

Chapter 11

COMMODITY BOARDS AND OTHER DEVELOPMENT AUTHORITIES

Tea

India is the largest producer as well as consumer of black Tea in the World. Tea is one of the most important commercial crops of India. There are distinctly different Tea growing regions in India which are geographically separated thereby producing entirely different varieties of tea. These regions include Darjeeling, Assam, Nilgiri, Munnar, Dooars, Terai, Cachar, Kangra, Tripura and other areas in South and North India. More than two million persons derive their livelihood from ancillary activities associated with the industry. The tea industry itself provides direct employment to more than a million workers, of which a sizeable number are women.



Tea Pluckers

The Tea Board was constituted as a Statutory Body on 1st of April, 1954 under Section (4) of Tea Act, 1953. It functions as an apex body for all-round development of the Tea Industry. The Board comprises of Chairman and 30 other Members drawn from different stakeholders in the

Tea Industry. Its Head Office is located at Kolkata. Besides, there are fifteen regional/sub-regional offices. The Tea Board also has three overseas offices at London, Moscow and Dubai to promote export of tea from India. The primary functions of the Tea Board include rendering financial and technical assistance to tea producers and manufacturers and help in marketing of tea within the country and abroad. Research activities at different Research Institutes like Tea Research Association, Tocklai, Assam, United Planters' Association of Southern India-Tea Research Foundation (UPSA-TRF) in South India are funded for augmentation of Tea production and quality improvement. The Tea Board also extends financial and technical assistance to small growers of tea who play a very important role in production of tea. Another important work of Tea Board is to regulate and control different marketing activities including Tea Auction and to maintain statistical data regarding production, consumption and export of tea.

Production

Tea production in India during the year 2006-07 was estimated at 947.17 million kgs as against 948.94 million kgs achieved in 2005-06. During 2007-08 the total production is expected to reach 940 million kgs. Tea production during the current year 2007-08 (April-November) has been estimated at 894.51 million kgs as against 909.91 million kgs during the corresponding period of 2006-07.

Exports

Export of tea from India during 2006-07 was 218.15 million kgs valued at Rs. 2045.72 crore with a unit price of Rs. 93.77 per kg. as against 196.67 million kgs valued at Rs.1793.58 crore with a unit price of Rs. 91.20 per kg in 2005-06. During the current financial year, export of tea is expected to suffer a setback due to appreciation of the Rupee in dollar terms and also a decline in exports to countries like Iraq, Pakistan, Kenya etc. The expected target of 200 million kgs is not likely to be achieved during the year. The exports of Tea during the current year (April-November 2007) is estimated at 144.84 million kgs valued at Rs 1415.21 crore as against 197.12 million kgs valued at Rs 1812.15 crore during the corresponding period of last year.

Imports

Import of tea into India during the financial year 2006-07 was 20.78 million kgs valued at Rs 110.88 crore with a unit price of Rs. 53.37 per kg as against 17.41 million kgs valued at Rs 102.77 crore with a unit price of Rs. 59.03 per kg in 2005-06. Import of tea during the first eight months of the current year (April-November 2007) reached to the level of 11.80 million kgs valued at 93.11 crore as against 22.22 million kgs valued at 111.43 crore during the corresponding period of 2006-07. As per the available trends, imports during 2007-08 are expected to be around 15 million kgs as against 20.78 million kgs in 2006-07.

Prices

The average price of tea sold at Indian auctions during 1st ten months of the current year is Rs.65.35 per kg. as compared to the average price of Rs.66.80 during the corresponding period of

last year. This showed a slight downward movement of average price of tea.

Rehabilitation package for closed tea gardens

The Government had appointed expert committees to make an in depth study of gardens lying closed in the States of West Bengal, Kerala, Assam and Tripura and to suggest a package of measures for their viability and revival. Considering the reports and recommendations of the committees, the Government approved a Rehabilitation Package for 33 Closed Tea Gardens lying closed as on 1.4.2007 employing more than 30,000 workers.

The package provides for restructuring of existing outstanding bank loans of closed tea gardens by converting the same into term loans with a moratorium period of 5 years. The accumulated penal interest on the loans will be waived. The banks will charge a simple rate of interest of 11% per annum on the restructured loan and with a moratorium of one year for payment of the interest. The accumulated simple interest is to be shared equally by the banks, Central Government and the beneficiaries to the extent of one-third each. The loans advanced by the Tea Board to such gardens would waive. After financial restructuring these gardens will become eligible to obtain loan and subsidy from the Tea Board under Special Purpose Tea Fund (SPTF) scheme for Rejuvenation & Replantation and subsidy for upgradation and modernization of their factories under the scheme of Tea Quality Upgradation and Product Diversification. An interest subsidy at the rate of 3% would be provided by the Government for a period of 5 years on the working capital loans that will be taken by such gardens for resumption of their operation. As on date twelve of these gardens have reopened/ opened.

Licensing Branch

The Licensing Branch of the Tea Board is responsible for implementation of various statutory and regulatory provisions of the Tea Act, 1953 and orders issued by the Government from time to time. The Licensing Branch issues permission for planting and replanting tea under Section 12 of the Tea Act, 1953; registration for tea manufacturers both for estate and bought-leaf factories, auction organizers and brokers under the provisions of the Tea (Marketing) Control Order, 1984; and registration of buyers under the Tea (Marketing) Control Order, 2005.

Licensing Branch issues licences in respect of business licences for tea exporters and distributors; non-preferential certificate of origin for tea exports; Tea Waste licence; Tea Warehousing licences etc. Activities such as ensuring quality of green leaf used in the manufacture of made tea, ensuring implementation of the Price Sharing formula between the tea manufacturers and green tea suppliers etc are also looked after by the Licensing Branch of the Tea Board.

Besides, the Licensing Branch also provides necessary clarification and guidance to the tea industry and trade in relation to fiscal policies and different legislations concerning tea. Tea Board issues registration to manufacturers of tea with added flavour under the provisions of the Prevention of Food Adulteration Act, 1954.

Tea Development

The developmental activities being pursued by the Tea Board are aimed at increasing the tea production both vertically and horizontally, improving the productivity of existing tea areas both in the corporate and small grower sectors, creation of modern tea processing facilities for qualitative improvement of made tea and market promotion in both domestic and international markets.

All the five schemes implemented during the X Plan period have been approved for implementation during the XI Plan period as well. The approved outlay and achievement during the X Plan period for these schemes is indicated in the Table below. Since each of the schemes serves

(Rs. Crore)

Sl. No.	Name of the Scheme	Outlay		X Plan Expenditure
		XI Plan	X Plan	
1	Tea Plantation Development Scheme	350	98.59	112.85
2.	Quality Upgradation and Product Diversification Scheme*	230	76.80	64.64
3	Market Promotion Scheme	100	98.60	90.53
4	Research and Development Scheme	95	70.00	79.72
5	Human Resource Development Scheme	25	6.01	5.69
	Total for regular schemes	800	350.00	353.43
6	Other ad hoc schemes	6.43*	146.25**	106.45
	Total Budgetary support for XI Plan	806.43	496.25	459.88***

* an externally funded project for development of Organic Tea to be implemented during the XI Plan period with a contribution to the tune of US \$ 1.60 million from Common Fund for Commodities(CFC).

** This comprised of the following:

i) Orthodox production incentive Scheme:	Rs.65.00 crores
ii) Additional Support to R&D Institutions:	Rs. 28.00 crores
iii) Price subsidy scheme for small growers:	Rs. 23.25 crores
iv) Capital contribution to Special Purpose Tea Board for creating Default Reserve Fund	Rs. 30.00 crores
Total:	Rs.146.25 crores

*** The unspent balance will form part of the source of total budgetary support of Rs.800 crore for the XI Plan period.

the specific needs of the industry viz, production, processing, marketing, plantation labour welfare and training and R&D, these are being continued during the XI plan period with certain modifications and higher outlay.

Objectives of the Plan Schemes

Plantation Development Scheme

The objective of the scheme is to improve productivity through replanting, rejuvenation pruning and consolidation through infilling of vacancies, and creation of irrigation and drainage facilities; special focus on small tea gardens for enhancing productivity and quality; new planting in small holdings in hilly areas, encouraging small growers to organize themselves into self help groups/ tea producers' societies etc.

Quality Upgradation and Product Diversification Scheme

The objective of the scheme is to augment the processing capacity, creation of new facilities to product diversification like orthodox/ green tea and other speciality teas, setting up of modern blending/ packaging units, installation of electronic control devices for quality processing obtaining International Organisation for Standardisation (ISO)/ Hazard Analysis Critical Control Point (HACCP)/ Organic tea certification for tea manufacturing units/ gardens and imparting training to small growers and bought leaf factory owners in quality awareness.

Market Promotion Scheme

The objective of the scheme is to boost export through various measures, generic promotion for new tea markets as also for domestic consumption,

brand promotion, protection of Intellectual Property Rights (IPRs), Geographical Indications (GIs), strengthening auction system through introduction of appropriate electronic format etc.

Human Resource Development Scheme

The objective of the scheme is aimed at filling in critical gaps of the welfare of tea garden workers, particularly in health and education; and improving skills at all levels from workers to managers through extensive training.

Research & Development Scheme

The objective of the scheme is to assist research institutes for undertaking research on quality up- gradation, technology transfer for improving productivity, value addition and product diversification, nutrition management, tea and human health, setting up of quality control laboratories, extending advisory service for benefit of small growers, opening of new development offices of the Board for closer interface with small growers in non-traditional areas, strengthening of existing Board's offices, setting up of nurseries for supply of good quality planting materials for small growers, study tours and workshops for small growers etc.

The main thrusts during the year 2007-08 are:

- Enhancement of tea production through various development measures such as replantation, rejuvenation, pruning and infilling of vacancies with improved planting materials. Besides regular subsidy for these activities as admissible during the X Plan period, tea growers will also be provided with an additional support by way of long term loan to be sourced from commercial banks

under the Special Purpose Tea Fund set up during the last quarter of 2005-06.

- Enhancement of productivity of small tea holdings and the quality of tea produced in the bought leaf factories through encouraging small growers to organize themselves into Self Help Groups/producer societies and establishing a direct linkage with the tea factories.
- Special emphasis on irrigation and drainage for combating the drought and water logging conditions.
- Modernisation of tea processing factories to ensure production of quality and value added teas suitable for domestic and export market.
- Market Promotional activities both on domestic and export front.
- Special assistance for export of value added and speciality teas such as orthodox and green teas, etc.
- Setting up of an IT Portal on tea for dissemination of information to all segments of the industry and trade and also creating a platform for electronic trading of tea.
- HRD programme for supplementing the welfare measures for the plantation workers particularly in the areas of health and hygiene, education support for the wards of the workers and training needs of the people associated with tea cultivation, processing and marketing
- Implementation of ISO and HACCP and food quality standards as a part of quality assurance programme.
- Stepping up of R & D measures.

Financial assistance for the above activities is being extended by way of long term loan, subsidy

and grant in aid through the aforementioned developmental schemes. Since the Tea Board's role being that of a catalyst towards accelerating the overall development of the industry and trade, the funds being provided under its various schemes are not meant for meeting the entire needs of the Tea Industry. As the Industry is composed of units of different sizes and of varying economic strength, the developmental schemes are designed to cater to the necessities and requirements of different segments according to their financial capabilities.

Tea Promotion

Indian tea in the domestic and the international markets requires new initiatives from the Tea Board as well as the tea industry for meeting emerging challenges. Keeping in view the requirements of the export and domestic markets, there was a focus on quality control. Implementation of ISO 3720 Standards and HACCP has therefore acquired growing importance. Efforts continued to be made to persuade producers to increase production of exportable quality teas & good teas of orthodox variety.

Tea Board carried out promotional activities mainly through its overseas offices located at London, Moscow and Dubai. The tea promotion abroad is carried out through various Tea Councils (India is an active member of the Tea Councils of USA, Canada, UK and Germany). Indian tea promotional activities are also carried out by the Board's foreign offices to enhance demand for Indian tea and increase market share. The market development activities of the Board include market surveys, market analysis and tracking of consumer behavior, registering of Board's Logos in various markets as well as

popularizing the usage of these logos in order to enhance the equity of Indian Tea and its various sub-brands etc. The markets in Russia, CIS, UK, Pakistan, UAE etc., continued to be of vital importance. With the lifting of Common Market for Eastern and Southern Africa (COMESA), prospects of tea exports to Egypt have also opened up.

The Board organized a number of promotional activities in the country propagating the health benefits of tea aimed at the youth and young house-wives. Generic tea promotion campaign was on a low key during 2007-08.

Efforts are being made to maintain and improve trade relations between exporters and importers by direct contact and discussions. During the year 2007-08, the Tea Board received and organized the visit of a number of important tea delegations. Deputations / delegations from India during 2007-08 were also organized. Chairman, Tea Board also led Trade Delegations with a view to enhancing exports of teas from India. Tea Board has participated in a large number of International Fairs / Exhibitions in traditional markets and made a foray into non-traditional markets as well. With a view to diversifying the market portfolio, the Tea Board explored potentials in Turkey and Czech Republic – new markets.

Intellectual Property Rights Achievements during 2007-08

The Tea Board has continued its objectives to protect and preserve its various tea names and logos as India's treasured geographical indications and icons of India's cultural and collective heritage. The following are the achievements with regard to intellectual property rights during 2007-08:

Darjeeling

- 'Darjeeling' word was accepted for registration in Australia as a certification mark.
- Application filed for registration of 'Darjeeling' word as a Regional Collective Mark in Japan.
- Applications filed for registration of 'Darjeeling' word and logo marks in Taiwan as certification marks.
- An online Darjeeling Tea Trade Supply Chain Integrity System (a trade chain management system) for surveillance and monitoring the supply chain and address the traceability issue in the Darjeeling tea trade chain was introduced.
- An independent certification agency, IMO Control, was appointed to conduct trade chain

Box 11.1 India International Tea Convention 2007

Tea Board in association with India Trade Promotion Organisation, Consultative Committee on Plantation Association and some other tea associations organised the "India International Tea Convention 2007" at Guwahati from 22-24th November, 2007. The event was attended by a large number of delegates from various countries, offered an opportunity of global interaction among tea producers, exporters, blenders, distributors and all those involved in the tea industry. The Convention was successful in showcasing India as a one-stop shop for a wide range of tea with distinct characteristics besides promoting the Indian tea industry particularly of the North East India.

audits to check and validate the authenticity of the data collected through the online Darjeeling Tea Trade Supply Chain Integrity System. The system of the audit has been devised on the basis of the Organic supply chain certification system.

- Application filed for registration of 'Darjeeling' as a Protected Geographical Indication under European Council Regulation 510/2006 to protect, inter alia, against any misuse, imitation or evocation or use accompanied by expressions such as "style", "type", "method", "as produced in", "imitation" or similar.
- A Memorandum of Understanding was signed to protect the interests of Darjeeling tea and also exchange of information as to how the UK-Darjeeling certification system ought to be made responsive to the dynamics of market realities. The revised certification scheme has been sent to the UK Tea Council.

Assam and Nilgiri

Tea Board filed applications for Assam (orthodox) and Assam (orthodox) logo & Nilgiri (orthodox) and Nilgiri (orthodox) logo as geographical indications under the Geographical Indications of Goods (Registration & Protection) Act, 1999.

India Tea Logo

The application for India Tea Logo as a certification mark was advertised. The application is expected to mature to registration shortly.

In addition to the above, the Tea Board continued to challenge, through available means, instances of attempted registrations and misuse of three tea names and logos as well as the India Tea Logo both at the domestic and international level.

Tea Research

The Darjeeling Tea Research & Development Centre, Kurseong under the Tea Board is engaged in R & D activities for the benefit of the tea estates of the Darjeeling District along with other grantee institutions like Tea Research Association (TRA) and United Planters' Association of Southern India – Tea Research Foundation (UPASI-TRF), which are conducting basic and applied research on tea cultivation, plant protection, quality, manufacture, value added items and allied fields.

The TRA has its main laboratory infrastructure at Jorhat with seven advisory centers in the entire North East for transfer of technology to the tea estates. Similarly, UPASI-TRF has its head quarter at Valparai with seven advisory centres in South India. These institutions are granted financial support to the extent of 80 percent of the total research expenditure of the respective research institutes as grant-in-aid (49%) besides additional support from the additional excise duty (AED) fund (31%). This financial support helped both the institutions to meet their increasing recurring expenditure.

With the increased financial support in the last three years up to 80% of their recurring expenditure, the TRA and UPASI-TRF are providing advanced scientific/technical information on tea cultivation, protection and manufacturing of tea, and also in extensive transfer of technology to the gardens by increasing number of visits, organizing training programs, seminars and conferences at the local areas. Fundamental researches include application of biotechnology in tea identifying genetic markers, identification of biochemical parameters relating to quality and tea manufacture. Research also covered in product innovation in tea like chemical extraction, tea

colas, and tea tablets. The ongoing research at the field level included improved cultural operations, updating of nutritional dose, bio-control and development of biocides like Neem products and microbial formulations.

Tea Board is also giving full financial support to Darjeeling Tea Research & Development Centre (DTR & DC), Kurseong which is engaged in research activities on plant physiology, soil agronomy, biochemistry and extension services. Tea Board spent Rs.6.44 lakhs during 2006-07 for these activities at DTR & DC. In the current year comparable financial supports have also been granted.

The research areas for 11th Plan Period include breeding and biotechnology, sustainable soil productivity, tea processing – biochemical and molecular analysis, development of quality testing laboratories, pesticides residue laboratory, plant protection (Helopeltis and Blister blight) studies on heavy metal etc. construction of modern High Tech Factory for South India in addition to studies on pesticides residue and integrated pest and disease management. Besides TRA and UPASI, three other institutions namely IIT, Kharagpur, C-DAC, Kolkata and ISRO-IIT-Kharagpur, will be involved in the tea engineering research, creation of quality parameters database using E-Nose, E-Vision system and creation geo-database using remote sensing and Geographic Information System (GIS) map respectively. The up gradation of DTR & DC during the 11th Plan Period involves development of four divisions namely breeding and genomics, biochemistry and tea technology, soil science and agronomy, plant protection and natural products besides undertaking different research areas through classical and molecular approach.

Technological Support

Tea Board provides essential technical support to the tea industry by way of circulation of technical standards from different tea importing nations as well as from the Govt. of India. The quality standards are regularly updated at various stages for which Tea Board gives technical data along with the views of tea industry.

Labour Welfare Measures

The Tea Board continued to undertake various labour welfare activities under its Labour Welfare Scheme for the benefit of Tea Plantation Workers and their dependants. The welfare activities undertaken by the Board are supplementary in nature and cover those areas, which were not specifically covered by the Plantation Labour Act, and the rules framed thereunder. The welfare activities are broadly classified under two major schemes, viz. (i) Educational stipend for wards of tea plantation workers and (ii) General Welfare for (a) construction/extension of buildings of educational institutions, hospitals, (b) purchase of medical equipments, ambulance etc. (c) reservation of beds for treatment of Tea Plantation Workers and their dependants in specialized hospitals, (d) Family Welfare Education Programme undertaken by different Tea Associations for the tea plantation workers and their dependants, (e) Scouting and Guiding activities undertaken by the Bharat Scouts & Guides activities in tea plantation areas. Tea Board also extends financial assistance for benefit of physically challenged plantation workers & their dependants by providing crutches, caliper shoes, artificial limbs, wheel chairs, hearing aids etc. Schemes for improvement of drinking water supply and sanitation facilities will be initiated from 2007-08 onwards in coordination with the

State Governments. Total expenditure incurred under the labour welfare schemes of the Board during 2006-07 amounted to Rs. 1.29 crore.

Coffee

Indian Coffee has created a niche for itself in the international market, particularly Indian Robusta which is highly preferred for its good blending quality. Arabica coffee from India is also well received in the international market. India is perhaps the only coffee producing origin whose coffees are fully shade grown, entirely hand picked and completely sun dried.

In India, coffee plantation occupies an area of around 3.81 lakh hectares providing rural employment predominantly in Karnataka, Kerala and Tamil Nadu, which contribute about 99 per cent of the total Coffee production. There are 2,21,200 coffee holdings, out of which 2,18,450 fall within the small growers' category (upto 10 hectares) and balance 2,750 holdings fall under medium and large holdings (above 10 hectares category).

The Coffee Board is a statutory organization constituted under the Coffee Act, 1942 and functions under the administrative control of the Ministry of Commerce and Industry, Government

of India. The Board comprises of 33 members including the Chairman, who is the Chief Executive. The remaining 32 Members representing the various interests are appointed as per provisions under Section 4(2) of the Coffee Act read with Rule 3 of the Coffee Rules, 1955.

The Board has a Central Coffee Research Institute at Chikmagalur and Sub/Regional Research Stations at Chettalli, Chundale, Thandigudi, R. V. Nagar, Diphu and Division of Tissue Culture at Mysore and the Extension offices located at Coffee growing areas viz., Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, Orissa and North Eastern Region. The Board is mainly focusing its activities in the areas of Research, Extension, Development, Quality Up-gradation, Economic & Market Intelligence, External and Internal Promotion and Labour Welfare.

Production

India accounts for only around 4 per cent of the global production of coffee. The post-blossom production estimates of Coffee in India for 2007-08 was 2,91,000 tonnes comprising of 1,01,000 tonnes of Arabica and 1,90,000 tonnes of Robusta. Due to unusually heavy rains and winds which caused



Coffee under thick shade



Pepper and Orange as intercrops to coffee

considerable damage during the monsoon, estimates have been revised and the post monsoon estimates are 2,62,000 tonnes comprising of 92,500 tonnes of Arabica and 1,69,500 tonnes of Robusta.

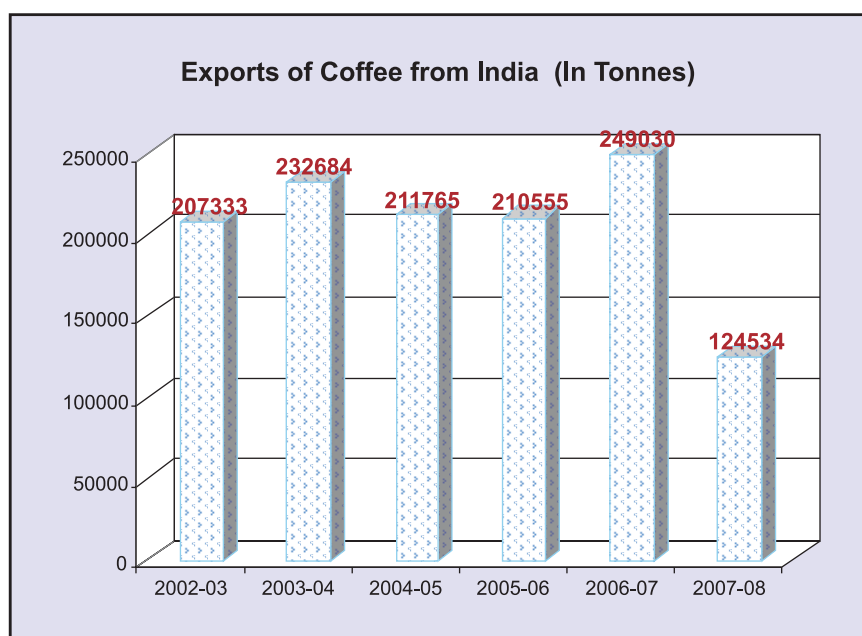
Domestic Consumption

The domestic consumption of coffee has been increased to around 80,000 tonnes as per the coffee consumption survey conducted during 2005. The Board has initiated several steps/programmes for increasing the domestic consumption of coffee which includes organising coffee festivals/exhibitions, imparting training for coffee brewing to the hotel sector, publicity through material and public relation campaigns, conducting market survey in urban areas, participation in all major internal trade fairs and strengthening the performance of coffee houses operated by the Board. The targeted domestic coffee consumption for 2007-08 is 85,000 tonnes.

Export of Coffee

About 75 per cent of the total coffee produced in the country is exported to over 88 countries of the world. As such, the import of coffee has been insignificant. In order to discourage import of coffee of other origin, the import duty @100 per cent is payable. The top five export markets for Indian Coffee are the Russian Federation, Italy, Germany, Belgium, and Spain. The Coffee Board has stepped up its efforts to keep the Indian brand afloat by holding “*Fine Cup Awards Flavour of India*” in different global coffee markets commencing 2003 as an annual event.

During 2006-07, a total quantity of 2,49,030 tonnes of coffee (including re-exports) was exported from India valued at Rs.2007.90 crore. During the year 2007-08, a total quantity of 1,24,534 tonnes (including re-exports) has been exported as on 30.11.2007 earning a foreign exchange of Rs. 1097.47 crore.



(upto 30.11.2007)

Coffee Export Awards

The institution of export awards for the best performing coffee exporters was started by the Coffee Board since 1999-2000 to motivate and encourage Indian coffee exporters to augment their export performance specifically to key destinations and also in the value added segment like specialty and soluble coffees.

Prices

Coffee prices in India are largely influenced by the New York Exchange for Arabicas and London Exchange for Robustas. The international and domestic prices have improved during 2007-08 in comparison to the previous year and the average price secured in the Indian Coffee Trade Association (ICTA) during April-November 2007 was Rs.104.66/kg for Arabica and Rs. 80.32/kg for Robusta.

Flavour of India-Fine Cup Awards

The Coffee Board took up the initiative of holding the Flavour of India-Fine Cup competition on an annual basis from 2002 onwards. It is aimed at developing the culture of preparing good quality coffees through good agriculture practices & on-farm processing techniques. It is also aimed at sensitizing coffee growers about the importance of cup quality and confers recognition of the best coffees grown in different regions and also under different categories. Further, to give greater visibility to prize winning coffees and also project India as a producer of good quality, high value coffees, the finals of the competition are held in strategic countries/markets coinciding with an international coffee event from 2003 onwards and this initiative has caught the imagination of the international coffee fraternity. The Board has

organized the “Flavour of India 2006 competition” coinciding with the Board’s participation in the “World of Coffee’ 06” held in Berne, Switzerland during May, 2006. The finals of Flavour of India –Fine Cup Award Competition 2007 in respect of Arabica was held at Bangalore as part of IICF-2007 during February 2007 and the Robusta finals was held at the SCAA Annual Conference at Long Beach, California, USA during May 2007.

XIth Plan Schemes of the Coffee Board

The following plan schemes have been proposed for implementation during the XIth Plan to address the above priority issues with an approved outlay of Rs.600.00 crore:

1. Research & Development for Sustainable coffee production
2. Development support
3. Market Development
4. Risk Management to Growers
5. Export Promotion of coffee (New proposal)
6. Support for Coffee Processing (New Proposal)

A total amount of Rs. 60.00 crore has been earmarked as RE (Plan) for the year 2007-08.

Welfare support to Labourers & Tiny Coffee Growers

Welfare support for the benefit of labourers working in coffee plantations and coffee curing works as well as the tiny coffee growers spread over the entire coffee growing areas is proposed to be implemented during XI Plan period. An amount of Rs. 100 lakh has been earmarked to operate various welfare measures in this regard.

Coffee Research

During the year, the Board continued its research activities at the Central Coffee Research Institute, Chikmagalur; Sub/Regional Stations in Chettalli, Chundale, Thandigudi, R. V. Nagar, Diphu and Mysore and also at the Head Office, Hassan and Chikmagalur with a view to improve the production, productivity and quality of coffee. The major disciplines under the scheme are - Plant Improvement (Botany, Tissue Culture and Biotechnology), Crop Management (e.g. Chemistry / Soil Science, Agronomy, Plant Physiology) and Crop Protection (Entomology & Plant Pathology). In addition to these, Post-Harvest Technology and Quality Evaluation Upgradation Divisions are conducting studies on the quality improvement aspects of coffee.

Export Promotion

The Board had undertaken various export promotion activities to enhance the export of coffee. These include (i) participation in selected international exhibitions and similar events in which the exportable grades of Indian coffee are displayed and promotional literature on Indian coffee is distributed, (ii) Buyer-Seller Meets, (iii) advertisements on the excellence and selectivity of Indian coffee in prominent overseas trade

journals and magazines, and (iv) films on the unique aspects of Indian coffee. During the period i.e., from April to November 2007, the Board participated in the International Trade Fairs / Exhibitions held in the USA, Spain, Switzerland, Japan, Hong Kong, Australia, Russia and Poland.

Domestic Promotion

Domestic promotion is aimed at increasing domestic consumption of coffee. The Coffee Board participated in important exhibitions held in Trivandrum, Hyderabad, Bhubaneswar, Chennai, New Delhi, Jaipur, Agartala, Kolkata, Coonoor, Coochbehar, Chikmagalur, Shillong, Bangalore, Mumbai and Coimbatore. Special blends of pure coffee powder were sold to the public at reasonable and fixed prices. Besides,



Minister of State for Commerce addressing the India International Coffee Festival 2007

Box 11.2

India International Coffee Festival (IICF) 2007

India International Coffee Festival - 2007 Bangalore was held during 23-25, February, 2007 at Bangalore to showcase 'Coffees of India' before the International Coffee fraternity; to beckon the international coffee business to explore the large Indian market; and to build awareness about coffee among the general public. Organized under the aegis of the Coffee Board of India in active collaboration with the Coffee industry majors in India. IICF-2007 event included International Conference, IICF World Expo, Mysore Heritage Coffee safari and Skill Building Workshops. Coffee Gyan largely succeeded in showcasing the Indian Coffee Industry before the International Coffee business community and build awareness about coffee among the Indian Public.

specially designed stainless steel domestic size coffee filters for preparation of filter coffee were made available to the public at reasonable prices, and India Coffee Houses served pure coffee to lakhs of coffee connoisseurs.

Publications and Journals

The Board released its journal titled "Indian Coffee" during the year as a monthly in Kannada and English and as a quarterly in Malayalam and Tamil. A Hindi version is also attached to the English version.

A Multi-colour wall calendar-2007 carrying photos of a variety of coffee preparations was brought out and widely circulated.

Rubber

Natural rubber

India is the fourth largest producer of natural rubber with a share of 9 per cent in world production. India is also the fourth largest consumer of natural rubber. Rubber is grown mainly in Kerala and also in the States of Tamil Nadu, Karnataka, Tripura, Assam, Meghalaya, Nagaland, Mizoram, Manipur, Goa, Andaman & Nicobar Islands apart from limited experimental plantations in Orissa and Maharashtra. Rubber plantations are spread over 6.15 lakh hectares in the country. The rubber production sector of the country is dominated by smallholdings, which accounts for 92 per cent of the production and 89 per cent of area with an average holding size of 0.5 hectare. There are more than one million growers and about 0.8 million people engaged in the plantation sector as workforce either directly or indirectly.

The Rubber Board is a statutory autonomous body constituted under the Rubber Act, 1947 with the primary objective of the overall development of the rubber industry in the country. The Board has been implementing several schemes for the development of the rubber industry in the country under different five-year/annual plans.

Production and Productivity of Natural Rubber

At the beginning of the year, it was projected that natural rubber production and consumption would be 874,000 and 853,000 tonnes respectively in 2007-08. The production during April-November 2007 was 506,345 tonnes, which was 54,360 tonnes lower than the corresponding period of last year. The decline in production was on account of extended and continuous monsoon and consequent incidence of abnormal leaf fall, and also widespread outbreak of viral fever in the main rubber growing districts of Kerala. The annual production of natural rubber mainly depends on the production during the peak season i.e. October to January, which usually accounts for 45 per cent of the annual production. The production projection for 2007-08 is revised at 819,000 tonnes. Despite of not having the best of geographically regions favourable for growing natural rubber, India topped in productivity in 2006 among the major producing countries. The productivity realized in Indian rubber plantations in 2006-07 was 1879 kg per ha.

Consumption of Natural Rubber

During April-November 2007, consumption of natural rubber totalled 570,905 tonnes, an increase of 27,130 tonnes as compared to the same period in 2006. The consumption projection for 2007-08 is marginally revised upwards to 857,000

tonnes. However, the decline in production and increase in consumption did not lead to a deficit situation in the market as the stock of natural rubber at the end of November 2007 was higher at 142,440 tonnes compared to that at the end of November 2006 at 98,075 tonnes. This was because of the excessive import of natural rubber from January 2007 onwards. The import of natural rubber during January-November 2007 amounted to 101,937 tonnes as compared to 38,685 tonnes during the same period in 2006.

Export

During 2006-07, natural rubber export amounted to 56,545 tonnes (worth US\$ 113.5 million). In 2007-08, export was projected earlier at 70,000 tonnes. During April-November 2007, export was only 18,593 tonnes. Export of natural rubber is perceived as a tool to adjust the demand-supply balance in the domestic market so that the Indian rubber farmer is not deprived of the price fetched by his counterparts elsewhere. As there is no financial incentive, export would depend on price differences in the domestic and international markets. It is anticipated that export of natural rubber would be 24,000 tonnes in 2007-08.

Import

The natural rubber import in 2006-07 amounted to 89,699 tonnes. Import for 2007-08 has been projected at 60,000 tonnes. During April-November period imports totalled 57,504 tonnes. The average domestic price of rubber during August-October 2007 was higher by Rs. 1.55 per kg as compared to the international price. However, it may be noted that during April-July 2007, the rubber price in the domestic market was lower by Rs. 8.63 per kg than the international

price. Hence, it is felt that bulk of the import was due to the apprehension of the consuming industry of a recurrence of the unusual price behavior experienced during the peak season of 2006. Contrary to the market fundamentals, the domestic rubber price had surged disproportionate to the trends in the international market during October-January period in 2006-07. As per the revised projections, import of may reach 80,000 tonnes in 2007-08.

Prices

The domestic natural rubber prices more or less follow the trends in the international market, unlike during the protected regime. The international prices have been in a comfortable zone since 2003 after a prolonged slump mainly because of the economic recovery from 2002 and the subsequent sustained economic growth. Other factors, which contributed to the recovery in NR prices, were rising oil prices and relatively lower inventory levels. The average price of RSS 4 grade NR in the domestic market at Kottayam in 2006-07 was Rs. 92.04 per kg as against the price of the comparable grade of RSS 3 in Bangkok market at Rs. 97.79 per kg. During April-November 2007 also, the average domestic NR price was lower at Rs. 87.91 per kg as compared to the international price of Rs. 91.97 per kg.

Collection of Cess

Under Sections 12(1) and 12(2) of the Rubber Act, the Board is entrusted with assessment and collection of a duty of excise as cess on indigenous production of natural rubber and remittance of the same to the Consolidated Fund of India. The rate of cess effective from 1st September 1998 is Rs.1.50 per kg. During 2006-07, the collection

of cess amounted to Rs. 101.32 crore against a target of Rs. 97 crore. The collection of cess up to 31st November 2007 is Rs.87.87 crore as against the target set for 2007-08 at Rs. 98.00 crore.

Marketing System

There is an efficient marketing system for natural rubber with more than 10,000 dealers and a network of co-operatives, Rubber Producers Societies (RPSs) and companies promoted by Rubber Board and RPSs. There is also an efficient system for dissemination of the daily domestic and international rubber prices. The rubber growers receive a farm-gate price of more than 90 per cent of the terminal market price, which is the highest among major rubber producing countries.

Development Activities and Extension & Labour Welfare Measures

Technical and financial support are provided to rubber and rubberwood processing industry and in particular, the small holding sector of rubber growers for improving quality, cost competitiveness and infrastructure for marketing through various measures. The Board has been allocated Rs. 580 crore for the 11th Plan for implementing six development schemes viz. Rubber Plantation Development; Rubber Development in North East; Processing, Quality Upgradation & Product Development; Rubber Research; Human Resource Development; and Market Development & Export Promotion Scheme.

The rubber plantation development activities include generation and distribution of good quality planting materials, distribution of cover

crop seeds, providing training for scientific exploitation of the crop, promoting voluntary organizations of small farmers for extension activities (Rubber Producers' Societies), raising block rubber plantations in association with concerned State Governments for the welfare of SC/ST, Community Processing Centres by extending technical as well as financial assistance and by providing the required infrastructure facilities.

During April-November 2007, the Board disbursed Rs. 181.76 lakh benefiting 13,597 rubber tappers and their families against the target of Rs. 302 lakh for 2007-08 under its various labour welfare schemes. Under the Price Stabilization Fund Scheme, 18,807 growers were enrolled as on 30th November 2007.



Women Self Help Groups

Rubber Research

During the period, the Rubber Research Institute of India (RRII) satisfactorily conducted research and development work in the fields of Plant Breeding, Germplasm Conservation, Biotechnology, Exploitation Technology, Agronomy and Soil Science, Plant Pathology, Plant Physiology, Agricultural Economics and Rubber

Technology. Some of the major achievements in these regards are:

- Under the Crop Improvement programme, feed back information on the performance of RRII 400 series clones especially from small and medium growers was gathered and a one-day growers' seminar on the performance of RRII 400 series clones was conducted at RRII.
- Three books on RRII 400 series clones were published.
- RRII has recommended Root Trainer Planting technique - A novel propagation method for establishment of good quality Hevea planting materials.
- Rainfall interception in mature rubber plantation was quantified and was found to be 15% of the total rainfall.
- Under advisory services, a total of 9200 soil and 420 leaf samples from small holdings were analysed and 4700 recommendations were offered. 70,190 latex samples were also analysed for dry rubber content and results supplied.
- RRII conducted an international workshop on Corynespora leaf disease in which 11 participants were trained, out of which seven were foreigners from 6 countries and two extension officers from India were also trained on all aspects of Corynespora leaf disease.
- Controlled Upward Tapping (CUT) of trees of more than 15 years age gave two to three fold increases in latex yield when compared to other tapping systems.
- One book was published by RRII entitled "Kyoto Protocol and Rubber Industries" which was released by Hon'ble Minister of State for Commerce, Sri. Jairam Ramesh.

- Two commercial CDM projects were developed and a study initiated on the impact of climate change on the Indian plantation sector with special reference to natural rubber.
- Published a book on "MNF Tariff and value of imports of rubber and rubber products under the WTO regime".



Lady Rubber Tapper

Processing & Product Development

Various activities were undertaken to support the rubber and rubberwood processing industry to attain international competitiveness. Special attention has been given to the small holding sector to strengthen their infrastructure for processing and marketing including export.

Under the 11th Plan Scheme on Processing, Quality Upgradation and Product Development, technical and financial support has been given to the processors of rubber in the various sectors (RPS, co-operative, public and private estates) to improve quality and consistency, reduce cost of processing and strengthen environmental protection systems to attain world standards. Technical and financial support was also given to the rubber wood processors to improve quality, value addition and waste utilization since

processing and value addition of rubberwood will create employment, save forest and ensure a remunerative income to the rubber growers making rubber cultivation sustainable in the years to come. The activity includes technical and financial support to a few women Self Help Groups promoted by RPSs in manufacture of rubberwood furniture.

A CDM Project has been finalized with the help of The Energy and Resources Institute, New Delhi to earn carbon credits under the Kyoto Protocol for the biomass gasifiers installed in the TSR factories. For 24 factories covered under the project, the CO₂ emission reduction is estimated at 8647 tonnes per year and the corresponding income through sale of the carbon credits is estimated at Rs. 480 lakh for the next 10 years. The activities include demonstration & training facilities, testing of rubber, effluents, chemicals and rubberwood, quality check of rubber processed in India, imported and exported. Feasibility of power generation from gasifier working on firewood from the rubber plantations and feasibility of Forest Stewardship Council (FSC) Certification on rubber wood products are being studied. Studies are in progress on the techno economic feasibility of storage of RSS grades under dehumidified



Biomass gasifier, 750,000 K Cals/hr installed at the 45 Tonnes/day TSR Factory of Pala Mktg. Co-op. Society Ltd at Pala.

conditions and preservation of latex through refrigeration.

Under the Scheme on Market Development and Export Promotion, emphasis has been given on infrastructure development for marketing of the smallholder rubber. Steps have also been initiated to set up godowns of 100 MT capacity with dehumidification facility in the producing areas under the RPS sector. A 2000 tonnes godown is proposed to be put up at the Rubber Park, Irapuram, near Cochin to facilitate export of rubber by providing a centralized location for quality check and packaging to international standards.

The RPS and Co-operative sectors are offered working capital loans/ interest subsidy to strengthen their marketing activity. The RPS sector is also supported for procurement of computers, peripherals and software. The activities include promoting rubberwood as an eco-friendly timber suited for furniture and



Rubber Wood Door made by Indiawood



Rubber Wood Table Set made by Metrowood

interiors through various measures like participation in national and international fairs, advertisements through specialized magazines and distribution of technical literature among architects, interior designers and decision makers.

Training

Various training programmes relating to rubber cultivation, rubber processing and quality improvement, rubber marketing and export development and manufacturing of rubber products for the overall development of the rubber industry were imparted to 1966 beneficiaries up to November 2007. In November 2007, six growers from Mexico attended a 10-day training programme on "Rubber Cultivation & Processing".

Tobacco

Tobacco is one of the important commercial crops in India. India is the 3rd largest producer and the 3rd largest exporter of tobacco in the world earning an annual foreign exchange of Rs. 1,723.42 crore and about Rs.9,197.40 crore as excise revenue in 2006-07 to the national

exchequer. It is raised on an area of about 4 lakh hectares with an annual production of 700 M.Kgs of Flue Cured Virginia (FCV) and different Non-FCV types of tobaccos. FCV is the major exportable type cultivated with an annual production of about 269 M.Kgs. Among the non-FCV types, Burley, Harvel De Bouxo Rio Grande (HDBRG) and Natu are the exportable styles. Other non-FCV types grown in India are Bidi, Chewing, Cheroot and Snuff.

The Tobacco Board was constituted as a Statutory Body on 1st January, 1976 under Section (4) of the Tobacco Act, 1975. The Board is headed by a Chairman, with headquarters at Guntur, Andhra Pradesh, and is responsible for the development of the tobacco industry. At present the activities of the Board are restricted to production and marketing of Virginia tobacco only. However, the Board is performing the function of export promotion in respect of all varieties of tobacco.

Production

FCV tobacco is the major tobacco variety exported accounting for 79% of the total exports by volume and also major type utilized (upto 90% of total usage) by the Domestic Cigarette Industry. The FCV tobacco is grown principally in the States of Andhra Pradesh (63%), Karnataka (36%), Maharashtra and Orissa (below 1%). The crop size fixed for the year 2007-08 is given below:

State	Crop Size (M.Kgs.)
(a) Karnataka	95.00
(b) Andhra Pradesh, Maharashtra and Orissa	158.00

The Board is implementing grower welfare schemes like Group Personal Accident Policy and Barn and Stock Insurance Policy to the registered growers of FCV Tobacco. It also undertakes analysis of soil/water samples advise the growers on suitability of soil/water for cultivation of FCV Tobacco and also recommends dosage of fertilizers for improving quality and yields. During 2007-08, the Board has implemented the following developmental and extension schemes for improving yield and quality of FCV tobacco grown in A.P. and Karnataka:

- Improving yield & quality of tobacco
- Supply of inputs
- Transfer of technology - developmental activities

During 2006-07, the Board spent an amount of Rs.69.42 lakhs on various extension and developmental schemes. The progresses made during 2007-08 are given below:

- A total of 171.95 M.kgs. of 2006-07 Andhra Pradesh FCV tobacco crop was marketed in 21 auction platforms at an average price of Rs. 47.47 per kg., the highest ever in the annuals of FCV tobacco auctions in Andhra Pradesh. Out of this, during 01.04.07 to 27.07.07, 136.39 M.kgs. of tobacco was marketed at an average price of Rs. 47.24 per kg.
- Between January-March 2008, it is anticipated that about 30 M.kgs. of 2007-08 Andhra Pradesh FCV tobacco crop would be marketed.
- As on 1st December 2007, 56.55 M.kgs. of 2007-08 Karnataka FCV tobacco crop was marketed at an average price of Rs. 57.63 per kg. It is anticipated that the entire estimated production of about 93 M.kgs. of 2007-08

Karnataka FCV tobacco crop would be marketed by the end of January, 2008. The average price realized by 1st December, 2007 is higher by Rs. 1.23 per kg. than the average price fetched by farmers of Karnataka for the same volume sold in the same period last year.

Price Support Operations

The Minimum Support Price (MSP) is fixed by the Govt. of India for F2 grade of black soil tobacco and L2 grade of light soil tobaccos. The MSPs for other grades are worked out and notified by the Tobacco Board. The Govt. of India had fixed Rs. 32.00 and Rs. 34.00 as MSPs for F2 and L2 grades respectively for 2007-08 FCV tobacco crop on the recommendations of the Commission for Agricultural costs and prices (CACP).

Export

The exports of tobacco and tobacco products during 2006-2007 were 1,80,988 tonnes valued at Rs.1,723.42 crore (US \$ 381.54 million) against 1,66,869 tonnes valued at Rs. 1,413.47 crore (US \$ 322.49 million) exported in 2005-2006. During April–October 2006, exports are 1,17,118 tonnes valued at Rs.1,154.76 crore (US \$ 279.77 million) against 1,12,767 tonnes valued at Rs.1,043.04 crore during the corresponding period of last year. During April–October 2007, un-manufactured tobacco exports are in the order of 1,01,496 tonnes valued at Rs.856.60 crore and exports of tobacco products was the order of 15,622 tonnes valued at Rs.298.16 crore. The un-manufactured tobacco exports are growing at about 4% in quantity terms and 8% in value terms while the exports of tobacco products grew by 1% in quantity terms and 18% in value terms during this period. Overall, exports of tobacco and tobacco products increased by 4% in quantity terms, 11% in Rupee terms and 22%

in dollar terms over the corresponding period of last year. Going by the present trend, exports of tobacco and tobacco products are expected to cross US \$ 420 million during 2007-2008.

Export Promotion Activities

With a view to promote the exports of tobacco and tobacco products, the Chairman of Tobacco Board visited to GCC countries (Saudi Arabia, UAE and Oman) during 7-12th September, 2007 and East Asian Countries (Philippines, South Korea and Thailand) during 27th October to 4th November, 2007. The Board had also participated in the following fairs and exhibitions during April-November 2007.

- World Tobacco Middle East – Dubai, UAE during 23–24th April, 2007.
- TABEXPO – Paris 2007, France during 26 – 29th November 2007.

The Board had issued advertisements in the International Tobacco Magazines at a cost of Rs.4.06 lakhs upto November 2007 for promoting Brand Image of Indian tobacco and tobacco products.

In 2002, a one man peer review Committee of Shri. Prabir Sengupta was appointed to look into the functioning of Tobacco Board. It had recommended discontinuance of controls on fixing of crop size for tobacco. There was a difference of opinion amongst major tobacco growing States on accepting the recommendation. After discussion

with the States, a consensus was arrived at and it has been decided to continue the present system of fixing of crop size by the Tobacco Board. The Tobacco Board will take into consideration the reasonable requirements of the farmers and the markets and will also take action for post harvest technology and improvement of welfare of farmers.

Price Stabilisation Fund Scheme

The Price Stabilisation Fund Scheme was launched by Government of India in April 2003 against the backdrop of decline in international and domestic prices of Tea, Coffee, Rubber and Tobacco causing distress to primary growers. The growers of these commodities were particularly affected due to substantial reduction in unit value realization for these crops, at times falling below their cost of production. The objective of the scheme is to safeguard the interests of the growers of these commodities and provide financial relief when prices fall below a specified level without resorting to the practice of procurement operations by the Government agencies. Out of the total target of 12.77 lakh growers (up to 4 ha landholding), it was decided to cover 3.42 lakh small growers (up to 2 ha landholding) in the initial phase. As on 31 March 2007, the total enrolment under the Scheme is 45,268.

As on 30th November 2007, the PSF Corpus Fund consists of Rs.435.13 crore, out of which Rs.432.88 crore is contributed by Govt. of India and Rs.2.25 crore by growers by way of entry fee. A sum of

(Rs. in crore)

Commodity	PSB 2003	PSB 2004	PSB 2005	PSB 2006	Total
Rubber	0	0	0	0	0
Coffee	0.82	0.58	0	0	1.40
Tea	0.09	0.73	0.74	0.75	2.31
Total	0.91	1.31	0.74	0.75	3.71

Rs.103.44 crore as interest is also available to the Price Stabilisation Fund Trust (PSFT) as on 31.3.2007. Since the launch of the Scheme in April 2003, the PSF Trust has announced Price Spectrum Bands for 2003, 2004, 2005 and 2006 and the cumulative financial assistance committed stood at Rs.3.71 crore. Details are given below:

Due to default by growers in depositing their contribution, assistance of Rs.1.16 crore only could be released to tea and coffee growers so far.

With a view to improve the effectiveness of the scheme and to achieve better results towards providing meaningful financial assistance to the growers, restructuring of the scheme is in process.

Personal Accident Insurance Scheme

A Personal Accident Insurance (PAI) Scheme having a cover of Rs.25,000/- for growers of Tea, Coffee, Rubber and Tobacco was started from 1.1.2005 and the premium @ Rs.9/- per grower was borne by the PSF Trust on behalf of the growers. The Personal Accident Insurance Scheme was reviewed by the Government in April 2007 and the insurance cover has been increased to Rs.1.00 lakh per person. The scheme covers the growers in the sectors of Tea, Coffee, Rubber and Tobacco having plantations up to 4 hectares only. The Scheme has been extended to Spices sector also. The Scheme will also cover the permanent plantation workers working on these plantations. The premium of Rs.14 per annum per person is shared on 50:50 basis between the beneficiary and PSFT.

Spices

The Spices Board Act, 1986 assigns to the Spices Board the responsibility of export development of 52 spices. Some of the major spices among

them are pepper, chilli, ginger, turmeric, cardamom, coriander, cumin, fennel, fenugreek, celery, vanilla and saffron. The Board is implementing a number of schemes aimed at export development of Spices with a view to meet international standards and promotion of export of value added spices. The Board has well established quality evaluation and upgradation laboratory at Kochi which is engaged in surveying the quality of spices procured from different producing and marketing centres. It offers training for quality upgradation to growers and exporters and undertakes physical, chemical and biological analysis of the samples brought by the exporters.

Exports

During 2006-07, Indian spices industry achieved yet another peak in spices exports. Spices exports amounted to US \$ 792.95 million registering a spectacular growth of 34% over 2005-06. The export value in rupee terms reached Rs.3575.75 crore from 373,750 tonnes of exports, the achievement being higher by 36% and 7% respectively over the previous year. Pepper, chilli, cumin and mint products were the major contributors for the high growth in 2006-07. Export of pepper, large cardamom, chilli, turmeric, cumin, nutmeg and mace, vanilla and value-added products such as curry powder/paste, mint products, spice oils and oleoresins have registered better performance in 2006-07. The improvement was significant in the case of pepper with 103%, chilli - 100% and cumin - 105% increase over previous year. Chilli continued to be the largest exported item during 2006-07 with an export of 148,500 tonnes.

The exports of pepper, which continued to suffer in the recent years, recovered during the year and

increased to 28,750 tonnes from 17,363 tonnes during previous year. The WTO compatible subsidy for domestic transportation as well as freight subsidy helped the Indian pepper to be competitive in the International markets. Value added products account for an impressive share of 59% in total spices export earnings. Besides, export of value added spices has also increased by 38% in terms of value in 2006-07 (Rs.2093 crore) compared to 2005-06 (Rs.1512 crore). The overall fob unit value realization of the spice exports during the year has increased significantly to Rs.95.67 per kg from Rs.75.00 per kg in 2005-06.

During April-November 2007, spices exports have gone up by 50% in value compared to the same period of last year. India exported 286302 tonnes valued Rs. 2840 crore (US \$ 700.95 million) during this period compared to the export performance of 238334 tonnes valued Rs.2255.13 crore (US \$ 492.93 million) in the same period of 2006-07. In value terms the export is higher by 42% (in dollar terms) and 20% in volume. In rupee terms of value, the growth is 26%.

Major Activities

Spices Board is implementing programmes like production and supply of quality planting material, support for replanting the senile gardens, irrigation and land development, support for setting up curing houses and extension services to small and large cardamom with the objective of increasing production and productivity.

In North Eastern States, the Board is engaged in extension of large cardamom development through supply of quality planting material and support for curing houses. Other programmes

in North East are organic pepper, organic cultivation of Lakadong turmeric, Organic cultivation of ginger, support for vermi compost units, training for officers and farmers in cultivation of spices.

For export development and promotion, the major activities being undertaken are adoption of High-Tech & Technology Upgradation mainly for value addition as well as quality upgradation and Trade Promotion. As a major initiative to promote export processing and value addition and thereby help farmers, Spices Board is in the process of setting up number of Spices parks in the country during XI plan. To enhance the quality testing capabilities of spice industry and to ensure that the production match the specified standards, Regional Quality Control Laboratories at Mumbai, Guntur, Delhi and Chennai are also proposed to be set up by the Board.

The Indian Cardamom Research Institute of the Board is evolving high yielding clone and hybrids of small and large cardamom to improve productivity. Two high yielding varieties viz., ICRI-5 and ICRI-6 having high yield potential over 2 tons per hectare are released.

Exemption of Technical Posts from Abolition

All technical posts in the Commodity Boards, Marine Products Export Development Authority (MPEDA) and Export Inspection Council (EIC) under the administrative control of the Department of Commerce have been exempted from application of Annual Direct Recruitment Plan where under only one third of the Direct Recruitment vacancies could be filled in. Now all vacancies in technical cadres will be filled in without any cut.

Cashew

The export of cashew kernel from India during 2006-2007 was 1,22,835 lakh tonnes valued at Rs. 2490.91 crore (US \$ 565.78 Million). The Government provides financial assistance to cashew exporters through Cashew Export Promotion Council of India (CEPC) for improving cashew kernel quality which includes setting up/improving the facilities for Cashew Kernels in Value Added Form/Consumer Packs, Quality Upgradation by Process Improvement, Implementation of Internationally accepted Certification Scheme and Introduction of Flexi Pouch Vacuum Packing System. Under ASIDE, CEPC has been provided with 3.26 crore for construction of their lab-cum-office in Quilon.

Cashew Kernels

Among the agricultural products exported from India, cashew ranked as the third highest foreign exchange earner and contributed 0.44% of the total foreign exchange earnings of the country through exports. Out of the cashew kernels exported during 2006-07, 40.47% was to American zone, 35.39% to European zone, 16.06% to West Asia and 5.71% to South East & Far East Asian Zone, 1.31% to Oceanic Zone and 1.061% to African Zone.

Domestic Production and Import of Raw Cashewnut

India continued to be the largest producer of raw cashew nuts in the world. The other main producing countries are Vietnam, Brazil, Tanzania, Ivory Coast, Guinea Bissau, Mozambique, Indonesia etc. According to the estimates by Directorate of Cashew nut & Cocoa Development (DCCD), the production of raw

cashew nuts in India during 2006-07 was 6,20,000 M.T. as against the estimated production of 5,73,000 M.T. during 2005-2006.

Other Activities

The following were the activities taken up by the Council during the period under review:

- Disbursement of Rs.79.92 lakhs to 28 exporters during 2006-07 for modernization and upgradation of quality and packaging facilities of their cashew processing units under the Tenth Five Years Plan Schemes.
- A delegation to Tenth World Treenut Convention at Florida, USA and to Vietnam to increase cooperation between cashew producing and exporting countries was sponsored besides participating in 3 international exhibitions viz. EXPONUT – 2006, Istanbul, Turkey; SIAC, Paris, France and Foodex 2007, Tokyo, Japan.
- A Buyer Seller Meet ‘Kaju India 2006’ organized with the support under Market Access Initiative Scheme.
- Three publications namely, (i) Cashew Bulletin (ii) Indian Cashew Journal and (iii) a CD’ celebrating Indian Cashews’ with general information on cashew.
- The Council received 205 trade enquiries during 2006-07.
- The CEPC Laboratory analyzed 2897 samples during 2006-07.

Oil Meals

Soyabean meal accounts for more than 65% of the export turnover from this sector. The export of oil meals during 2006-07 has been 6591861 tonnes valued at Rs. 5502.93 crores. The major

importers of oil meals during 2005-06 have been Indonesia, Vietnam Socialist Democratic Republic, Republic of Korea, Thailand, and Democratic People's Republic of Korea, Sri Lanka, Pakistan, Iran etc.

To encourage exports of Soyabean extraction, the following initiatives have been undertaken:

- The excise duty on Food Grade Henaxe, which is a solvent used for extraction of oil, has been reduced from 32% to 16%.
- The duty free import of input has been allowed under Standard Input-Output Norms (SION) 'F-42' of food products with conditions.
- Indian Oilseeds & Produce Exporters Association (IOPEA) has been given the status of an Exports Promotion Council (EPC), for the De oiled Cake and meals, Oilseeds and Edible oils other than those dealt by Shellac and Forest Product Export Promotion Council.

Export of Agricultural Products

Although India is an agrarian economy, it remains a marginal player in world agricultural trade, with a share of about 1% of the world trade in agriculture. Exports of agricultural products are dependant on several factors such as global demand and supply, consumer preferences, varieties traded, quality, domestic and international prices and availability of infrastructure facilities for storage, post harvest handling, quality and adherence to sanitary and phyto-sanitary standards, cost competitiveness etc.

The Government of India's strategy is influenced by the need to maximize farm incomes,

safeguard national food security, generate foreign exchange and ensure availability of essential commodities at reasonable prices to the Indian consumers. The Department of Commerce has been promoting agro-exports both directly and through statutory bodies, Export Promotion Councils and Commodity Associations. In order to boost export of agro products, the Government provides various incentives through Commodity Boards/Council for infrastructure development, quality control, market development and promotion, research & development etc. In addition, vigorous efforts are also being made to gain access for our agri products through conclusion of SPS protocol with important importing countries like US, EC, China etc.

Agriculture exports had shown improvement over the last few years. During the year 2006-07 agro exports (excluding tea, marine, coffee, castor oil and cotton) were Rs. 37465.26 crore (US \$ 8510 million) as compared to Rs. 31694.70 crore (US \$ 7159 million) during 2005-06.

During the current fiscal year (April-October 2007), the agri exports (excluding tea, marine products, coffee and cotton) were to the tune of Rs. 24,794.73 crore (US \$ 6094.44 million) as compared to Rs. 21,035.21 crore (US \$ 4601.57 million) during the corresponding period of the previous year. The exports have increased by 17.87% in rupee terms and an increment of 32.44% in US \$ terms, reflecting the impact of rupee appreciation. The major agricultural products exported from India during 2006-07 were rice, meat, poultry & dairy, fresh fruits and vegetables, processed foods, nuts and seeds, oilmeals, tobacco, spices, guar gum meal, tea, coffee, cotton and marine products.

Agricultural and Processed Food Products Export Development Authority (APEDA)

The Agricultural and Processed Food Products Export Development Authority (APEDA) was set up in 1986 as a Statutory Body under an Act of Parliament of 1986. APEDA is mandated with the development and promotion of the export of scheduled Agro Products including Fruits, Vegetables and their Products; Meat and Meat Products; Poultry and Poultry Products; Dairy Products; Confectionery, Biscuits and Bakery products; Honey, Jaggery and Sugar Products; Cocoa and its products, Chocolates of all kinds; Alcoholic and Non-Alcoholic Beverages; Cereal products; Groundnuts, Peanuts and Walnuts; Pickles, Papads and Chutneys; Guar Gum; Floriculture and Floriculture Products; Herbal and Medicinal Plants; and Rice (Non-Basmati).

APEDA has also been entrusted with monitoring of export of non-scheduled products such as Basmati Rice, Wheat and Coarse Grains. Import of sugar is also monitored by APEDA.

Export

The export of APEDA monitored agri and processed food products has increased from US \$ 4025.47 million in 2005-06 to US \$ 4691.75 million in 2006-07 registering a growth of 16.55%. The APEDA products exports during 2007-08 (April-October 2007) have registered a growth of 32.44% over the corresponding period of the previous year. The comparative performance for the major product groups for the period April – October 2006 and April – October 2007 is given below.

APEDA has been actively engaged in the development of markets besides upgradation of infrastructure and quality to promote the export of agro products. In its endeavour to promote agro exports, APEDA provides financial assistance to the registered exporters under the following schemes:

- Scheme for Market Development
- Scheme for Infrastructure Development
- Scheme for Quality Development

Export Performance

(Value in US \$ million)

Product Group	Exports		Growth in %
	April-October 2006	April-October 2007	
Floriculture & Seeds	54.02	67.59	25.11
Fruits & Vegetables	334.49	353.31	5.03
Processed Fruits & Vegetable	297.58	267.52	-10.10
Livestock Products	475.14	622.05	30.93
Other Processed Foods	408.63	449.02	9.87
Non-Basmati Rice	516.74	912.58	76.60
Basmati rice	315.91	409.65	29.67
Wheat and other cereals	68.06	259.61	281.44
Total	2470.63	3339.36	35.16

- Scheme for Research & Development
- Transport Assistance Scheme

Floriculture Products

Floriculture has been identified as a thrust area for export promotion as trade in floriculture is one of the most rapidly expanding global enterprises today. Although the value of export of floriculture products from India has registered impressive growth from Rs. 18.83 crore in 1993-94 to Rs. 649.83 crore in 2006-07, yet, India's share in the world floriculture is less than 1%. The Government, through APEDA has initiated a number of steps to actualize the vast potential that the country has in floriculture exports:

- Six Agri Export Zones have been set up to promote export oriented floriculture industry in the producing regions – two in Tamil Nadu, one each in Karnataka, Maharashtra, Sikkim and Uttarakhand.
- Cold storages and cargo handling facilities at the key airports of New Delhi, Mumbai, Hyderabad, Bangalore, Chennai, Thiruvananthapuram and Kochi have been set up. Such facilities are also being set up at Ahmedabad, Amritsar, Kolkata, Nasik, Goa and Bagdogra airports. Proposals are under consideration for setting up such facilities at Guwahati, Calicut and Coimbatore airports. Walk-in-type cold rooms for handling of horticulture perishables are also being set up at Dimapur, Trichy, Bhubaneswar, Agartala, Imphal, Aizwal and Jaipur.
- A Market Facilitation Centre (MFC) has been set up in Netherlands to overcome the market access issues faced by the Indian exporters in the European market. The MFC has helped creation of marketing links for Indian

exporters, provided guidance to growers on post harvest practices, imparted knowledge on the changing varietal preferences, improved the quality of supplies, increased the time window of sales from a couple of months to the whole year, increased the volume of direct sales and improved the unit price realisation, widened the product range, expanded the production base and diversified the markets.

- The International Florex 2007 was held at Pune from 2nd to 4th November 2007 that showcased Indian capabilities in the floriculture sector and opened a window of opportunity both for the Indian growers and the international buyers to understand each other had been organized.
- APEDA assisted the State Governments in setting up modern world class marketing infrastructure. The International Flower Auction Centre, Bangalore has been set up at a cost of Rs.10.38 crores with APEDA's contribution of Rs.3.57 crores and at Mumbai (Goregaon) at a cost of Rs.23 crores. APEDA provided financial assistance of Rs.7.35 crores for setting up of this state of the art floriculture auction facility. Similar wholesale market-cum-auction centres are also being set up at Noida in U.P. and Kolkata in West Bengal.

Fresh Fruits & Vegetables

India is the 2nd largest producer of fruits and vegetables in the world. The global demand for fruits and vegetables has been consistently growing at over 4% during the last five years. Our exports of fruits and vegetables have been impeded by a host of factors both domestic and external. These include low productivity compared to international levels, lack of the use

of new technologies for pre and post harvest management of crops, lack of cold chain infrastructure, disconnect between the producer and the market, the high cost of transportation, the stringent international quality standards and the use of SPS and TBT measures by the developed countries to restrict market access. A number of steps to improve the competitiveness of our produce in the international market have been taken up which have helped the exports to grow from Rs. 647 crores in 1999-00 to Rs. 2412 crores in 2006-07. Some of the steps taken to improve the supply chain efficiencies and increase the competitiveness of Indian fresh produce are:

- Financial assistance for packhouses, refrigerated vehicles and centres for perishable commodities for maintenance of the quality of the produce and for increasing the shelf life.
- Development of pre harvest and post harvest protocols for export of grapes, mangoes, litchi, pomegranates, oranges, apples, pineapples, kinnows, potatoes, onions, etc.
- Standardisation for 32 fruits and vegetables under AGMARK Act.
- Introduction of schemes for registration/recognition of pack houses/processing units for fresh fruits and vegetables like grapes, mangoes, pomegranates, etc.
- Laboratory recognition and upgradation programme for making available testing facilities to ensure the quality of produce exported.
- Development of packaging standards and sea transportation protocols for grapes, mangoes, litchi, pomegranates, etc.
- Pest and disease management studies conducted through ICAR/CSIR institutes to gain market entry for our major fresh produce.
- The Airport charges have been rationalized by the Airport Authority of India.
- For meeting the quarantine requirements of Japan to obtain market access for Indian mangoes, protocols have been developed for Vapour Heat Treatment (VHT) for six varieties of mangoes. Japanese market has been opened up for export of Indian mangoes after consistent efforts over a period of 20 years. Three commercial scale VHT plants in U.P., A.P. and Maharashtra are now being set up.
- Market access has been achieved for export of fresh mangoes to USA. Approx. 180 MTs of mangoes were exported to USA during the last mango season. Efforts are continued to set up infrastructure facilities i.e. irradiation units for processing of fresh mangoes for exports to USA.
- Organizing mango promotion programme in New York in June 2007 to promote export of mangoes in US market.
- Commissioning of a study on 'Direct to Retail Strategy' to increase the exports through consolidation. In the process, a seminar is being organized by APEDA for business interactions of leading agro exporters and super market representatives from Europe in the month of March 2008 and facilitation of direct tie-ups with the organized retailers in Europe.
- Organising mango promotion campaign in Kuala Lumpur (Malaysia), Singapore, Munich (Germany), Warsaw (Poland), Tokyo (Japan) and New York wherein the premium Indian mango varieties like Alphonso, Kesar, Banganpalli, Rajapuri, Ratna etc. were displayed and in-store promotion was organized in leading supermarkets. Buyer-Seller meets were organized during these

mango promotion programmes which were largely attended by importers, representatives of leading super markets and major mango exporters from India. Efforts are continued to open up Australian market for importation of Indian mangoes.

- Development of software “Grapenet” for establishing web based traceability system for export of fresh grapes to European Union.
- Signing of MoU with Govt. of West Bengal for setting up a Cargo Handling Facility for fresh produce at Haldia Seaport.

Processed Fruits & Vegetables

The export of processed fruits and vegetables is another thrust segment for encouraging export of value added products. The exports have grown by CAGR of 17.68% in last 10 years. The high growth in this group is contributed by pulses, processed and frozen fruits & vegetables and ready to eat products. Some of the steps initiated by APEDA for increasing the exports include:

- Food safety system such as HACCP has been implemented on cluster basis in the food-processing sector for dehydrated onion and garlic units in Bhavnagar area of Gujarat.
- Standards for export packaging of dehydrated/freeze-dried vegetables have been developed through the Indian Institute of Packaging.
- Market promotion of frozen fruits and vegetables is being undertaken in EU and USA on the basis of a study being conducted under the Market Access Initiative scheme.

Livestock Products

The export of livestock products has increased from Rs. 803 crore in 1996-97 to Rs. 4063 crore

in 2006-07 at a CAGR of 19.68%. In view of the increased emphasis on human, animal and plant health and safety aspects in the global markets, a number of steps have been initiated to improve capabilities for meeting these quality requirements:

- The standards for export of various livestock products including meat and meat products, poultry products, honey and milk products have been notified.
- The plants have been encouraged to implement quality systems such as HACCP and ISO.
- Delegations from UAE, Malaysia, Saudi Arabia, Jordan, Philippines visited for inspection and accreditation of meat plants.
- A team of experts from EU also visited for evaluation of the control of residues in honey, egg products and dairy products.
- Re-open the Egyptian market for Indian Buffalo meat. Efforts are being made for developing the Russian and Chinese markets for export of meat products.
- Due to spread of Avian Influenza in some parts of the country in February 2006, major importing countries of poultry products had imposed ban on Indian poultry products, an effort for lifting of the ban has been made and as a result markets in Saudi Arabia, UAE, Kuwait, Sri Lanka and Oman have been reopened. Efforts are on for revival of other markets.

Basmati Rice

The export of Basmati rice has increased from Rs. 1247 crore in 1996-97 to Rs. 2793 crore in 2006-07 at a CAGR of 12.6%. Steps initiated during the year to increase the export include:

- 44 rice processing and exporting units were assisted for upgradation of facilities through installation of sortex machines.
- After a pest risk analysis by China, a protocol has been signed in November, 2006 for export of Basmati rice from India.
- For development of a common DNA Testing protocol for Basmati rice exports to the European Union, an expert from European Joint Research Centre visited India in June 2007 to assess the sampling procedure and further developments are awaited.
- DNA testing facility for basmati rice at the Centre for DNA Fingerprinting and Diagnostics, Hyderabad was commissioned in November 2006 and tests are carried out for exports to European Union.
- Another laboratory with DNA testing facility is being set up at Modipuram in U.P. and the lab is likely to be operationalised by July 2008.

Market Intelligence and Trade Facilitation Measures

- An interactive portal named “Indian Agri Trade Junction” with the funding support of GOI-UNCTAD-DFID has been developed as a part of APEDA website www.apeda.com. The portal provides comprehensive international market intelligence.
- A study has been commissioned to broad base the ITC HS Code classification to include products not covered hitherto at the 8-digit level and the final report will be submitted by the consultants by Dec’07.
- APEDA, as the secretariat for the National Programme for Organic Production,

performs the lead role for promotion of export of organically grown agro-products.

- Training is being provided on ISO 65 requirements for Certification Bodies interested in organic certification under the Trade and Investment Development Programme (TIDP) commissioned by the European Commission.
- 11 certification bodies have been accredited under NPOP.
- European commission has included India in the list of countries covered by Article 11 of the regulation 2092/91 for equivalence of NPOP standards on 28th June 2006. Certificates issued by the Indian Accredited Certification Bodies as per NPOP are being accepted by the member countries of the European Union.
- Switzerland has accepted to include India in their article 23 list of countries.
- USDA has accorded recognition to India for the conformity assessment system of the accreditation procedures.

Agri Export Zones (AEZs)

APEDA is the nodal agency of the Government of India for coordinating the implementation of the Agri Export Zones in the country. Currently there are 60 approved Agri Export Zones in 20 states under various stages of implementation. The 60 AEZs envisaged an investment of Rs.1717.95 crore and export of Rs. 11821.47 crore over a period of 5 years. Against these projections, these AEZs have so far crystallised an investment of Rs.1097.53 crore and exports of Rs. 10669.02 crore over the last five years.

Pursuant to the Peer Evaluation of select AEZs conducted by the Department of Commerce and the decision to shortlist a few AEZs for focused attention and their revitalization through assistance under the ASIDE Scheme, efforts are on to fast track the development of the selected AEZs through Public Private Partnership.

Marine Products Export Development Authority (MPEDA)

The Marine Products Export Development Authority (MPEDA) is a body responsible for development of export of marine products from India.

Export

Exports of marine products from India achieved an all time high in 2006-07, in terms of value (US \$1852.93 million), registering a growth of 12.69% over the previous year, in relation to growth of 11.21% in 2005-06 over the earlier year. In quantitative terms, the growth was 19.62% in 2006-07, in comparison to 11.02% in the year 2005-06. Details of quantity and value-wise exports of marine products during the last two years are given below:

Exports of marine products between April-September 2007 have amounted to Rs.3537.75 crore (US \$ 863.96 million).



Shri Jairam Ramesh, Hon'ble Minister of State for Commerce presents awards for best performance in exports for 2005-06 at Kochi on 1-10-2007

Major Markets

Indian seafood was exported to 90 (ninety) countries in 2006-07. The European Union with a share of 33% in value terms was our largest market for Indian marine products followed by the USA (16%), Japan (16%) and China (14%). During the year 2006-07 exports to all countries registered an increase, except for the USA where the fall was 21.60% (quantity) compared to the previous year.

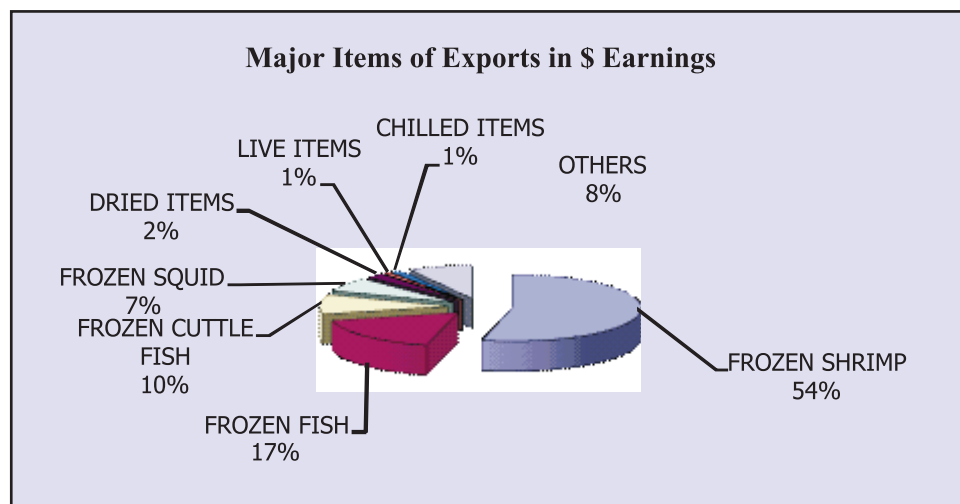
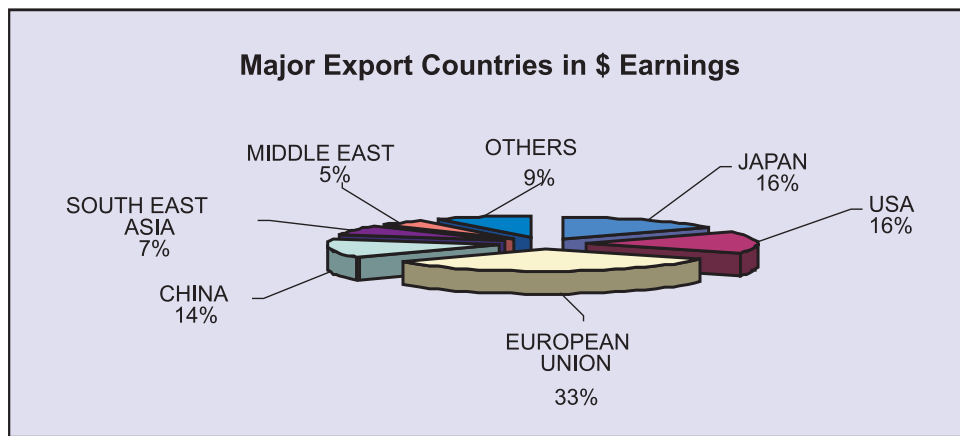
Major Item of Exports

Frozen fish, frozen shrimp, frozen cuttle fish and frozen squid continued to be the major items of export from India. Frozen Fish continued to be the major item in terms of volume and frozen shrimp in terms of value.

Export Performance

	2005-06	2006-07	% Growth
Quantity (Metric Tonnes)	512154	612641	19.62
Value (Rs. Crore)	7245.30	8363.53	15.43
Value (Million US \$)	1644.21	1852.93	12.69

Source: Marine Products Export Development Authority



Thrust Areas

The following areas are being given greater attention for facilitating enhanced export of marine products: -

- Establishment and improvement of the brand image of Indian marine products in the export markets.
- Increase in capture fishery resources by exploiting the rich potential of Tuna and other deep sea resources.
- Expansion and diversification aquaculture to increase the share of culture fishery resources and reduce dependence on shrimp.
- Modernisation of seafood plants with the objective to increase the share of value added products in our export basket.
- Upgradation of fishing harbours and landing centers to improve the quality of landed marine products.
- Supply of healthy pathogen free seeds to prevent disease in our aquaculture effort.
- Setting up of state of the art laboratory facilities for testing of various parameters of seafood products meant for export, providing better extension linkage to the coastal aquaculture and in fishing and processing sectors on better management practices, and

production of quality seafood under proper hygienic conditions.

To achieve these objectives appropriate schemes have been devised and are being implemented by the Marine Products Export Development Authority (MPEDA), a body responsible for development of export of marine products from India, under the administrative control of this Department.

Steps taken to increase Exports during 2007-08

(a) Steps taken to revamp marketing

MPEDA has initiated steps to revamp its marketing efforts. A key step taken in this direction is the appointment of a leading private agency namely Lintas Personnel to plan and implement a comprehensive programme for promotion of brand equity of Indian marine products. This also envisages building capacity among small and medium exporters for co-branding with leading brands/super markets to enable Indian exporters to gain access to the retail segments of the seafood markets. USA, Japan, UK, Spain, Germany, Italy, France, Australia, etc which are the major markets to be targeted.

(b) Steps taken to increase the production and quality of cultured Shrimp and Scampi

- MPEDA, with a view to developing marine finfish farming through cage culture in the country has entered into a MoU with Innovation Norway, to get technical assistance. The MOU was signed at Trondheim, Norway on 15.8.2007.
- MPEDA achieved a breakthrough in demonstrating the technical feasibility of

cage farming for marine finfish, Asian Seabass (*latus calcarifer*) through the Rajiv Gandhi Centre for Aquaculture.

- To increase Aquaculture production, mission mode programmes in the states of Gujarat, Maharashtra and Orissa have been launched.
- Focus on the introduction of Better Management Practices (BMP) and adoption of code of practices in shrimp farms.
- MPEDA has entered into a MoU with the Swiss Import Promotion Programme (SIPPO) to promote organic aquaculture in India.



Minister of State for Commerce signing MoU with SIPPO

(c) Steps taken to improve quality and sustainability of marine products meant for export

- The National Residue Control Plan (NRCP) to monitor the residue levels of various environmental contaminants in aquaculture products was continued during the year.
- Hazard Analysis Critical Control Point (HACCP) team assisted seafood processing units for preparing HACCP manual and implementation of HACCP system.
- MPEDA Labs at Kochi, Nellore and Bhimavaram obtained certification under ISO

9001: 2000 and accreditation by NABL (National Accreditation Board for Testing and Calibration Laboratories) under ISO: 17025: 2005. By this recognition the test results of the Laboratories will be accepted by the importing countries without further verification.

- A New Laboratory at Bhubaneswar was set up to cater to the testing requirements of Orissa region for Antibiotics like Nitrofurans and Chloramphenicol and will be operated on management contract.
- A Society by name Network for Fish Quality Management & Sustainable Fishing (NETFISH) was registered for carrying out the extension programmes of MPEDA, with its headquarters in Kochi.



Shri Jairam Ramesh, Hon'ble Minister of State for Commerce presents NETFISH at Kochi on 1-10-2007

(d) Other Developmental / Promotional activities

- Demonstration cum training on conversion of fishing vessels into tuna long liners, fishing and on board handling of sashmi grade tuna by an expert to popularize fishing of under exploited resources.
- Action has been initiated to upgrade/modernise various basic projects like fishing

harbours/fish landing centres in various states.



Shri G. Mohan Kumar, Chairman, MPEDA Flag of Tuna longliner at Vizag

Tuna is considered as the 3rd major fish commodity traded internationally after shrimp and ground fish. It contributes 9% of the international trade in fishery products in terms of value. India has a large tract (around 213000 tonnes of Oceanic Tuna) of untapped oceanic tuna in the Exclusive Economic Zone (EEZ) which need to be harvested for increasing marine exports from India.



Yellowfin Tuna

Present exploitation of oceanic tuna is negligible. Commercially important species of tuna are generally found in the deep sea level between 100-500 meter depth. To tap such tuna resources, MPEDA is implementing a Subsidy Assistance

scheme for modifying existing fishing vessels for tuna long lining. Recently 22 trawlers which had undergone the conversion to tuna long liners were launched from Vishakhapatnam.



Tuna Product

MPEDA is also planning to set up Tuna handling centers in Vishakhapatnam, Chennai, Kochi and Mumbai to make these places tuna processing

hubs. A Tuna expert has been hired from Australia to impart training on conversion of vessels, fishing, onboard handling and processing. It is anticipated that there will be great demand in leading markets abroad for Indian tuna. An Action Plan for Development of Tuna in Andaman and Nicobar Island has also been released on 6th January 2008 at Port Blair.



Tuna Product