of final allotment letter and to complete the construction and commence commercial production within one year from the final allotment letter. If there are reasonable justifications for delay, a maximum of six months' time extension will be given on case to case basis. If the milestones are not achieved, the plot allotment will automatically get canceled.

b) Whenever, an exporter submits EOIs for allotment of plots in two or more than two spices parks, no further plot allotment will be considered in any other parks until the unit is completed and functional in the plot already allotted.

c) The committee recommended to cancel the plot allotment if there is no response received from plot allottees after issue of show cause notices.

d) In the case of responses received from plot allottees for show cause notices that they have commenced construction with justifications, the Committee recommended to grant a time extension of maximum three months to complete construction and commence the production.

3.5 After detailed discussion, the Board decided the following :-

a) The Board approved the suggestions of the MD Committee as above except suggestion 'c'.

b) In regard to the plots allottees, who made offer for surrender of plots, the Board decided to accept the surrender as per the terms and conditions in the agreement.

c) In regard to plot allottees, who have not responded to the show cause notice as well as the plot allottees who have not signed the agreement but requested time extension, the Board decided to seek opinion of the legal counsel and proceed for canceling such plot allocations. Further, the Board decided to give authority to the Secretary of the Board to take action in this regard based on the legal opinion, and for completing the process before the next Board meeting.

**ITEM NO.4 : STATUS OF ESTABLISHMENT OF SPICE COMPLEX IN SIKKIM**

4.4 As per the decision in 94<sup>th</sup> Board Meeting, Shri Pijush Chakma, Chief Engineer (CE), Siliguri and Executive Engineer (EE), Gangtok from CPWD joined for this agenda through virtual mode to provide an update on the status of Spice Complex in Sikkim. The CE made a brief presentation on the present status, milestones fixed and the challenges in implementing the project.

4.5 The Chairman asked the CE to confirm whether the timeline indicated by CPWD to complete the project i.e. 31.07.2025 has taken into account the challenges mentioned. The CE replied affirmatively. Further, the Chairman advised to make efforts to complete the project before the commencement of the next monsoon season. CPWD should examine that there is no compromise on quality of work.

4.6 The Secretary asked the CPWD to send the PERT chart to the Board for monitoring the project. The EE, CPWD agreed to share the PERT chart to Spices Board.

The Board noted the present status of establishment of Spice Complex project in Sikkim and asked Secretary, Spices Board to regularly review the progress and report to the Board.

**ITEM NO.5: EXPORT OF SPICES FROM INDIA DURING 2023-24 IN COMPARISON WITH PREVIOUS YEAR**

5.1 The Director (Marketing) presented the export performance of spices during 2023-24. While noting the higher export performance of spices during 2023-24, the Chairman pointed out that the reported reduction in exports of chilli to Mexico should be examined, and measures taken to address the decrease in exports. It was also suggested that the export performance of value added products of chilli and their destinations may be analysed, for action..

5.2 In regard to downward trend in exports during May 2024 compared to May 2023, the Secretary clarified that the export during May 2023 was abnormally higher due to higher purchase of seed spices by China and the export during May 2024 is higher than the exports in May 2022 and May 2021. Further, the Secretary added that the impact of quality - EtO issue in exports would be analyzed after receipt of item wise export of spices for May 2024 and actions would be initiated to increase the exports of spices.

5.3 Dr R Dinesh, Director, IISR suggested to focus more on processing and value addition to achieve the export target of 10 billion USD.

5.4 Dr Vanlaramsanga, Economic Advisor, MoCI highlighted about higher export performance of spices from India during last three years and suggested to gain market share in export to US, EU, etc., by moving up the value chain (processed spices) and leveraging GI tagged spices like Mizo chilli, etc.

5.6 Dr Atya Nand, Director, Ministry of Labour and Employment suggested to work with Indian Embassies in the buying countries and CII to boost the export of spices.

5.7 After detailed discussion, the Board decided the following.

- a) To address the challenges in export of chilli to Mexico and conduct BSM with importers of chilli in Mexico for increasing the exports.
- b) To evolve road map / strategies to achieve the export target of 10 billion USD in spices by 2030, taking into account moving up the value chain at each stage from raw materials to exports, leveraging the GI tagged spices and recommendations made in the Chintan Shivir and place it in the next Board meeting.

**ITEM NO.6: IMPORT OF SPICES INTO INDIA DURING 2023-24 IN COMPARISON WITH 2022-23**

6.1 The Director (Marketing) presented that the import of spices into India during 2023-24 increased due to import of raw materials for value addition, domestic consumption, higher domestic price, etc. The Chairman suggested that the impediments in import of raw materials for value addition and re-export must be identified and taken up for addressing at appropriate levels.

6.2 Shri Thirumurugan, Member highlighted the concern on higher import of small cardamom into India during 2023-24 affecting domestic prices and also the re-export of imported cardamom as Indian cardamom. He requested to take actions to prevent the same. The Chairman suggested to study the re-export of imported cardamom as Indian cardamom by analyzing quality parameters and DNA fingerprinting.

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6.3 After detailed discussion, the Board suggested to study the imports of spices in depth i.e., how much is imported in raw material as well as value added form and also to find out whether raw materials exported from India is imported into India as value added products for domestic consumption.

**ITEM NO.7 : REPORT OF THE COMMITTEE CONSTITUTED BY THE BOARD TO STUDY THE SYSTEM FOLLOWED BY THE COMMODITY EXCHANGES AND REGULATIONS OF SEBI ON RISK MITIGATION, CLEARANCE AND SETTLEMENT MECHANISMS INCLUDING THE ALTERNATIVES TO BG, ETC.**

7.1 The Director (Marketing) presented the report and recommendations of the expanded BG Committee and informed that the auction in commodity exchanges (are future markets where contract duration may range from three to six or more months) is different from the Cardamom auctions conducted by the Board (is more like a spot market). Hence, the Committee recommended to continue the BG (Bank Guarantee) to cover the risk of non-payment to the growers and as a mechanism of risk mitigation tool for transaction settlement.

7.2 The Chairman pointed out that there were two types of risks in cardamom auction i.e., non-payment by traders to auctioneers and non-payment by auctioneers to growers and hence proposed to examine the escrow account system for payment, for addressing these risks.

7.3 The Secretary suggested to implement linking of bank accounts of growers in auction system.

7.4 After detailed discussion, the Board decided the following:

- a) To continue the existing BG amount calculation for issuance of fresh and renewal of cardamom auctioneer license as decided in the 94<sup>th</sup> Board meeting.
- b) To allow the auctioneers belonging to the FPO category (in which every farmer member is a shareholder), to pool / trade up to 200 % of the BG amount in an auction.
- c) The Board suggested to have stakeholders consultation to implement the above two decisions and the decision taken in the 94<sup>th</sup> Board meeting to reduce the payment period to the growers from the existing 10 days to six days and payment from dealer to auctioneer in five days . After the stakeholder consultation, proposal to be send to the MoC for approval to amend the Cardamom Licensing and Marketing Rules 1987

**ITEM NO.8: REPRESENTATION FROM ITCPC, AN AUCTIONEER REGARDING WAIVING OF BG LIMIT BASED ON THE UNDERTAKING FROM THEIR MEMBER GROWERS**

The Director (Marketing) briefed about the background, request of M/s ITCPC for waiving of the BG limit based on the undertaking from growers, filing of Writ petition and directions of the Hon'ble court. The Secretary informed that the MD Committee recommended to provide 50% concession in BG amount to Farmer Producer Companies. The Board did not agree to the recommendation of MD Committee and decided that if the auctioneers belong to FPO (in which every farmer member is a shareholder), they will be allowed to pool / trade 200 % of the BG amount in an auction.

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**ITEM NO. 9: ORDER OF THE SECRETARY, SPICES BOARD IN COMPLIANCE TO THE JUDGMENT DATED 14.12.2023 IN WRIT PETITION WP (C) NO. 16324 OF 2021 FILED BY SHRI V P RAJENDRAN, CHEMMANAR**

The Board Noted.

**ITEM NO.10: ORDER ISSUED BY THE SECRETARY, SPICES BOARD IN COMPLIANCE TO THE JUDGMENT DATED 7.03.2024 IN WRIT PETITION WP (C) NO. 9208 OF 2024 FILED BY CARDAMOM GROWERS ASSOCIATION, VANDANMETTU AND JUDGMENT DATED 27.03.2024 IN WRIT PETITION WP (C) NO. 12474 OF 2024 FILED BY KERALA CARDAMOM DEALERS CHAMBERS IN HON'BLE HIGH COURT OF KERALA**

10.1 The Secretary briefed the background, concerns raised by the Cardamom Growers Association and Kerala Cardamom Dealers Chambers during hearing and issuance of speaking order by the Secretary modifying the conditions for pooling by dealers in auction (as per the existing Circular-pooling up to 25 tons by dealers in an auction) that "the cardamom pooled by the licensed dealers in any auction shall not cross 25% of the total volume (quantity) put to auction and licensed auctioneers shall ensure the same. Accordingly, Director (Marketing) issued a modified circular on 31.05.2024.

10.2 Secretary added that an irregularity was noted that the same dealer bought the same lot pooled by him in the auction. Consequent to the order, Director (Marketing) issued Circular dated 3.06.2024 to the auctioneers directing them to ensure that no dealer shall be allowed to purchase the same lot pooled by him in any auction.

10.3 The Board ratified the decisions taken by the Secretary.

**ITEM NO.11 RECALL OF SPICES (CURRY POWDERS / MASALAS) BY HONG KONG AND SINGAPORE DUE TO THE PRESENCE OF ETHYLENE OXIDE ABOVE PERMISSIBLE LIMIT**

11.1 The Secretary briefed the background of the EtO issue and detailed the actions taken by the Board on the matter.

11.2 After detailed discussion, the Board decided the following:

- a) To verify the actions taken by the exporting firms (M/s Everest, etc.) to address the export rejections
- b) To create awareness on EtO testing methods among the exporting firms having testing facilities
- c) To revise the comprehensive guidelines for reducing EtO contamination by a Technical Committee
- d) To increase mandatory testing for export to the UK, USA, etc., as per requirement.
- e) To do assessment of pesticide residue testing in supply sector.
- f) To re-examine the Spice House Certificate star rating proposal by a committee consisting of FSSAI, QCI, Spices Board, etc., and also to include a minimum of 75% assessment marks for food safety and quality measures in supply chain and remaining 25% marks for other requirements including the turnover in the star rating proposal.

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**ITEM NO.12: PROPOSAL FOR CONSTRUCTION OF ADDITIONAL OFFICE SPACE AT ROUND FLOOR AND REPAIR & RENOVATION OF RO CUM QEL BUILDING OF SPICES BOARD AT MAHAPE, NAVI MUMBAI**

1.1 The Director (Marketing) presented the background and need for additional office space for SRD considering the increase in number of samples for testing and need for repair & renovation of RO Cum QEL, Mumbai.

1.2 The Chairman suggested to assess the capacity of all labs of the Board based on each laboratory and the machine / equipment in each laboratory in terms of the number of samples that can be analyzed per day.

1.3 Subject to the above, the Board approved the proposal.

**ITEM NO.13: ANNUAL ACCOUNTS OF THE BOARD FOR THE YEAR 2023-24**

1.1 The Board examined the annual accounts statement in detail. The Chairman desired to know why Annual Accounts of the Board has not been directly presented to the Parliament. The Secretary clarified that as per the latest orders of the CAG, the annual statement of accounts should come first to the Board and after getting approval of the Board, it should be presented to the Parliament.

1.2 The Chairman noted that the land value is shown as depreciated in the case of Spices Park, Mahape and sought reason for the same. It was clarified that this was an advance given to the Government of Gujarat. But later the proposal was canceled and the amount so advanced will be credited to our account in the current financial year.

The Board approved for onward submission of the Annual accounts of the Board for the year 2023-24 to CAG for Audit.

**ITEM NO.14: STATUS OF SAMPLES ANALYZED BY QELS OF SPICES BOARD**

The Board noted.

**ITEM NO.15: COMMENCEMENT OF MANDATORY TESTING FOR ETHYLENE OXIDE FOR CONSIGNMENTS TO SINGAPORE AND HONG KONG**

This was already discussed under Item No.11

**ITEM NO.16: ANNUAL ACHIEVEMENT OF EXPORT ORIENTED PRODUCTION DURING 2023-24**

The Board noted.

**ITEM NO.17: CARDAMOM (LARGE & SMALL) PRODUCTIVITY AWARDS DURING 2023-24**

The Director (Development) explained the criteria and different guidelines adopted for deciding the outstanding production of cardamom and the Board noted the recommendation with regard to productivity award.

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**ITEM NO.18: IMPACT OF DRY SPELL ON SMALL CARDAMOM IN IDUKKI DISTRICT, KERALA AND PROPOSAL FOR ADDITIONAL FUND**

In order to support the efforts of growers and to stabilize farm level production and productivity, the Board submitted a proposal to the MoC seeking additional funds of Rs.5.5 crore during 2024-25 to implement small cardamom replanting in 300 ha. The Board observed that while the proposal may be provided with the appropriate authorities, the existing provisions for replanting in the approved scheme may also be used after ensuring that there is no duplication..

**ITEM NO.19: RECONSTITUTION OF SAFFRON PRODUCTION AND EXPORT DEVELOPMENT AGENCY (SPEDA)**

The Board noted the action plan for production, processing and export development of saffron in the five years for placing in the forthcoming SPEDA meeting. It was clarified that nomination from the Ministry is required for reconstituting the SPEDA and the Ministry has already been requested for nominating the officials. The Secretary informed that Dr. Prabhat Kumar, Board Member and the Horticulture Commissioner, Ministry of Agriculture & Famers welfare, Government of India will nominate two members to SPEDA.

The Board approved the proposal.

**ITEM NO.20: APPROVAL FOR OPENING AN IPM SEVA KENDRA AT ICRI, MYLADUMPARA**

The Director (Res) explained that the IPM Seva Kendra is implemented with collaboration of ICAR-Indian Institute of Spices Research (IISR) and Kerala Agricultural University ( KAU) at an of annual recurring expenditure of Rs.5 lakhs. The Board asked for information on the success indicators for the Seva Kendra such as the quantity of IPM kit sold, how much is the compliance, etc. The Board suggested to do a trial and comeback with necessary data and scope at the end of the year for consideration in the next Board meeting.

**ITEM NO.21: APPRAISAL ABOUT THE EXTERNALLY FUNDED PROJECT ENTITLED 'DEVELOPMENT OF HI-TECH PEPPER NURSERY AT ICRI, SPICES BOARD, MYLADUMPARA, IDUKKI DISTRICT**

The Board ratified the action initiated for implementing the project in time.

**ITEM NO.22: APPROVAL TO UNDERTAKE A PROJECT TITLED 'IDENTIFYING AREA SUITABILITY FOR PROMOTION OF GREEN ECONOMY THROUGH INTRODUCTION OF LARGE CARDAMOM IN UTTARAKHAND STATE – A PILOT PROJECT'**

The Director (Res.) explained the large cardamom project being implemented in Uttarakhand in detail. Chairman appreciated the project and informed to extend the large cardamom cultivation to other states, especially to Himachal Pradesh, provided the agro climatic conditions are suitable. The Board approved the proposal.

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**ITEM NO.23: FENCING AND REPAIR WORK OF BUILDINGS AT KABI FARM, ICRI-RRS SIKKIM**

The Director (Res) suggested that the fencing work at Kabi Farm will be completed in two phases at a cost of Rs.2.5 crore. If the State Government is not supporting with fund, the Board has to find resource from IEBR. Board approved the proposal.

**ITEM NO.24: RECRUITMENT REGULATIONS (RR) OF SPICES BOARD**

The Board decided to seek approval of the Government for the Recruitment Regulations.

It was further clarified that, pending approval of the amended Regulations, there is no bar on use of the existing Recruitment Regulations, for promotion, ordirect recruitment.

**ITEM NO.25: APPROVAL OF SPICES BOARD'S SCHEME: 'SUSTAINABILITY IN SPICES SECTOR THROUGH PROGRESSIVE, INNOVATIVE, AND COLLABORATIVE INTERVENTIONS FOR EXPORT DEVELOPMENT (SPICED)**

The Board noted the approved EFC.

The Meeting ended with a vote of thanks to the Chair and Members.

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24/02/2024

