Chapter-9

Commodity Boards and Other Development Authorities

I. Tea

India is the 2nd largest producer and consumer of black tea in the world. Tea is grown in 16 States in India, of which Assam, West Bengal, Tamil Nadu and Kerala account for about 96% of the total tea production. The teas originating from Darjeeling, Assam and Nilgiris are well known for their distinctive quality the world over. Tea exports contribute foreign exchange into the country; the sector also contributes revenue to the tea growing states and national exchequer by way of VAT, agricultural and corporate income tax, etc. The tea industry provides direct employment to more than a million workers, of which a sizeable number are, women. Additionally, more than two million people derive their livelihood from ancillary activities associated with the industry.

Tea Board

Tea Board is an autonomous body under the Department of Commerce, Government of India, set up as a statutory body on 1st April, 1954 as per provision under Section (4) of Tea Act 1953. It is an apex body which looks after the overall interests of the tea industry. The Chairman heads the Board and there are 30 Members representing various interests pertaining to Tea Industry.

The Board’s head office is situated in Kolkata and there are 16 regional/sub-regional offices throughout India. It has also three overseas offices at London, Moscow and Dubai whose activities are mostly promotional in nature. Tea Board has wide functions and responsibilities which include measures for development of the tea industry, extending financial and technical assistance to the tea growers, manufacturers and producers, export promotion and domestic generic promotion, regulating and controlling different marketing activities including that of Tea Auctions, facilitating R & D activities, market liaison, assistance to labour welfare activities, maintenance of statistical data etc.

Production of Tea

Tea production in India during the year 2009-10 has been estimated at 991.18 million kgs as against 972.77 million kgs achieved in 2008-09 (Chart 9.1). The production had increased by 18.41 million kgs when compared to previous year due to improved weather conditions. During the period April-October, 2010-11, tea production is estimated at 719.67 million kgs against 748.48 million kgs achieved during corresponding period of last year, showing a decline of 28.81 million kgs.
Commodity Boards and other Development Authorities

Exports

Exports of tea from India during 2009-10 stood at 213.43 million kgs valued at Rs.3038.69 crore with a unit price realization of Rs.142.37 per kg as against 190.64 million kgs valued at Rs.2381.79 crore with a unit price of Rs.124.94 per kg in 2008-09. During the period April - October, 2010-11 export of tea has been estimated at 109.14 million kgs valued at Rs.1425.90 crore with a unit price of Rs.130.65 per kg against 119.18 million kgs valued at Rs.1722.52 crore with a unit price of Rs.144.53 per kg during the corresponding period of last year showing a decline of 10.04 million kgs in quantum and a decline of Rs.296.62 crore in value.

Imports

Imports of tea into India during the financial year 2009-10 were 25.67 million Kgs. valued at Rs.213.10 crores with a unit price of Rs.83.01 per kg. as against 22.04 million kgs. valued at Rs. 181.45 crores with a unit price of Rs.82.33 per kg. in 2008-09. Out of the quantity of tea imported, 17.97 million kgs. was for re-export and the balance 7.70 m.kgs. was meant for domestic consumption.

During the current financial year 2010-11 (April –October), import of tea is estimated at 11.00 m.kgs. with a value of Rs. 103.23 crores and unit price of Rs. 93.86 per kg. as against 15.74 M.kgs. with a value of Rs. 133.51 crore and a unit price of Rs. 84.84 per kg. during the corresponding period of last year. This shows a decrease of 4.74 million kgs. in quantum, Rs. 30.28 crore in value over the corresponding period of last year. The unit price per kg. however showed an improvement by Rs. 9.02 over the corresponding period.

At present, the basic import duty on tea falling under the head 0902 is 100% and on instant tea falling under head 210120 is 30%. However, duty
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Free import of tea is allowed under the duty exemption scheme and/or by EOU/SEZ units subject to the condition of its re-export and value addition. Under the Indo-Sri Lanka Free Trade agreement, tea from Sri Lanka upto 15 million kgs. annually is allowed to be imported into India at a concessional rate of import duty of 7.5%.

Table 9.1

Estimated Value of Earnings (in Rs. Crore) from Exports of Tea from India

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports</th>
<th>Unit Price (Rs./Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Qty</td>
<td>Value (Rs. in Crores)</td>
</tr>
<tr>
<td>2006-07</td>
<td>218.15</td>
<td>2045.72</td>
</tr>
<tr>
<td>2007-08</td>
<td>185.32</td>
<td>1888.68</td>
</tr>
<tr>
<td>2008-09</td>
<td>190.64</td>
<td>2381.79</td>
</tr>
<tr>
<td>2009-10</td>
<td>213.43</td>
<td>3038.69</td>
</tr>
<tr>
<td>2009-10 [Apr-Oct]</td>
<td>119.18</td>
<td>1722.52</td>
</tr>
<tr>
<td>2010-11 [Apr-Oct] (E)</td>
<td>109.14</td>
<td>1425.90</td>
</tr>
</tbody>
</table>

E: Estimated
Source: Tea Board

The Minister of State for Commerce and Industry, Shri Jyotiraditya Scindia addressing at the inauguration of the 19th Session of Intergovernmental Group on Tea, in New Delhi on May 12, 2010
Prices

The average price of tea sold at Indian auctions during January to October, 2010 was Rs. 101.04 per kg as against the average price of Rs. 103.65 per kg during the corresponding period of the previous year.

Table 9.2
Prices of All Tea at North, South and All Indian Auctions

(Price in Rs/ Kg)

<table>
<thead>
<tr>
<th>Months</th>
<th>North India</th>
<th>South India</th>
<th>All India</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010 (P)</td>
<td>2009</td>
<td>2010 (P)</td>
</tr>
<tr>
<td>January</td>
<td>100.94</td>
<td>88.61</td>
<td>75.32</td>
</tr>
<tr>
<td>February</td>
<td>94.27</td>
<td>81.73</td>
<td>73.45</td>
</tr>
<tr>
<td>March</td>
<td>76.70</td>
<td>78.54</td>
<td>69.61</td>
</tr>
<tr>
<td>April</td>
<td>109.20</td>
<td>116.89</td>
<td>73.72</td>
</tr>
<tr>
<td>May</td>
<td>117.76</td>
<td>134.90</td>
<td>65.85</td>
</tr>
<tr>
<td>June</td>
<td>122.85</td>
<td>130.03</td>
<td>60.23</td>
</tr>
<tr>
<td>July</td>
<td>126.57</td>
<td>117.47</td>
<td>58.76</td>
</tr>
<tr>
<td>August</td>
<td>131.09</td>
<td>118.95</td>
<td>60.41</td>
</tr>
<tr>
<td>September</td>
<td>126.09</td>
<td>121.11</td>
<td>69.41</td>
</tr>
<tr>
<td>October</td>
<td>126.58</td>
<td>123.11</td>
<td>71.11</td>
</tr>
<tr>
<td>Jan to Oct</td>
<td>116.60</td>
<td>112.78</td>
<td>66.85</td>
</tr>
</tbody>
</table>

Source : Tea Board

(P) Provisional and subject to revision

Table 9.3
Prices of Total Tea at Different Indian Auctions During January to October

(Price in Rs/kg)

<table>
<thead>
<tr>
<th>Auction Centres</th>
<th>Average Price</th>
<th>Increase (+) or decrease (-) in Price during 2010 over 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010 (P)</td>
<td>2009</td>
</tr>
<tr>
<td>Kolkata</td>
<td>128.71</td>
<td>121.93</td>
</tr>
<tr>
<td>Guwahati</td>
<td>110.47</td>
<td>109.20</td>
</tr>
<tr>
<td>Siliguri</td>
<td>103.30</td>
<td>101.54</td>
</tr>
<tr>
<td>North India</td>
<td>116.60</td>
<td>112.78</td>
</tr>
<tr>
<td>Cochin</td>
<td>75.14</td>
<td>89.81</td>
</tr>
<tr>
<td>Coonoor</td>
<td>62.35</td>
<td>75.42</td>
</tr>
<tr>
<td>Coimbatore</td>
<td>62.90</td>
<td>79.72</td>
</tr>
<tr>
<td>Tea Serve</td>
<td>54.56</td>
<td>72.53</td>
</tr>
<tr>
<td>South India</td>
<td>66.85</td>
<td>81.50</td>
</tr>
<tr>
<td>All India</td>
<td>101.04</td>
<td>103.65</td>
</tr>
</tbody>
</table>

(P) Provisional and subject to revision

Source: Tea Board.

Tea Development

One of the important functions assigned to the Tea Board under the Tea Act includes formulation and implementation of development schemes aimed at increasing tea production and productivity of plantations, improvement of quality of tea, modernization of tea processing, packaging and value addition facilities and encouraging cooperative efforts amongst small tea growers and supporting the R & D institutes for carrying out both basic and applied research and extension service to the tea industry.

Financial assistance for the above activities are extended by way of long term loan, subsidy and grant-in-aid through the development schemes approved for implementation during the Eleventh Plan period.
Activities Supported Under the Schemes

(i) Special Purpose Tea Fund Scheme (SPTF)

The objective of the scheme is to encourage tea garden owners to take up large scale uprooting and replanting of old tea bushes for improving production and productivity for competitive sustenance.

A dedicated website and helpdesk (www.teaboardsptf.in) has been hosted for online submission of application and for dynamic communication with the beneficiaries. Definite time frames have been set for the various stages of receipt and processing of applications. Road shows are being held in the tea areas of the country for popularizing the scheme. Training has been imparted to tea garden managers on the online submission of the application under SPTF Scheme.

(ii) Tea Plantation Development Scheme

This scheme provides for extending financial support to tea gardens for undertaking field oriented activities aimed at increasing field productivity and decreasing cost of production such as creation of irrigation, drainage and transportation facilities, new planting in NE Region and in hilly areas above 2,500 ft above MSL by the small growers holding less than 4 ha and support to the Self Help Groups (SHGs) of small tea growers for setting up Leaf Collection Centres/Input Storage Godowns, purchase of weighing scales, leaf carry bags, fertilizers & plant protection chemicals, transport vehicles etc.

(iii) Quality Upgradation and Product Diversification Scheme

This scheme provides for extending financial assistance by way of subsidy for modernization of the processing factories by replacement of old and worn out machinery, setting up of new factories by the SHGs of small growers, procurement of processing machinery for orthodox tea in 100% CTC factories. Quality assurance certification for ISO/HACCP and Organic Tea tea, setting up of new factories for production of green tea, orthodox tea, specialty teas etc., product diversification, and incentive scheme for orthodox tea production etc.

(iv) Human Resource Development scheme

The activities supported under the scheme aim at skills improvement at all levels from workers to managers through extensive training and labor welfare measures. The welfare measures supported are in tune with the spirit of statutory provisions of Plantation Labour Act. These include sanitation, drinking water, educational stipends to the wards of the plantation workers for pursuing higher studies and sports activities etc.

(v) Development Grant

The development grant component is used mainly for meeting the developmental needs of the small tea growers who account for nearly 25% of all India tea production. The activities supported for the benefit of the small growers include, setting up of tea nurseries for supply of good quality planting materials, organizing study tours and workshops and maintaining closer interface with small growers in non-traditional areas.

(vi) Organic Tea Development Project

This project of three year term partly supported by the FAO-IGG, CFC and IFOAM was launched in September 2008 and aims at establishing scientific package of practices for organic tea, harmonization of certification parameters and identification of market potential and development of marketing strategies for organic tea in the world market. During the year under report field development activities have been undertaken in the Model Farms.
Steps have also been initiated for establishment of Capacity Building centre for conducting training as well as act as information centre. Training programmes have also been organized for the benefit of workers, supervisor and managerial staffs engaged in the project areas. A market study has also been conducted to explore the demand for organic tea.

### Table 9.4

**Physical and Financial Targets & Achievements during 2010-11 (Upto 15th December, 2010)**

(Rs. in Crore)

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Schemes and Activities</th>
<th>TARGET</th>
<th>ACHIEVEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Financial</strong></td>
<td><strong>Upto 15th Dec. 2010</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Tea Plantation Development Scheme</td>
<td>58.00</td>
<td>42.80</td>
</tr>
<tr>
<td>2</td>
<td>Quality Upgradation and Product Diversification Scheme</td>
<td>45.00</td>
<td>25.91</td>
</tr>
<tr>
<td>3</td>
<td>Human Resource Development Scheme</td>
<td>5.00</td>
<td>1.50</td>
</tr>
<tr>
<td>4</td>
<td>Development Grant</td>
<td>2.50</td>
<td>1.35</td>
</tr>
<tr>
<td></td>
<td><strong>Grand Total</strong></td>
<td>110.50</td>
<td>71.56</td>
</tr>
<tr>
<td></td>
<td><strong>Physical</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Tea Plantation Development Scheme (T P D S)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>New Planting</td>
<td>1000 ha</td>
<td>1445.39 ha</td>
</tr>
<tr>
<td></td>
<td>Irrigation and Drainage</td>
<td>1500 ha</td>
<td>1181.27 ha</td>
</tr>
<tr>
<td></td>
<td>SHGs of small growers</td>
<td>60 nos</td>
<td>34 nos</td>
</tr>
<tr>
<td></td>
<td>Replanting (SPTF)</td>
<td>6300 ha</td>
<td>3170.82 ha</td>
</tr>
<tr>
<td></td>
<td>Rejuvenation (SPTF)</td>
<td>1300 ha</td>
<td>1122.58 ha</td>
</tr>
<tr>
<td>2</td>
<td>Quality Upgradation and Product Diversification (QUPD) Scheme:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Factory modernization</td>
<td>130 Units</td>
<td>108 Units</td>
</tr>
<tr>
<td></td>
<td>Value addition</td>
<td>30 Units</td>
<td>21 Units</td>
</tr>
<tr>
<td></td>
<td>Quality Certification</td>
<td>30 Units</td>
<td>21 Units</td>
</tr>
<tr>
<td></td>
<td>Incentive for Orthodox tea production</td>
<td>80 m.kg</td>
<td>42 m.kg</td>
</tr>
<tr>
<td>3</td>
<td>Human Resource Development Scheme (HRD)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Capital grant to hospitals for expansion and medical equipments</td>
<td>10 Units</td>
<td>1 Unit</td>
</tr>
<tr>
<td></td>
<td>Educational stipends/scholarships, books and school uniform grants to wards of tea plantation workers</td>
<td>5000 students 10 Units</td>
<td>740 students 9 Units</td>
</tr>
</tbody>
</table>

Source: Tea Board
(vii) Development of Geographic Information System through Remote Sensing

This project of three year term was launched during 2008-09 and continued in collaboration with ISRO during the period under report. Considerable progress has been made towards mapping of tea growing areas located within the pilot area of study. A web portal for ISRO-Project has been linked to the official website of Tea Board for facilitating the tea gardens to have direct access to the project details and submission of garden particulars.

(viii) Energy conservation in small tea processing units in South India

This project of four year term was launched during 2008-09 and continued during the year under report. It aims at removal of barriers to energy conservation and energy efficiency that inhibit the realization of large energy saving potential in the tea sector. This project is partly funded by the United Nations Development Program – Global Environment Facility (UNDP-GEF). Data collected so far, shows that project interventions have resulted in 70 factories adopting at least one energy efficient recommendation.

Reopening of closed tea gardens

Several closed tea gardens have been re opened during the period under report. Out of 35 gardens that remained closed as on 01.04.2007, cumulatively 27 have been reopened at the close of the year and only 8 (5 in Kerala and 3 in West Bengal) still remain closed.

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. In keeping with the requirements of the export and domestic markets, there was a focus on quality control. Implementation of ISO 3720 Standards and HACCP (Hazard Analysis & Critical Control Points) 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. Currently India is an active member of the Tea Councils of USA and UK. German Tea Council membership is till end December, 2010.

Efforts are being made to maintain and improve trade relations between exporters and importers by direct contact and discussions. Deputations/delegations from India were also organized during 2010-11.

Protection and Preservation of Names and Logos

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. Brief details are as under:

The Registrations obtained during 2009-10 are indicated in Table 9.5.

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Country</th>
<th>Nature and subject matter of registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Russia</td>
<td>Trademark for INDIA TEA LOGO</td>
</tr>
<tr>
<td>2.</td>
<td>EU member countries</td>
<td>Community Collective Mark for DARJEELING logo</td>
</tr>
<tr>
<td>3.</td>
<td>India</td>
<td>Registration of the logo and word mark of ASSAM ORTHODOX as GI</td>
</tr>
<tr>
<td>4.</td>
<td>India</td>
<td>Registration of the logo and word mark of NILGIRI ORTHODOX as GI</td>
</tr>
<tr>
<td>5.</td>
<td>India</td>
<td>India Tea Logo as Certification Trade Mark</td>
</tr>
</tbody>
</table>

Source: Tea Board
Oppositions in India - Board is constantly watching and opposing every effort to register the mark as well as logo as trade mark in India which is similar or deceptively similar to that of the registered logo mark of the Board. Total 23 oppositions were filed by the Tea Board in India during the period 2009-2010 to prevent attempted registrations and misuse of DARJEELING, ASSAM, NILGIRI tea names and logos as well as the INDIA TEA Logo. In recognition of the Tea Board’s rights and to settle the matter, 3 applicants have removed the objectionable name/logo from their labels. Other oppositions are pending.

Box 9.1
Intellectual Property Rights (IPRs)

- Tea Board’s application for registration of DARJEELING as a Protected Geographical Indication under European Council Regulation 510/2006 was accepted and published. This application is a very important step in the protection of DARJEELING because once registered, DARJEELING will be protected, inter alia, against any misuse, imitation or evocation or use accompanied by expressions such as “style”, “type”, “method”, “as produced in”, “imitation” or similar in the European Union.

- The Tea Board continued to challenge, by way of opposition/invalidation/cancellation actions, legal notices, court actions and domain name cancellations instances of attempted registrations and misuse of these tea names and logos both at the domestic and international level. In this connection, the Indian Trade Marks Office last year issued around ten orders in favour of the Tea Board.

- The ‘Assam’ orthodox word and logo and the ‘Nilgiri’ orthodox word and logo have recently been registered as Geographical Indication which is another big step in promoting the origin specialty logos.

Oppositions/Cancellation Actions Outside India - List of oppositions/cancellations filed by the Board outside India with brief details – 6 oppositions/cancellation actions were filed by the Tea Board in foreign jurisdictions i.e. in Chile (1), Sweden (2), China (1), France (1) and Vietnam (1) during the period 2009-2010. All of these pertain to use of DARJEELING word/logo marks by the applicants. The oppositions in Sweden against MONTESSORISKOLAN VILLA DARJEELING EKONOMISK were decided in favour of the Tea Board as the applicant withdrew its applications in recognition of Tea Board’s rights in the DARJEELING word marks.

Details of pending applications are indicated in Table 9.6.

Table 9.6
Details of pending applications

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Japan</td>
<td>Regional Collective mark for DARJEELING word</td>
<td>No. 2007-103568</td>
<td>Under examination</td>
</tr>
<tr>
<td>2.</td>
<td>EU</td>
<td>PGI for DARJEELING word under Regulation 510/06</td>
<td>028913</td>
<td>Advertised.</td>
</tr>
</tbody>
</table>

Source: Tea Board
Tea Research

Tea Board of India supports and promotes tea research in the country to address the problems and need of the tea industry covering applied, basic and regulatory aspects of research as per the provision of Tea Act, 1953. The various disciplines like plant improvement (breeding and biotechnology), plant production (agronomy and soil), plant protection (Mycology and Entomology) Quality including Biochemistry, Tea processing, Tea Tasting, Engineering and Electronics etc are included in the ongoing programme of research in three tea research Institutes in the country viz., Tea Research Association (TRA) at Jorhat, Assam, United Planters’ Association of Southern India- Tea Research Foundation (UPASI-TRF), Valparai, Coimbatore ,Tamil Nadu and Darjeeling Tea Research and Development Centre (DTR & DC), Kurseong, Darjeeling, West Bengal. These research institutes extend advisory service also on region specific problems of the industry by visiting tea estates through strong advisory network (both in North and South).

TRA and UPASI-TRF are being granted financial support to the extent of 80% (Grant-in-aid- 49%; AED-31%) on certain identified items to smoothly carry out effective tea research useful for the tea industry. DTR&DC has comparatively small infrastructural facility which is involved in R&D activities to cater to the needs of Darjeeling tea industry, and being fully financed by the Tea Board, Govt of India. In addition to the above, financial grant in the form of research projects is also being provided to various other National Institutes and Universities for conducting tea research useful for the industry. Funds are also provided for organizing training programmes, seminars, conferences, workshops etc. to address the regional problems and provide solution for the same.

The financial support given to TRA on account of grant-in-aid was Rs.491,38,199 and on account of AED was Rs.310,87,432 during 2009-2010. Similarly, UPASI was granted Rs.114,47,809 as Grant-in-aid and Rs.724,2,491 as AED. Tea Board also granted Rs 2 lakhs as recurring expenditure to Assam Agricultural University, Jorhat for their tea technology course at the graduate level and Rs. 3.5 lakhs to Himachal Pradesh Krishi Viswa Vidyalaya (HPKV), Himachal Pradesh during 2009-10. Under the ASIDE scheme Rs. 350 lakhs was sanctioned to DTR&DC, Kurseong, Darjeeling for setting up of quality control laboratory. An amount of Rs. 560 lakhs was released to TRA for building infrastructure under a special tea centenary project. For the upgradation of DTR&DC an amount of Rs.117,98,708 was released for infrastructural development and procurement of equipments etc.

Licensing

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. Licensing Branch also issues registration for tea manufacturers (both estate and bought-leaf factories). The Licensing Branch also issues registration to Buyers under the Tea (Marketing) Control Order, 2003. The Licensing Branch also issues registration to Buyers under the Tea (Marketing) Control Order, 2003. The Licensing Branch issues business licenses for tea exporters and distributors; non-preferential certificate of origin for tea exporters; Tea Waste license; Tea Warehousing licenses etc.

The total number of exporters registered with Tea Board under the provisions of Tea (Distribution & Export) Control Order, 2005 with valid export licenses stood at 1246 as on 31.03.2010 as against
1070 as on 31.03.2009. During 2010-11 (up to 10th December, 2010), a total of 80 temporary exporters license were issued.

A total number of 473 Permanent Exporters license were issued up to 2009-10. During the current year 2010-11 (up to 10th December, 2010) only one Permanent Exporter license was issued.

The total number of Distributors’ Licenses issued was 8 during 2009-10. During 2010-11 (up to 10th December 2010) 5 Distributors’ Licenses were issued.

The total number of certificates of origin issued by Tea Board towards export of Darjeeling tea was 1,866 during 2009-10 as against 2,031 issued in the same period of 2008-09.

During 2009-10 the Licensing Branch granted registration to 10 flavoured tea manufacturers under provisions of the Prevention of Food Adulteration Act (PFA). During 2010-11 (up to 10th December 2010) 9 flavoured tea registrations were issued under PFA.

**Status on E-auction for Tea**

Electronic auction for tea, for the first time, has been introduced only in India. Sale of teas through auctions are continued to be held through manual “out cry” system in other tea producing countries.

In order to design and develop the new requirements on electronic platform, draft mechanism in respect of the following six requirements separately have been prepared and the views of concerned stakeholders are being obtained & compiled for finalization on the basis of consensus as far as possible.


ii) Auction for ‘Tea Waste’

iii) Sale of ‘Package Tea’ through non-auction route.

iv) Sale of tea in ‘Bulk Packages’ through non-auction route.

v) ‘E-Settlement System’ for e-auction.

vi) ‘Warehouse Inventory Management System’ in respect of e-auction for tea.

In order to standardize the grades of CTC & Orthodox tea (other than Darjeeling tea) for sale through e-auction system, a draft standard has been prepared and views of auction stakeholders are being obtained for finalization and implementation.

During the year 2009-10, 193.81 million kgs of tea was sold through electronic auction system. During the current year 2010-11 (i.e. April 2010 to sale of 4th December 2010) 284.18 million kgs of tea was sold through e-auction platform.

The Current status of the e-auction centres is given in Table 9.7.

<table>
<thead>
<tr>
<th>Auction Centres</th>
<th>Present Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kolkata tea auction centre</td>
<td>100 % CTC leaf and All Dust Functional</td>
</tr>
<tr>
<td>Guwahati tea auction centre</td>
<td>Fully Functional</td>
</tr>
<tr>
<td>Siliguri tea auction centre</td>
<td>Fully Functional</td>
</tr>
<tr>
<td>Coimbatore tea auction centre</td>
<td>Fully Functional</td>
</tr>
<tr>
<td>Cochin tea auction centre</td>
<td>Fully Functional</td>
</tr>
<tr>
<td>Coonoor tea auction centre</td>
<td>Fully Functional</td>
</tr>
</tbody>
</table>

**Labour Welfare Measures**

The Tea Board undertakes various welfare activities for tea plantation workers and their dependants through Labour Welfare Scheme. The welfare activities undertaken by the Board are supplemental in nature and cover general welfare measures. The labour welfare activities are funded through the Human Resource Development Scheme of the Board as approved under the 11th Plan.

Special schemes of family welfare education programme are also undertaken in tea garden areas to educate the workers on small family norms,
prevention of aids/HIV infection, drug abuse etc. Scouting and guiding activities are encouraged in the tea areas. Financial assistance is also given to physically challenged plantation workers and their wards by providing crutches, caliper shoes, artificial limbs, hearing aids etc.

II. Coffee

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 mainly focuses its activities in the areas of Research, Extension, Development, Quality Up-gradation, Economic & Market Intelligence, External and Internal Promotion and Labour Welfare.

The Board has a Central Coffee Research Institute at Balehonnur (Karnataka) and Regional Coffee Research Stations at Chettalli (Karnataka), Chundale (Kerala), Thandigudi (Tamilnadu), R.V. Nagar (Andhra Pradesh), Diphu (Assam) and Biotechnology Centre at Mysore apart from the Extension offices located in Coffee growing regions of Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, Orissa and North Eastern Region.

Area under Coffee

In India, coffee is cultivated in an area of around 4.00 lakh hectares pre-dominantly in Karnataka, Kerala and Tamil Nadu, which contributes about 98 per cent of the total Coffee production. There are about 2.58 lakh coffee holdings in the country, out of which around 2.55 lakh holdings (99%) constitutes the small growers’ category (upto 10 hectares) and the balance 1% of the total holdings fall under large grower category having above 10 hectares.

Production

As against the targeted production of 3,00,000 MT for 2010-11, the post monsoon crop estimate is placed at 2,99,000 MT comprising of 95,000 MT of Arabica and 2,04,000 MT of Robusta (Chart 9.2). The current years’ production (estimated) is about 3.25% more than 2009-10 production.

Productivity

Based on the estimated production of crop for the year 2010-11, the overall productivity of coffee works out to 838 kg/ha. In terms of variety-wise productivity, the Arabica productivity is 593 kg./ha and Robusta productivity is 1037 kg/ha. However, as regards the productivity of coffee in traditional area is concerned, the overall productivity for 2010-11 is 909 kg/ha with Arabica productivity of 703 kg/ha and Robusta productivity of 1041 kg/ha.

Domestic Consumption

As against the target of 1.00 lakh MT for 2009-10, the coffee consumption survey 2009 carried out to track consumption trends and attitudes analysis has estimated the domestic consumption at 1,02,000 MT for 2009-10. The domestic consumption target for 2010-11 is placed at 1,08,000 MT.

Several steps/programmes have been initiated by the Board for augmenting domestic consumption of coffee. The verticals of promotion are participating in the high impact tools like domestic events, create awareness on coffee through media campaigns focused on strengthening the drivers of consumption while simultaneously contending the barriers of consumption, promoting awareness on the support schemes and contribute to development of capacities on the supply side (viz setting up of roasting, grinding and packaging units) by imparting training to entrepreneurs and prospective entrepreneurs.
The Coffee Board participated in important exhibitions held in India covering a larger footprint in the non-conventional coffee drinking areas. Coffee Board participated in 37 events covering both consumer end events and those related to agriculture particularly in traditional coffee growing areas.

**Export of Coffee**

India exports around 2,00,000 tonnes of coffee in a year to over 90 countries of the world. It includes re-exported coffee after value addition. The top five export destinations for Indian Coffee are Italy, Russian Federation, Germany, Belgium, and Spain which accounts for 50% of our total exports.

A total quantity of 1,95,716 Metric tonnes of coffee was exported from India valued at Rs.2,067.70 crores during the year 2009-10 (Chart 9.3). The provisional exports for 2010-11 covering the period April-December 2010 is 2,22,081 Metric tonnes valued at Rs.2,281.02 crores, as against the export target of 2,25,000 MTs for 2010-11. The volume of exports as well as value in rupee terms for 2010-11 so far, is an all-time high as compared to the same period of previous years.

**Export Promotion**

The Board has undertaken various export promotion activities to enhance the export of coffee. Considering the need to augment export earnings from coffee, the Board has been trying to cultivate high value markets like USA, Japan, Canada, Australia, and New Zealand while retaining the ground in the traditional markets. Some of the promotional verticals utilized are (i) Participation in selected international coffee
centric trade conferences and events, where the exportable grades of coffees of India are displayed and promotional literature on Indian coffee is distributed, (ii) Organizing Cupping and Buyer-Seller Meets, (iii) Increasing trade awareness on Coffees of India as shade-grown, sustainable and scintillating by inserting advertorials/Advertisements on the excellence and selectivity of Indian coffee in prominent overseas trade journals and magazines besides constant high level interaction with the International coffee community through proactive participation in International Coffee Organization and such bodies.

**Flavour of India-Fine Cup Awards**

The Coffee Board of India has been organizing Flavour of India – The Fine Cup Award Cupping Competition every year with the objective of promoting production of fine quality coffees. This has been successful in showcasing the fine coffees from India in the International market. The coffee samples are analyzed for physical/visual quality based on the colour, smell, size and defects found in the beans. The samples are also evaluated for cup quality by an experienced panel of Coffee Cup-Tasters representing Coffee Board as well as Indian Coffee industry to select the best tasting coffees to be qualified for the final round of cupping. The outstanding coffees from among the selected coffees at the national level are chosen for the Fine Cup Award by an International Jury consisting of eminent Cup Tasters from different countries.
Commodity Boards and other Development Authorities

CHAPTER-9

Targeting Japan market - Coffee Board and Specialty Coffee Association of India at the SCAJ 2010 – spreading Aromas of Coffees of India at Japan, organizing display and cupping at stall, Meister’s training and cupping and BSM at Embassy.

Coffee Export Awards

The Coffee Board instituted Export Awards since 1999-2000 to recognize and honour the best performance of coffee exporters so as to motivate and encourage and maximize their export performance in export of Green Coffee, value added segments like Specialty, Roasted and Soluble Coffees as well as to regions viz., European Region,
Annual Report 2010-11

Russia and CiS, U.S.A & Canada, Middle East and North Africa (MENA) and Far East.

Prices

Coffee prices in India are largely influenced by the New York Exchange (NYBOT) for Arabicas and London Exchange (LIFFE) for Robustas. The average prices secured in international market during 2010-11 upto December 2010 was higher by 31% in case of Arabica (174.48 US cents/lb) and by 17% in case of Robusta (75.77 US cents/lb) as compared to the same period of 2009-10. The average price secured in the auctions of Indian Coffee Trade Association (ICTA) during April-December, 2010-11 was Rs.188.98/kg for Arabica up by 3% over 2009-10 and almost same of Rs.79.69/kg. for Robusta.

XI Plan 2007-2012 Schemes of the Coffee Board

The details of XI Plan schemes and components of the Coffee Board under implementation during 2010-11 with a budget allocation of Rs.80.00 corers are in Table 9.8.

Table 9.8
Scheme: Research & Development for Sustainable Coffee Production

<table>
<thead>
<tr>
<th>Component.1</th>
<th>Development of technologies for sustainable Coffee production, productivity and quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component.2</td>
<td>Transfer of Technology through Extension centres</td>
</tr>
<tr>
<td>Component.3</td>
<td>Infrastructure development for Research &amp; Development</td>
</tr>
<tr>
<td>Component.4</td>
<td>Improvement of labour productivity through appropriate mechanization efforts.</td>
</tr>
</tbody>
</table>

II. Scheme: Development support – (Production, Quality, Capacity building & Welfare)

<table>
<thead>
<tr>
<th>Component.1</th>
<th>Re-plantation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component.2</td>
<td>Water Augmentation, Quality up-gradation, Pollution abatement</td>
</tr>
<tr>
<td>Component.3</td>
<td>Coffee Development in NE Region</td>
</tr>
<tr>
<td>Component.4</td>
<td>Coffee Development in Non-Traditional Area</td>
</tr>
<tr>
<td>Component.5</td>
<td>Capacity building for all Stakeholders</td>
</tr>
<tr>
<td>Component.6</td>
<td>Welfare Support to Labourers and tiny Coffee growers</td>
</tr>
<tr>
<td>Component.7</td>
<td>Interest Subsidy to growers on working capital loans</td>
</tr>
</tbody>
</table>

III. Scheme: Market Development

<table>
<thead>
<tr>
<th>Component.1</th>
<th>Domestic Coffee Promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component.2</td>
<td>Market Research &amp; Intelligence</td>
</tr>
</tbody>
</table>

IV. Scheme: Risk Management to Coffee Growers

| Component.1                  | Weather (Rainfall) Insurance scheme for coffee growers                                   |

V. Scheme: Export Promotion of coffee

| Component.1                  | Exports of coffee                                                                        |

VI. Scheme: Support for Coffee processing

Source: Coffee Board
Welfare support to Labourers & Tiny Coffee Growers

Welfare support for the benefit of children of labourers working in coffee plantations and coffee curing works as well as the tiny coffee growers spread over in the entire coffee growing areas is being implemented during XI Plan period. An amount of Rs. 150/- lakh has been earmarked for 2010-11 to operate various welfare measures aimed to reach labourers.

Rainfall Insurance Scheme for Coffee (RISC)

During 2010-11, the Rainfall Insurance Scheme for coffee has been under implementation for Blossom, Backing, Monsoon with introduction of new option of Post-monsoon showers (to cover the un-seasonal rains during harvesting period of November to February). The Board popularized and marketed the products in collaboration with the Agriculture Insurance Company of India Ltd., through its Extension Network.

About 18,000 coffee growers purchased the insurance product for monsoon and post-monsoon showers coverage during 2010. The total premium collected was about Rs. 2.00 crores which was equally borne by the coffee growers and Coffee Board. Out of this AIC has made a subsidy claim of Rs. 0.93 crores which was settled by the Board.

In Karnataka, for monsoon trigger about 700 growers have benefited the compensation to the tune of Rs. 65 lakhs in Giris, Uchangi and Valnoor zones and AIC settled the payout. In the State of Tamil Nadu, Adalur, Pannaikadu and Sirumalai zones have got the payout of Rs. 3,000/- ha. for Arabica and Rs. 2,000/- ha. for robusta for monsoon showers 2010 which is yet to be settled.

Research

The Research Department of Coffee Board is implementing the research studies on coffee in the disciplines of Plant Improvement, Crop Management, Plant Protection and Post Harvest Technology & Quality improvement under the XI Plan Scheme “R&D for Sustainable coffee production”. The salient achievements as well as major developments under the research are as follows:

- A quantity of approximately 5.4 MT of seed coffee of improved coffee varieties and about 18,000 clones of CxR Robusta have been supplied to the coffee growers in different regions.
- During the year, about 2,500 samples of soil and 100 samples of leaves were analyzed for rendering advisory to the growers on nutrition management in the estates. About 450 agro chemicals received from the growers were analyzed for their purity and results were communicated.
- For the management of coffee berry borer – a pest on coffee, emphasis has been given on integrated eco-friendly pest management. Accordingly, about 40,000 broca traps, 2.20 lakh vials containing lure materials and about 150 kg cultures of Beauveria bassiana (a preparation of bio-control agent) were supplied to the coffee growers in different regions.
- In order to provide thrust to the research on ‘coffee white stem borer’, a high level Expert Committee was constituted by the Ministry of Commerce during July 2010 comprising of four experts from Indian Agriculture Research Institute (IARI), New Delhi; University of Agriculture Sciences, Bangalore and Indian Institute of Horticulture Research, Bangalore. The Committee held its first meeting on 19/07/2010 and reviewed the entire research work done on the ‘coffee white stem borer’ by the Central Coffee Research Institute (CCRI).
### Table 9.9
Physical and financial progress under Plan Schemes and Non-plan up to 31.12.2010

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Plan Scheme &amp; component</th>
<th>Physical and financial progress – April-December 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Financial Provisional (Rs. crores)</td>
</tr>
<tr>
<td>1.</td>
<td>R &amp; D Schemes for sustainable coffee production</td>
<td>14.12</td>
</tr>
<tr>
<td></td>
<td>Development of Technologies for sustainable coffee production, productivity &amp; quality.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Crop Production (MT) (Post monsoon):</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Development Support</td>
<td>31.37</td>
</tr>
<tr>
<td></td>
<td>Re-plantation (ha.)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Water Augmentation, Quality Up-gradation &amp; Pollution Abatement (units)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Coffee development in NER (ha.)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Coffee development in NTA (ha.)</td>
<td>4893</td>
</tr>
<tr>
<td></td>
<td>Capacity building for all stakeholders (Nos.)</td>
<td>2258</td>
</tr>
<tr>
<td></td>
<td>Labour Welfare Measures (Nos.)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Interest subsidy to growers on working capital loans (Nos.)</td>
<td>2146</td>
</tr>
<tr>
<td>3.</td>
<td>Market Development</td>
<td>2.25</td>
</tr>
<tr>
<td></td>
<td>Domestic coffee promotion (MT)</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Risk Management to Growers</td>
<td>0.95</td>
</tr>
<tr>
<td></td>
<td>Weather insurance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. of small growers covered (&lt;10 ha.)</td>
<td>18000</td>
</tr>
<tr>
<td></td>
<td>Total area covered (&lt;10 ha.)</td>
<td>24306</td>
</tr>
<tr>
<td>5.</td>
<td>Export Promotion of coffee</td>
<td>2.41</td>
</tr>
<tr>
<td></td>
<td>Export of Coffee (MT)</td>
<td>222081</td>
</tr>
<tr>
<td></td>
<td>Incentives for Export of value added coffee as Indian Brands (MT)</td>
<td>3727</td>
</tr>
<tr>
<td></td>
<td>Incentive for Export of high value coffees to far off markets (MT)</td>
<td>4800</td>
</tr>
<tr>
<td>6.</td>
<td>Support for Coffee Processing</td>
<td>0.17</td>
</tr>
<tr>
<td></td>
<td>Setting up of Coffee processing units (Nos.)</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Grand Total:</td>
<td>51.27</td>
</tr>
<tr>
<td>7.</td>
<td>Non-plan</td>
<td>28.25</td>
</tr>
</tbody>
</table>

Source: Coffee Board
• Labour shortage is one of the major constraints in the coffee growing areas affecting the timely completion of the field operations. The Research Department, under the “Studies on improvement of labour efficiency through mechanization” has evaluated various types of farm machinery available in the market like weed cutters, pit diggers, coffee harvesters etc. The results of evaluation of these machinery were shared at a workshop on ‘Mechanization of Coffee Estate Operations’ organized by the Board on 03/12/2010 in Bangalore. As an outcome of this workshop, a working group was constituted for the purpose of preparing strategies for introduction/ popularization of mechanization of coffee estate operations, modifications at the estate level with regard to slope and planting designs to suit the mechanization operations and modifications to the existing machinery for improvement of their efficiency.

The Research Department is implementing various externally funded projects like ‘ICO-CFC project on Coffee leaf rust’; EU sponsored project on ‘CAFNET- Coffee Agro-forestry Network’ and DBT sponsored projects on ‘Integrated Nutrition Management’. Another project viz., ‘Development of Arabica plants resistant to coffee white stem borer’ to be implemented in collaboration with the Institute of Agril. Biotechnology, University of Agricultural Sciences, Dharwad has been approved by the DBT towards the end of 2010 and the same is under the process of implementation.

Coffee Debt Relief Package

The Sanction for the implementation of the Coffee Debt Relief Package – 2010 for the debt ridden small coffee growers with a total implication of Rs.241.00 crores has been given. This package more importantly addresses the most vulnerable group of coffee growers whose cases were referred to Debt Recovery Tribunal by the Banks in the past and some of their farms were brought to auction for the recovery of the loans of such small coffee growers.

It is estimated that this relief package would benefit more than 95% of the small growers (74,929 small growers out of the total of 78,665 coffee growers) having accumulated bank loans covering all the coffee growing regions of the country. Under the category of pre-2002 loans, 92.7% of the coffee grower borrowers get the benefit. Similarly under Crop loans 96.42% of the coffee grower borrowers will get the benefit under the package.

This is expected to help the cash strapped small growers to focus on improving productivity and quality.

Physical and financial progress under Plan Schemes and Non-plan up to 31.12.2010

III. Rubber

Natural Rubber

India is the fourth largest producer of Natural Rubber (NR) with a share of 8.5% in world production during the year 2009. India became the second largest consumer of NR in the world in the year 2009 overtaking USA. Rubber is grown mainly in Kerala and also in the States of Tamil Nadu, Karnataka, Tripura, Assam, Meghalaya, Nagaland, Mizoram, Manipur, Arunachal Pradesh, Andaman & Nicobar Islands, Goa, Maharashtra, Orissa, West Bengal and Andhra Pradesh. Rubber plantations are spread over 6.87 lakh hectares in the country. Small holdings dominate the rubber production sector of the country, which accounts for 94 per cent of the production and 90 per cent of area with an average holding size of 0.53 hectare. There are 1.16 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 plans.

**Production and Productivity of NR**

Natural Rubber (NR) production in 2010-11 is projected at 851,000 tonnes. The production of NR during the period April-December 2010-11 was 2.8 per cent higher as compared to that of the corresponding period in the previous year. Despite not having the best of geographical regions favorable for growing NR, India continued to top in productivity with an average yield of 1,784 kg/ha per annum in 2009-10.

**Consumption**

In 2010-11, consumption of NR is projected at 948,000 tonnes. During April-December 2010-11, NR consumption in India is 706,050 tonnes, an increase of 1.6% over the corresponding period in the previous year. Domestic NR production accounted for 89.3% of domestic consumption during 2009-10. The existence of a well-established rubber goods manufacturing sector in the country assures a ready market for the domestically produced rubber.

**Imports**

Import of NR in 2009-10 amounted to 176,756 tonnes. Currently, NR can be freely imported into the country subject to payment of import duty. The current applied rate of duty for dry forms of NR is 20 % and that of latex is 70 %. About 83% of the total import of NR in 2009-10 was through the Advance License Scheme. During April-December 2010-11, 156,600 tonnes of NR was imported. (Source : Rubber Board)

**Exports**

NR export primarily depends on the difference between the prevailing NR prices in the domestic and international markets. In 2009-10, export of NR stood at 25,090 tonnes (worth US$ 52.76 million) as against the target of 50,000 tonnes. However, export of NR during April-December 2010-11 amounted only to 5,995 tonnes. This was because the domestic rubber prices were ruling above the international prices from June to mid November 2010.

**Closing Stock of NR**

The stock at the end of December 2010 was 307,170 tonnes as against 269,738 tonnes at the end of December 2009. Share of stock of NR with manufacturers at the end of October 2010 was only 26% as compared to 24% during the corresponding period in the previous year.

**Prices**

The average price of RSS 4 grade NR in the domestic market in 2009-10 was Rs.114.98 per kg as against the price of the comparable grade (RSS 3) in international market at Rs.111.13 per kg. The domestic NR prices more or less follow the trends in the international market. However, the price of NR in India has been above international prices from June to mid November 2010. This is attributed to the relatively low level of inventories with consumers. During April-December 2010-11, the average domestic price of RSS-4 grade NR was Rs.178.3 per kg as compared to the international price of RSS-3 grade of Rs.174.02 per kg.

**Marketing System**

Marketing System for Natural Rubber in the country
is perfectly designed with 9,376 dealers positioned across the country covering all the rubber-growing belts. NR marketing system is well supported by 125 value addition units and 152 exporters. To boost sales in the export and domestic markets, the Rubber Board participated in 3 overseas trade fairs and 4 domestic trade fairs and provided opportunity to exporters for participating and displaying their products. Also, the Indian Natural Rubber Logo launched by the Board endorses the quality attributes of Natural Rubber exported from the country. An efficient price collection and dissemination mechanism is in place to create awareness on the daily price movements in the national and international markets to the stakeholders. The price dissemination system equips the growers to fetch more than 95% of the realization in the terminal markets, the highest in any agricultural commodity.

**Collection of Cess**

Under Sections 12(1) and 12(2) of the Rubber Act, the Board is entrusted with the 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 the year 2009-10, the collection of cess amounted to Rs. 100.18 crore against a target of Rs. 98.00 crore. The collection of cess up to 30th November 2010 is Rs. 95.35 crore as against the target set for the year 2010-11 at Rs. 100.00 crore.

The Rubber (Amendment) Act, 2009 came into force w.e.f. 22nd January 2010. As a measure of work simplification, the Act introduced the system of self-assessment and filing of return along with the applicable cess mandatory, latest by 30th of April or October, as the case may be, with the provision for charging interest on belated payments. As empowered by the above-said Act, the Board has fixed the rate of interest @ 1.5% per month w.e.f. 1st of November 2010, which is worked well. It is evident that the improved collection of Rs. 85.60 crore as on 31st October 2010 for the year 2010 – 11 as against Rs. 59.80 crore as on 31st October 2009 for the year 2009 – 10. The amendments made provision for compounding of offence, which acts as a deterrent against violation of the Act and Rules by the licensees. The Board has collected Rs.18.64 lakh towards compounding charges so far.

**Planning**

Plan schemes under 11th Five Year Plan were monitored on a quarterly basis and prepared outcome budgets. A Strategic Plan was formulated for the six-year period between 2011-12 and 2016-17 with total financial requirements of Rs. 1,810.49 crore. Annual plan proposal for 2011-12 with a total outlay of Rs.201.50 crore is submitted with a budgetary support of Rs. 200.00 crore.

The Government of India hosted the annual meetings of the Association of Natural Rubber Producing Countries (ANRPC) held in October 2010 at Kochi. An international rubber conference also was organized along with these meetings. Around 375 delegates including 75 from abroad attended the Conference. An Open Session of the 33rd ANRPC Assembly was held on 7th October 2010. Representatives of fraternal rubber organisations, viz., IRSG, IRRDB and International Rubber Consortium presented statements in the Open Session.

**Panel of Experts/Import duty on NR**

The Government of India had constituted a Panel of Experts from the Board to consider the representations of Indian Cycle and Rickshaw Tyre Manufacturers Association, All India Rubber Industries Association and Auto Tyre Manufacturers Association as directed by the Hon’ble High Court of New Delhi. The Panel of Experts submitted its report to the Department of Commerce in July 2010.
Development /Extension Activities and Labour Welfare Schemes

Technical and financial support are provided to rubber growers and rubber wood processing industry and in particular, the smallholding sector of rubber growers for improving quality, cost competitiveness and infrastructure for marketing through various schemes. Under the 11th Plan, the Board has been allocated Rs.580.00 crore 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, imparting technical know-how and financial assistance to the growers for scientific maintenance of rubber holdings, distribution of cover crop seeds, providing training for scientific exploitation of the crop, promoting voluntary organizations of small farmers for extension activities, raising block plantations in association with State Governments for the welfare of SC/ST, setting up of Community Processing Centres by extending technical/financial assistance and the required infrastructure facilities.

Table 9.10
Performance of The RPD Schemes In Traditional & Non-Traditional Areas Other Than NE Region From April-October 2010

<table>
<thead>
<tr>
<th>Description of the Schemes</th>
<th>Financial (Rs. Lakh)</th>
<th>Physical</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Target</td>
<td>Achievement</td>
</tr>
<tr>
<td>I. Rubber Plantation Devt. scheme</td>
<td>1713</td>
<td>813</td>
</tr>
<tr>
<td>II. Productivity Enhancement scheme</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Supply of inputs with price concession</td>
<td>838</td>
<td>706</td>
</tr>
<tr>
<td>b) Setting up of Agro management units</td>
<td>471</td>
<td>7.48</td>
</tr>
<tr>
<td>c) Generation of quality planting materials</td>
<td>120</td>
<td>500000</td>
</tr>
<tr>
<td>III. Training Programmes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Short Duration Intensive Tappers’ Training</td>
<td>34.65</td>
<td>6.12</td>
</tr>
<tr>
<td>b) Regular Tappers’ Training</td>
<td>40.95</td>
<td>17.11</td>
</tr>
<tr>
<td>c) Annual mass campaign</td>
<td>7.40</td>
<td>5.88*</td>
</tr>
<tr>
<td>IV. Farmer Group Formation and Empowerment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Formation of New RPS/SHG</td>
<td>8.36</td>
<td>0.10</td>
</tr>
<tr>
<td>b) Farmer Education Programme/Field training</td>
<td>25.00</td>
<td>5.64</td>
</tr>
<tr>
<td>c) Support to RPS/SHG</td>
<td>28.70</td>
<td>5.88</td>
</tr>
<tr>
<td>d) Group Processing Centres</td>
<td>33.00</td>
<td>-</td>
</tr>
<tr>
<td>e) Latex Collection Centre cum office</td>
<td>37.63</td>
<td>0.46</td>
</tr>
</tbody>
</table>

Source : Rubber Board

* Provisional.
Under Development schemes, the Rubber Production department provided assistance to farmers to the tune of Rs.14.22 crore (out of this, Rs. 3.65 crore for SC/ST) during April–October 2010 benefiting 68,000 rubber growers. Under the Price Stabilization Fund Scheme, 18,919 growers were enrolled as on 31st October 2010. Rubber Production department established a well-developed Extension Network, which renders advisory and extension services to growers in all aspects of rubber cultivation, crop harvesting and processing and also facilitates the small growers to form voluntary organisation called Rubber Producers’ Societies (RPS) and Self Help Groups (SHG).

During this year up to October 2010, eight RPS and nineteen SHG have been organized. Under the Productivity Enhancement scheme, input items worth Rs.7.06 crore has been distributed among growers through RPS and achieved a physical target of 21500 ha.

Under the boundary protection subsidy scheme, an amount of Rs. 72.80 lakh has been paid to 2217 beneficiaries during the period from April to October 2010.

**Labour Welfare Schemes**

Under the various labour welfare schemes, the Board disbursed Rs. 116.13 lakh benefiting 2,045 rubber tappers and their families during April–October 2010 against the target of Rs. 300 lakh for 2010–11.

**Rubber Research**

The Rubber Research Institute of India has its head quarters in Kottayam, Kerala. The Institute has its largest experimental field station at Chethackal in Pathanamthitta District, which is located in the heart of the traditional rubber growing tracts of Kerala. It has two Hevea Breeding Substations, one each at Paraliar (Kanyakumari District of Tamil Nadu) and at Nettana (Karnataka). In addition, the Institute has a Regional Research Station at Padiyoor located in the Malabar region of Kerala. It has Regional Research Stations in Dapchari (Thane District, Maharashtra) and Dhenkanal (Orissa), which represent hot and dry non-traditional regions. RRII has got Regional Research Stations in Agartala (Tripura), Guwahati (Assam), Tura (Meghalaya) and Nagrakatta (West Bengal) representing the potential areas for rubber cultivation in the cooler regions of Sub-Himalayan North East India.

The Institute conducts research in the following major areas, namely Crop Improvement (Botany & Germplasm), Advanced Centre for Molecular Biology and Biotechnology (Biotechnology, Genome Analysis, Molecular Plant Pathology and Molecular Plant Physiology), Crop Management (Agronomy/ Soils & Fertilizer Advisory), Crop Protection (Plant Pathology), Crop Physiology (Plant Physiology and Latex Harvest Technology), Economic Research, Advanced Centre for Rubber Technology and Technical Consultancy. The scheme on research support services includes strengthening of facilities under Library and Documentation centre, Computer centre, Instrumentation and Maintenance sections. The highlights of achievements under various schemes are as follows:

**Crop Improvement**

- Forty-seven pipeline clones were planted in polybag nurseries in 3 locations.
- Five clones of the RRII 400 series (RRII 414, RRII 417, RRII 422 and RRII 430) continued to maintain superior performance in large-scale trials.
- Three Source Bush Nurseries (SBNs) involving 51 popular clones and 12 ortet clones were established. A set of 14 pipeline clones multiplied for raising SBN.
Advanced Centre for Molecular Biology and Biotechnology

- Biotechnology division developed transgenic rubber plants and subjected to laboratory evaluation for stress tolerant trails.
- A method was successfully developed for embryo rescue from five-week-old seeds and polyembryony could be induced up to 40 embryos from a single ovule. The hardened plantlets obtained were planted in the field.
- Six different forms of $\beta$, 1-3 glucanase genes were characterized along with their promoters.
- The copy of rubber cis-prenyl transferase 1 & 2 genes were studied through Real Time PCR and it is observed that, the relative copy number of Cis-1 was two times more than that of Cis-2.

Crop Management

- Under the nutrient management, beneficial effect of bioinoculants in enhancing the growth of seedlings was observed in the experiment on integrated nutrient management in nurseries.
- In the experiment on density of planting, annual yield was significantly higher for the planting density of 549 trees per hectare compared to lower density of 420 trees per ha.
- Under Fertilizer Advisory Group, a total of 2,445 discriminatory fertilizer recommendations were offered to smallholdings based on the analysis of 4,750 soil and 50 leaf samples. Mobile soil testing laboratory, attached to the RRII and Regional Lab, Kozhikode, arranged testing programmes at 36 locations for offering on-the-spot fertilizer recommendation. During April – October 2010, 36,780 latex samples were tested for dry rubber content in eight regional labs.

Crop Protection

- Artificially expressed chitinase gene against *C. cassicola* was identified using recombinant DNA technology. *Colletotrichum acutatum* was confirmed as the major species causing Colletotrichum leaf disease in rubber.
- Observed significant long-term increase in minimum temperature annually and seasonally in North East India.
- Isolated *Phytophthora colocasiae* from rubber growing soils of NE India.

Crop Physiology

- Young plants of modern clones (RRII 400 series) and certain pipeline clones were evaluated for drought tolerance potential. RRII 430 & P10 were shown to be high drought tolerant clones.
- Many wild germplasm accessions were screened for drought tolerance traits from the source bush nursery and seven accessions were identified as most drought tolerant, ten as medium and two as most susceptible from SBN 2008 nursery.
- ‘A process for obtaining substantially pure L- quebrachitol from NR latex’ was patented. Indian patent No. 238511 was granted on 9-2-2010.

Economic Research

- Trends in the adoption of planting materials in new planting and re-planting area in five regions in Kerala showed a decline in the share of RRII 105 from 93.39 per cent during 2004 to 60.54 per cent during 2009, due to the increase in adoption of RRII 400 series clones and multi-clonal / mixed planting. RRII 414 was the second popular clone with 20.87 per cent share followed by multi-clonal planting with 13.76 per cent.
- Analysis of the extent and composition of natural damage found that life cycle loss
of trees was 84 per ha and wind was the major cause of damage.

**Major Events**

Minister of State for Commerce, Sri. Jyotiraditya Scindia inaugurated the “Online Rubber Clinic”, which is a thematic portal meant for interaction by growers to get diagnosis of disease and pests of rubber and get online solutions or recommendations.

RRII hosted an international workshop in association with the International Rubber Research and Development Board (IRRDB) viz. ‘International Workshop on Climate Change and Rubber Cultivation: R&D priorities’. Delegates from 11 countries participated in the workshop and 60 papers were presented and discussed.

**Processing & Product Development**

Various activities were undertaken to support the rubber and rubber wood processing industry to attain international competitiveness. Special attention was given to the smallholding sector to strengthen their infrastructure for processing and marketing including export.

Under the 11th Plan Scheme, the beneficiaries are 11 block rubber processing units (modernization), 18 RPS trading companies (interest subsidy & working capital loan and marketing assistance), and 4 RPS companies (improvement in storage facilities) up to 30th October 2010. Besides, working capital loan/grant was also given to two rubberwood processing companies. A new mechanism (rotating sieve) for separating mud and other foreign particles from field coagulum was developed for use in block rubber processing units. Executed major constructions, repair works to offices/residential buildings, roads, leak proofing works etc at various establishments of the Board all over India.

**Training**

During April’10 to October 2010, the Rubber Training Institute (RTI) at Kottayam imparted training to 772 beneficiaries (2865 man days) on rubber cultivation for growers/estate sectors, rubber goods manufacture, quality control of ISNR/Cenex, testing & grading of rubber sheets, quality control of rubber/rubber products, market/export development and refresher training for the Board’s employees.

**IV. Spices**

Spices Board was constituted as a statutory body on 26th February, 1987 under Section (3) of the Spices Board Act, 1986. The Board is headed by a Chairman with its head office at Kochi. Spices Board is responsible for the development of cardamom industry and export promotion of 52 spices listed in the schedule of the Spices Board Act, 1986. The primary function of the Board includes production development of small and large cardamom, promotion, development and regulation of export of spices. The Board is also responsible for implementing programmes for development of spices in North Eastern region and organic spices in the country. The activities of the Board include issue of certificate of registration as exporter of spices; undertaking programmes and projects for promotion of export of spices like setting up of spices parks, support of infrastructure improvement in spices processing, assisting and encouraging studies and research on medicinal properties of spices, development of new products, improvement of processing, grading and packaging of spices; striving towards stabilization of prices of spices for export and controlling & upgrading quality for export (including setting up of regional quality evaluation labs and training centers). With regard to cardamom, the domestic marketing is facilitated through e-auctions by registered auctioneers and dealers. The research activities on cardamom are also done by the Spices Board.
Export

Despite the global economic recession, export of spices from India continued its upward trend during the year 2009-10 (Chart 9.4). The export has gone up from 350,363 tons valued at Rs.2,627.62 crores (US$ 592.90 million) in 2005-06 to 50,2750 tons valued Rs.5,560.50 crores (US$ 1173.75 million) in 2009-10. During 2010-11 (April – December), the export of spices estimated at 391,560 tons valued at Rs.4,880.56 crores (US$ 1,070.10 million) against 378,950 tons valued Rs.4,222.56 crores (US$ 882.33 million).

Import

The import of spices into India largely takes place for value addition and re-export except items such as clove, cassia, star anise, poppy seed, etc. which are mainly used for domestic demand. The Import of spices during 2009-10 was 106,700 tons valued Rs.1,100.46 crores (US$ 232.22 million). During 2010-11 (April-December) the estimated import of spices into India is 63,462 tons valued Rs.788.25 crores (US$ 171.71 million) against 84,950 tons valued Rs.787.10 crores (US$ 164.32 million).

Production

The estimated production of cardamom (small) and cardamom (large) in India during 2010-11 is 10,375 tons and 3,960 tons respectively.

Plan Schemes

Government has approved six schemes for implementation during the Eleventh Five Year Plan. The details of the schemes are given below.
1. Export oriented production and post harvest improvement of spices
2. Special purpose fund for replanting and rejuvenation of cardamom plantations
3. Export development & promotion of spices
4. Export oriented research
5. Quality improvement and strengthening of quality evaluation laboratory
6. Human resource development & capital works

In addition to the above, during October 2009, Government has approved a special scheme for replantation and rejuvenation of pepper in the Wynad district of Kerala and in the NE states, Assam, Tripura, Meghalaya and Manipur in order to address the issue of low productivity of pepper. The details of actual expenditure during 2009-10 and outlay approved for the Annual Plan 2010-11 are given in Table 9.11.

### Table 9.11

**XI Plan Outlay, Expenditure during 2009-10 and Approved outlay for 2010-11**

(Rs. in Crores)

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Schemes</th>
<th>XI Plan outlay</th>
<th>Expenditure 2009-10</th>
<th>Approved outlay 2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Export Oriented Production</td>
<td>82.94</td>
<td>17.60</td>
<td>20.00</td>
</tr>
<tr>
<td>II</td>
<td>Special purpose fund for Replantation and Rejuvenation of Cardamom Plantations</td>
<td>122.23</td>
<td>15.68</td>
<td>15.00</td>
</tr>
<tr>
<td>III</td>
<td>Export Development &amp; Promotion</td>
<td>192.69</td>
<td>19.13</td>
<td>36.00</td>
</tr>
<tr>
<td>IV</td>
<td>Export Oriented Research</td>
<td>20.00</td>
<td>4.76</td>
<td>4.00</td>
</tr>
<tr>
<td>V</td>
<td>Quality Improvement</td>
<td>20.00</td>
<td>3.98</td>
<td>4.00</td>
</tr>
<tr>
<td>VI</td>
<td>HRD &amp; Capital works</td>
<td>5.00</td>
<td>1.02</td>
<td>1.00</td>
</tr>
<tr>
<td>VII</td>
<td>Replantation and Rejuvenation of Pepper in Wynad district of Kerala and North Eastern states (Scheme approved in Oct 2009 for implementation during the next five years with an outlay of Rs.53.28 crores)</td>
<td>53.28*</td>
<td></td>
<td>5.00</td>
</tr>
<tr>
<td></td>
<td><strong>Grand Total</strong></td>
<td><strong>496.14</strong></td>
<td><strong>62.17</strong></td>
<td><strong>85.00</strong></td>
</tr>
</tbody>
</table>

* Scheme is to be implemented during XI & XII Plan.

Source: Spices Board.

**Programmes supported under Plan schemes**

**i) Special purpose fund for replanting and rejuvenation of cardamom (small and large) plantations**

The objective of the scheme is to address the issue of replanting/rejuvenation of the old and uneconomic plantations of cardamom (small) in the states of Kerala, Karnataka, Tamil Nadu and cardamom (large) in Sikkim and Darjeeling district of West Bengal. The approved total outlay under the programmes for replanting and rejuvenation of plantations of cardamom (small) & cardamom (large) is Rs.122.23 crores. The total area proposed to be covered under replanting and rejuvenation of cardamom plantations during XI Plan is as follows:

- Small cardamom – Replantation of 10,000 hectares in Kerala & Tamil Nadu and 15,000 hectares in Karnataka. Rejuvenation of 15,000 hectares in Kerala and Tamil Nadu.
• Large cardamom – Replantation and rejuvenation of 10,000 hectares each in Sikkim and Darjeeling district of West Bengal.

ii) Export oriented production and post harvest improvement of spices

The focus of the scheme is to provide support for irrigation and land development in cardamom plantations, better cardamom curing devices, development of spices in North Eastern states and post harvest improvement of spices. Transfer of technical know-how to growers on production of spices is an important factor in increasing productivity and this is done through a well-knit extension network.

iii) Export development & promotion of spices

The market development activities of the Board have its focus on quality improvement, value addition and technology & process upgradation. The major thrust areas are Infrastructure improvement, research & new product development and setting up of Infrastructure for common cleaning, grading, processing, packing, storing facilities (Spices Park) in major spice growing/marketing centers.

iv) Export oriented research

Increasing the production, productivity and sustaining the productivity is the major challenge taken up by Indian Cardamom Research Institute of the Board during the plan programme. The impact of climatic changes on production and increasing cost of production are the major concerns to be addressed to make Indian spices more competitive in the International market.

v) Quality improvement and strengthening of quality evaluation laboratory

The Quality Evaluation Laboratory of the Board provides analytical services to the Indian Spice Industry and monitors the quality of Spices produced and processed in the country. It also undertakes analysis of consignment samples under the mandatory inspection of Spices Board.

vi) Human resource development & capital works

Regular training and retraining of the staff of the Board in their functional areas, training on cultivation aspects, post harvest handling, processing etc., to growers and exporters in the spice industry are programmes under the scheme. Capital works including new construction, maintenance of Board’s own building etc. are also envisaged under the programme.

vii) Replantation and rejuvenation of pepper in Wynad district in Kerala and NE for implementation from 2010-11

This scheme is approved by the Ministry of Commerce & Industry in October 2009 for implementation during the next five years in Wayanad District of Kerala and North Eastern States. It is proposed to take up replantation/new plantation/rejuvenation of pepper in 22,500 ha (20,000 ha in Waynad, Kerala, 1,000 ha in Assam, 500 ha in Meghalaya, 500 ha in Tripura and 500 ha in Manipur) with a total financial outlay of Rs.100.81 crores out of which Rs.53.28 crores will be the assistance from the Govt. of India.

viii) Project assisted under National Horticulture Mission for development of pepper in Idukki district of Kerala

Considering the necessity of reviving the pepper industry in the country, Spices Board had submitted a proposal to the National Horticulture Mission (NHM) during February 2009 for development of pepper in the country with focus on replantation and rejuvenation of old, senile and disease affected plantations. The proposal has been approved by the Ministry of Agriculture & Cooperation, Govt.
of India in April 2009 for implementation during XI Plan at a total project cost of Rs.230.58 crores with financial assistance from NHM at Rs.120.00 crores. The project is being implemented in Idukki district of Kerala for a period of five years starting from 2009-10.

**Major initiatives**

**Spices Park**

The primary objective of establishing Spices Park is to empower the farmers with better price realization and wider markets for their produce. The farmers can utilize the common infrastructure facilities for cleaning, grading and steam sterilization which will ensure the quality of the product and thus a higher price. The scientific packing and warehousing facilities in the park and the quality testing facility in the laboratory will improve the overall quality of spices produced in the locality. Spices Park is a well-conceived approach to have an integrated operation for cultivation, post harvesting, processing for value-addition, packaging and storage of spices and spice products.

The Spices Board is in the process of establishing Spices Parks in different spice producing states. The first ever Spices Park was established in Chhindwara, Madhya Pradesh and started functioning. The Spices Park at Puttadi, Idukki district of Kerala is nearing completion and expected to be commissioned by the end of this year. The work is in progress for establishing Spices Park at Guntur in Andhra Pradesh, Sivagangai in Tamil Nadu, Kota and Jodhpur in Rajasthan, Mehsana in Gujarat. Board has initiated steps for establishing Spices parks at Guna, Madhya Pradesh and Hamirpur in Himachal Pradesh. The Spices Parks at Chhindwara, Guna, Kota and Hamirpur are set up under the ASIDE scheme. Other Spices Parks are set up under Plan scheme of the Board.

**Regional Quality Evaluation Laboratories**

The Central Quality Evaluation Laboratory of the Board at Cochin has been upgraded and moved to a new building with world class facilities. The Regional quality evaluation laboratory at Mumbai is functioning successfully. The Regional laboratory at Guntur has started functioning from April 2010. Setting up Regional quality evaluation laboratory and training centres at New Delhi, Chennai, Kolkatta, Tuticorin and Kandla are progressing. The regional quality evaluation laboratories of the Board are established under the ASIDE scheme.

**Electronic Auction for Cardamom**

The E-auction of cardamom in Kerala is now conducted in the Spices Park at Puttadi of Idukki district. The E-auction is also conducted in Bodinayakanur of Tamil Nadu.

**GI Registration of Spices**

Spices Board has obtained Geographical Indication (GI) registration for Guntur sannam chilli. This is in addition to the GI registration obtained for Malabar Pepper, Alleppey Green Cardamom and Coorg Green Cardamom. The GI registration of Byadagi chilli is in the final stage.

**V. Price Stabilisation Fund Scheme**

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.
Enrolment of Growers

Out of the total target of 12.77 lakh growers (growers having landholding up to 4 ha.), it was decided to cover 3.42 lakh small growers (growers having landholding up to 2 ha.) in the initial phase. As on 30 November 2010, the total enrolment under the Scheme is 46,243, out of which 18,919 are rubber growers, 11,594 coffee growers and 15,730 tea growers. No tobacco grower has joined the Scheme so far.

PSF Corpus Fund and Interest Accrued thereon as on 30.11.2010

PSF Scheme originally envisaged a Corpus Fund of Rs.500 crores, out of which Rs.482.88 crore was to be contributed by Government of India and Rs.17.12 crore by the growers by way of non-refundable entry fee. As on 30 November 2010, deposits in the PSF Corpus Fund were Rs.435.44 crore, out of which Rs.432.88 crore had been contributed by GOI and Rs.2.56 crore by Growers by way of entry fee. A sum of Rs.240.40 crore as the balance of accrued interest on the Corpus is available to the PSF Trust as on 31.3.2010.

Announcement of Price Spectrum Bands

Since the launch of the Scheme in April 2003, the PSF Trust has announced Price Spectrum Bands for 2003, 2004, 2005, 2006, 2007, 2008 and 2009 and the cumulative committed financial assistance stood at Rs.5.43 crore, as per details given in Table 9.12.

Table 9.12
Price Spectrum Bands

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RUBBER</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.95</td>
<td>0.95</td>
<td></td>
</tr>
<tr>
<td>COFFEE</td>
<td>0.82</td>
<td>0.58</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1.40</td>
</tr>
<tr>
<td>TEA</td>
<td>0.09</td>
<td>0.73</td>
<td>0.74</td>
<td>0.75</td>
<td>0.77</td>
<td>0</td>
<td>0</td>
<td>3.08</td>
</tr>
<tr>
<td>TOTAL</td>
<td>0.91</td>
<td>1.31</td>
<td>0.74</td>
<td>0.75</td>
<td>0.77</td>
<td>0</td>
<td>0.95</td>
<td>5.43</td>
</tr>
</tbody>
</table>

*Boom year for Rubber, Coffee and Tea

Source: Respective Boards.

However, due to default by growers in depositing their contribution during normal years, assistance of Rs.1.50 crore only has been released as at the end of November 2010.

Personal Accident Insurance Scheme (PAIS):

A Personal Accident Insurance Scheme is under implementation by PSF Trust through National Insurance Corporation Ltd. Salient features of the scheme are as under:

- The scheme covers the growers in the sectors of Tea, Coffee, Rubber and Tobacco and Spices (chillies, cardamom, ginger, turmeric and pepper) having plantations up to 4 hectares only.
- The Scheme covers all plantation workers working on these plantations regardless of the size of holdings.
- The insurance cover is up to Rs. 1.00 lakh per person.
- The premium of Rs.17/- is shared between the beneficiary and the PSF Trust in the ratio 50:50.
• The target is 57.17 lakh growers and workers.

Progress in respect of fresh coverage for 2009-10 is given in Table 9.13.

Table 9.13
Progress in respect of fresh coverage for 2009-10

<table>
<thead>
<tr>
<th>Sector</th>
<th>Growers (Nos)</th>
<th>Workers (Nos)</th>
<th>Total (Nos)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee</td>
<td>3825</td>
<td>336</td>
<td>4161</td>
</tr>
<tr>
<td>Tea</td>
<td>51</td>
<td>9949</td>
<td>10000</td>
</tr>
<tr>
<td>Tobacco</td>
<td>13261</td>
<td>22750</td>
<td>36011</td>
</tr>
<tr>
<td>Total</td>
<td>17137</td>
<td>33035</td>
<td>50172</td>
</tr>
</tbody>
</table>

Source: Respective Boards.

As on 30th November, 2010 an advance deposit of Rs.7,65,000/- towards PSFT’s matching contribution to provide insurance cover to 90,000 persons has been released to NICL during the current year.

Progress in respect of settlement of claim

- Received: 03
- Settled: 02 (Tobacco workers) - Rs. 1,00,000/- each

VI. The Agricultural and Processed Food Products Export Development Authority (APEDA)

The Agricultural and Processed Food Products Export Development Authority (APEDA) is mandated with the development and promotion of the export of scheduled agro products which includes 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. APEDA has also been entrusted with monitoring of import of sugar.

Export Performance

The export of APEDA products for the period April-Sept.’10 is indicated in Table 9.13

Table 9.14
Export of APEDA products for the period April-Sept. 2010

<table>
<thead>
<tr>
<th>Product Group</th>
<th>Exports April-Sept.’09</th>
<th>Exports April-Sept.’10</th>
<th>Growth in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floriculture &amp; Seeds</td>
<td>24,553.82</td>
<td>24,809.75</td>
<td>1.04</td>
</tr>
<tr>
<td>Fruits &amp; Vegetables</td>
<td>242,793.27</td>
<td>236,767.91</td>
<td>-2.48</td>
</tr>
<tr>
<td>Processed Fruits &amp; Vegetable</td>
<td>107,918.77</td>
<td>136,665.60</td>
<td>26.64</td>
</tr>
<tr>
<td>Livestock Products</td>
<td>278,746.16</td>
<td>411,210.89</td>
<td>47.52</td>
</tr>
<tr>
<td>Other Processed Foods</td>
<td>225,242.70</td>
<td>330,134.55</td>
<td>46.57</td>
</tr>
<tr>
<td>Non-Basmati Rice</td>
<td>26,333.48</td>
<td>12,926.80</td>
<td>-50.91</td>
</tr>
<tr>
<td>Basmati Rice</td>
<td>630233.25</td>
<td>497262.38</td>
<td>-21.10</td>
</tr>
<tr>
<td>Wheat</td>
<td>0.33</td>
<td>49.06</td>
<td>14766.67</td>
</tr>
<tr>
<td>Other Cereals</td>
<td>165984.00</td>
<td>105919.36</td>
<td>-36.19</td>
</tr>
<tr>
<td>Total</td>
<td>1701805.78</td>
<td>1755746.30</td>
<td>3.17</td>
</tr>
</tbody>
</table>

* Source: DGCIS
Though some of the sectors have witnessed negative growth but the provisional export data for the period April-September 2010 shows an overall positive growth of 3.17% over the same period of previous year. The growth trend is expected to further increase in the remaining period of Financial Year 2010-11.

**APEDA Schemes**

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
- Scheme for Research & Development
- Transport Assistance Scheme

**Infrastructure Developmental Activities**

During the year in 117 physical cases an amount of Rs. 23.45 crores has been disbursed. During the year the work of CPC at Goa as, integrated common pack house facility at Ozar airport and Asceptic Packaging unit of Andhra Pradesh Trade Promotion Corporation have been completed. Work on common facility for Pineapple at Siliguri has also commenced and is progressing well. MoUs were signed with HPMC for two packhouses for apples in Himachal Pradesh and KEPPEK for a common integrated packhouse for vegetables in Bidar. The Herbal and Analytical Tissue Culture Laboratory by Herbal Research & Development Institute (HRDI), Gopeshwar, Uttarakhand has also been completed and the facility has been inaugurated on 19th December, 2010.

The Ginger pack house being set up by Assam Industrial Development Corporation Limited at Amingaon, Guwahati has been completed during the year.

APEDA has made concerted efforts at generating new proposals for common infrastructure and as a result four new proposals have been received from Goa, Tamil Nadu and Madhya Pradesh which are being evaluated. Efforts are being made to generate similar proposals from Orissa, Kerala and other states as well.

During the current year, 65 applications of private exporters for setting up integrated pack houses, high humidity cold stores, pre cooling facilities, mechanized handling facilities, effluent treatment facilities etc. were received and processed.

In accordance with Appendix 40 of the Foreign Trade Policy Handbook of Procedures Vol.I, APEDA had extensive deliberations with concerned stakeholders and has finalized the accreditation criteria and an advertisement inviting applications from interested agencies has been released for further action.

**Quality Developmental Activities**

1) **Recognition of laboratories and HACCP implementation and certification agencies**

Five new laboratories were recognized for sampling and analysis of APEDA scheduled products for exports. Two National Referral Laboratories and twelve recognized laboratories were upgraded with high precision analysis equipments. One new agency for certification of HACCP was recognized by APEDA during the period.

2) **Regulation of exports through control of chemicals residues and aflatoxins**

a) Revision and implementation of Regulation of export of fresh table grapes to the European Union through control of residues of chemicals to ensure food safety compliances for the export season 2011.
b) Revision and implementation of Regulation on control of aflatoxins for exports of peanuts and peanut products to EU to ensure food safety compliances. Establishment of Regulation on control of aflatoxins for exports of peanuts and peanut products to countries other than EU to ensure food safety compliances.

3) Procedure for recognition of processing units for exports:
   a) Procedure for grant of recognition certificate to peanut processing units for export of peanuts to the European Union.
   b) Procedure for grant of recognition certificate to peanut shelling & or grading units for export of peanuts to the European Union.
   c) Procedure for grant of recognition certificate to godowns/storage for export of peanuts to the EU.
   d) Procedure for grant of recognition certificate to peanut processing, shelling grading units, storage and godowns for export of peanuts and peanut products to countries other than EU.

To ensure food safety compliances, the above schemes are implemented by IOPEPC on behalf of APEDA. Recognition of horticulture produce pack houses for exports of fresh fruits and vegetables and registration of meat processing plants for exports of meat and meat products are implemented by APEDA.

4) Standardization
   a) 7 new products standards for fresh fruits and vegetables have been developed for notification under the Agmark Act. Another 10 to 12 standards are in the process of development and at the stage of discussions with the stakeholders.
   b) Contributed to National Technical Working Groups on Good Agricultural Practices (GAP) related to development and notification of IndiaGAP standards by Bureau of Indian Standards and Quality Council of India.

5) Capacity Building and trainings
   a) Training program initiated for the laboratory personnel on methods of sampling, analysis and grading in association with NRC Grapes Pune who are NRL for horticulture produce to ensure integrity of testing and certification.

### Box 9.2

**Participation In International & National Events**

**International Events**
- Mango Promotion Programme in Singapore from 7th - 8th June 2010.
- Fispal Food Service Show, Sao Paulo, Brazil, 7th – 10th June 2010.
- Mango Promotion Programme 8th To 11th June 2010, Dubai, UAE.
- 11th Malaysia International Food Beverage Trade Fair (MIFB), Malaysia, 22nd-24th July 2010.
- Bio Fach America, Boston, USA 14th To 16th October, 2010.
- FHC China 2010, Shanghai, China, 10th-12th November, 2010.

**National Events**
- Mango Festival 2010 : APEDA participated in the 22nd Mango Festival organized by Delhi Tourism during the period from 2nd to 4th July 2010.
- Aahar, Chennai 2010 : APEDA participated in Aahar 2010 - International Food Fair from 26th to 28th August 2010 at Chennai
b) APEDA officials participated in EU rapid alert system training organized in Delhi, Mumbai and Cochin.

Developmental Activities In Organic Promotion

1. National Programme on Organic Production (NPOP) completed a decade

APEDA celebrated the completion of 10 years of National Programme for Organic Production (NPOP) implementation on 15 May 2010. During this event an international conference was organized on India Organic: A Momentous Decade of NPOP 2000 – 2010.

International bodies namely IFOAM, FIBL, Grolink and ICEA were invited representatives of these bodies and senior officials of the central and state governments of India attended this event. An exhibition of organic products and Buyer-Seller Meet was also organized as buyers were invited from USA, UK, Finland, Germany and The Netherlands.

2. Development

Area under certification has increased to 43 lakh ha with a production volume of 1.7 Million MT. This has enhanced the growth rate to 60%. The export growth rate in volume is around 46% (volume exported 0.58 MT) in terms of value 36%. (Rs.525 crores – US $ 112 million). 175 products under 21 Categories were exported from India. The major products exported were cotton, basmati rice, oil seeds, honey, tea, dry fruits, processed food, sesame, spices, medicinal plants & their processed products. The products exported were mostly to Europe (60%) and the rest to USA, Japan, Switzerland & Middle East.

3. Standards developed in new areas

There is an increasing demand for organic aquaculture, textiles & livestock products in the global market. As India has a potential to supply these products, APEDA took the initiative to develop the organic standards for cotton/garments, organic meat/poultry/dairy and organic aquaculture and these standards are likely to be adopted under the National Programme for Organic Production (NPOP) in 2011.

4. Accreditation of two new inspection and certification agencies

APEDA accredited two new certification agencies namely Intertek India Pvt. Ltd., Delhi and TUV India Pvt. Ltd, Mumbai in 2010-11 increasing the list of inspection and certification bodies under NPOP to 20.

5. Promotional Initiatives

To promote the certification market of organic products in the global market APEDA has initiated the promotion “India Organic” logo in various important organics fairs ‘Biofach’ in US, Japan and Europe.

6. Development of web based traceability software (TraceNet) for organic products

For strengthening the credibility of Indian certification procedures in the world market, a user-friendly web - based traceability system “TRACENET” has been developed for organic products by APEDA. This is world’s first ever organic traceability system developed and implemented at the national level. “TRACENET” brings transparency in the system and gives a uniform platform to all the players. “TRACENET” has been implemented with effect from 15th June 2010. All the organic stakeholders under certification are required to use...
CHAPTER-9  Commodity Boards and other Development Authorities

the TRACENET in establishing the entire process of certification uniform and credible.

7. Training Programmes

Several Capacity Building Programmes were organized for different stakeholders on the following themes:

- Setting up certification programme as per ISO Guide–65 to State Organic Certificate Agencies.
- Evaluation of certification bodies to the new evaluation committee members.
- Use of TRACENET to 2,000 stakeholders in different locations (34) in the country.

IT Related Activities

- APEDA Website – www.apeda.com is now www.apeda.gov.in with average 4,000 plus hits per day.
- APEDA agri trade Portal has been revamped with lot of enriched contents
- Major online applications hosted for ease of usage by registered member exporters.
  - Registration cum Membership Certificate (RCMC).
  - Registration cum Allocation Certificate (RCAC) for Basmati Rice.
  - Submission of Monthly Party Return.
  - Submission of Financial Assistance Scheme Application (FAS) including Transport Assistance (TAS).
- Major sections hosted at website are on Corporate Information, Product Information, Quality Development and National Programme for Organic Production (NPOP).
- APEDA Export Statistics CD for the year 2009-10 is being released for the benefit of Trade.

Product traceability software

1. Traceability system for Organic Products (Tracenet) was launched by the Commerce Secretary on 15th May 2010. 1,690 no. of scope certificates and 2,827 no. of transaction certificates Tracenet system has issued till 30th November 2010. A total of 461,343 farmers have been registered under Tracenet up to 30th November 2010. Ten training programmes were conducted for familiarization of all stakeholders about the tracenet system.

2. For successful implementation of GrapeNet, training programmes were organized for all the stakeholders at Nasik, Hyderabad and Bangalore to enable them to clear their doubts related to the system. For the forthcoming grape season, 9217 farmers have been renewed and 5502 have been newly registered.

3. Traceability system for Groundnut was developed and same is under implementation.

4. Process initiated for setting up of Hortinet (Traceability system for all horticulture products).

Other Sectoral Developmental Activities

Horticulture Sector
Market Access Initiatives

Post globalization, floriculture has become one of the important commercial activities in Indian agriculture. AEDU (Agri Export Development Unit) an autonomous body working under department of Horticulture, Govt. of Uttarakhand with support of APEDA successfully sent a trial shipment of Gladiolus flowers from Khurpataal region of Nainital district (Uttarakhand) to Amsterdam, Holland on 22nd June, 2010.
Roses contribute to more than 90% of floriculture exports. Efforts were made to expand the export basket by sending sample consignments of other flowers to EU and other markets.

In close coordination with the Ministry of Agriculture efforts were continued at opening of the Australian Market for Indian mangoes with alternative arrangement for mitigation measures for quarantine aspects such as Vapor Heat Treatment and Hot Water Treatment.

Regular follow up has been maintained with Ministry of Agriculture and USDA-APHIS to complete the PRA for market access for Pomegranates to USA. All required information on the matter was furnished to Ministry of Agriculture to further the matter.

Follow up has been maintained with Ministry of Agriculture and FDA/EPA of USDA regarding market access for litchis. EPA has been requested to determine the MRL for Sulphur Dioxide in Litchies for import from India.

Follow up has been done on market access requests for walnut, grapes, pomegranates, okra and brinjal in South Korea, grapes, walnuts, banana and litchi in Chile, mango, pomegranate and okra in New Zealand. The New Zealand Quarantine authorities have planned to visit the mango orchards and processing facilities in April, 2011.

For market access for Indian table grapes in Australia, the PRA has reached the final stages with BioSecurity Australia having acceded to India’s suggestions on mitigation of pests and it has been intimated that the report will soon be published.

**Strengthening of Sea protocol:** The sea protocol developed for export of mangoes last year was strengthened with further inputs from NHB and three shipments were executed from UP to Dubai successfully. One shipment of Alphonso mango to USA was also executed.

**CCC in Grapes:** During the year the grape consignments from India shipped to the EU market were found to be containing exceedence of residues of a Plant Growth Regulator – Chlormequate Chloride Component (CCC). The matter was intensely followed up with trade, Ministry of Commerce and Ministry of Agriculture and the Indian Missions in the EU.

**Promotional Programs:** Mango promotion programs were organized during the year at Dubai and Singapore. In these events, mango preparations were served through identified super/Hyper markets and Indian restaurants in order to make Indian mango visible to general consumers and apprise them of the uniqueness of the product. Buyer-Seller meet along with mango menu based dinner for importers and important dignitaries was also organized.

**General**

The visit of U.S. Department of Agriculture-Animal and Plant Health Inspection Service (USDA-APHIS) and Japanese Quarantine Inspectors for overseeing the mango export operations was successfully organized and coordinated.

**Livestock Sector**

**Quality Development**

In view of the increased emphasis on human, animal and plant health and safety aspects in the global markets, a number of steps were initiated to improve capabilities for meeting these quality requirements as per the notified standards. Meat processing plants were encouraged to implement quality systems such as HACCP, ISO.

**Market Access Initiatives**

a) Opening up new market like Algeria and efforts were continued to open other markets like Russia, CIS countries and China.

b) Efforts were made to get the ban lifted,
imposed by European Union due to Pesticide Residue in Honey in the country.

c) Resolved the problem in export of frozen buffalo meat to the existing markets like Egypt, Jordan, Saudi Arabia, Malaysia, Angola.

d) Market access to Middle East and SAARC countries was resumed for export of poultry products after the declarations of Bird flu free status in India.

**Visit of Delegation**

An eight member Egyptian delegation visited India during the period from 7-26 December 2010 for review, audit and inspection of 20 abattoirs cum meat processing plants.

**Processed Food Sector**

There is good demand for dehydrated/dried slices of mango in Mexico, and India has the potential to supply these products. In January, 2009, APEDA had forwarded technical information on Mangoes with pest analysis for Mexico and the document was forwarded to Mexican quarantine authorities through the Ministry of Agriculture for conducting the pest risk analysis. In one of the quickest exercises, Mexican quarantine authorities conducted the pest risk analysis and have intimated the Government of India that Indian dehydrated/dried mango slices can now be exported to Mexico.

For reducing the presence of aflatoxin in Groundnuts, Regulations of exports of peanut/peanut product to the EU and Far East countries a Residue Monitoring Protocol have been developed in consultation with IOPEPC and other stakeholders.

A strategy has been worked for boosting exports of some of the identified products such as Groundnut, Guar Gum, Mango Pulp and Gherkin.

**Cereals Sector**

I. **Registration of Basmati Rice as GI**

APEDA has initiated the process for registration of Basmati rice as Geographical Indication in India. Technical evaluation of APEDA’s GI application was conducted on 28.01.2010 by GI Registry, Chennai.

APEDA has applied to the GI Registry in Chennai for registration of Basmati rice as a GI. The application of APEDA was advertised by the GI Registry in May and was opened for opposition till September, 2010. The counter statements by APEDA have been filed with the GI Registry for notice of opposition received.

II. **India wins trademark case for Ponni Rice:**

In a significant victory for rice growers and exporters, India has won the trademark case against a Malaysian firm which was granted the registration for the ‘Ponni’ rice, a non-basmati variety grown in Tamil Nadu. A High Court in Malaysia ruled that Syarikat Faiza will not have exclusive right to use the ‘Ponni’ label for its rice products.

III. **Market Access for Basmati Rice**

**Mexico**

The Department of Agriculture & Cooperation confirmed that phyto sanitary requirements (on-shore and off-shore) of Mexico for import of Basmati Rice from India are acceptable with the suggested modifications.

Vide letter No.18-9/2005-PP.I dated 15.03.2010 from MoA, PPQ Department, Government of Mexico has permitted market access for export of Indian basmati Rice.

**Activities of APEDA through BEDF**

Basmati Export Development Foundation (BEDF) organized workshops on “Quality Improvement in production of Basmati Rice for Export” through its Demonstration & Training Farm in all six basmati growing states viz. Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Uttar Pradesh and Uttarakhand.
The farmers were informed about the latest technological developments in the production of improved quality of Basmati rice for the better bargain in the world market.

**Initiatives have been taken on the following** :-

- NABL Accreditation of BEDF Lab is under process. Preliminary survey was conducted on 06.03.2010 and final survey was conducted on 05.12.2010. Accreditation certificate is awaited.
- As per Policy Circular No. 28/2009-14 dated 31.3.10 issued by DGFT, BEDF Modipuram has been designated as an authorised centre for testing of samples of Basmati rice for variety identification in addition to AGMARK Testing Centre.

**Agri Export Zones**

The 60 AEZs sanctioned between 2001 and 2004 by the Steering Committee envisaged an investment of Rs.1,717.95 crores and export of Rs.11,821.47 crores over a period of 5 years. Against these projections, these AEZs are reported to have crystallized a total cumulative investment of Rs.1,490.65 crores and cumulative export of Rs.10,812.63 crores till November, 2010.

**VII. Tobacco Board**

Tobacco is an important commercial crop in India. India is the 2nd largest producer and the 2nd largest exporter of tobacco in the world. Tobacco contributed Rs.4,402.29 crore of foreign exchange and about Rs.13,853.27 crore as excise revenue in 2009-10 to the national exchequer. The sector provides employment directly and indirectly to 36 million people. Presently, tobacco is being cultivated in an area of about 4 lakh hectares in the country. The annual production of tobacco is 725 Million kgs. of Flue Cured Virginia (FCV) and non-FCV varieties. About 323 million kgs. of FCV tobacco is produced in an area of 2.57 lakh hectares mainly in the states of Andhra Pradesh and Karnataka. Among the Non-FCV types, Burley, Harvel De-Bouxo Rio Grande (HDBRG) and Natu are the exportable styles. Bidi tobacco is cultivated in an area of about Rs.1.5 lakh hectares, mostly in the states of Gujarat and Karnataka with an annual production of nearly 160 Million Kgs.

The tobacco sector has registered high remunerative prices to the tobacco growers with average price of Rs.80.06 per kg for Andhra Pradesh crop season 2009-10 and Rs.110.88 per kg, the highest ever in the annals of auction sales in Karnataka crop season 2009-10. Exports in tobacco have also registered 15% growth in terms of quantity.

The Tobacco Board was constituted as a statutory body on 1st January 1976 under Section (4) of the Tobacco Board Act, 1975. The Board is headed by a Chairman, with its 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.

**Extension**

The Tobacco Board undertakes analysis of soil/water for cultivation of FCV tobacco and also recommends dosage of fertilizers for improving quality and yields. During 2009-10, the Board has implemented the following developmental and extension schemes for improving yield and quality of FCV tobacco grown in Andhra Pradesh and Karnataka.

- Improving Yield & Quality of tobacco.
- Supply of inputs
- Transfer of technology- developmental activities.
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Commodity Boards and other Development Authorities

Tray Nurseries – Quality Seedlings

The seedlings raised in the ‘HIPS’ Trays using coco-peat as the media are of healthy and better quality seedlings than the seedlings raised by the growers in the traditional seedbeds in the field. The tray seedlings are free from soil born diseases, pests and also result in savings to the farmers in the area of pesticides, fungicides and labour cost for watering the seedlings. The Tray seedlings establish immediately with minimal gap fills and produces uniform crops.

Fertilizers

The Board organizes timely supplies of various fertilizers required by growers in Andhra Pradesh and Karnataka at competitive prices. For 2010-11 crop season, the Board had supplied 33,154 tons of fertilizers valued Rs.48 crores in Andhra Pradesh and 34,370 tons valued Rs.56 crores in Karnataka.

Farm Mechanization

Power Weeder-Cum-Inter-cultivator-Cum-Ridger

To enable the farmers in Andhra Pradesh to modernize the farm operations and mechanize inter cultivation, weeding and ridge making and also to overcome the labour shortages, the Board had supplied so far one Power Weeder-Cum-Intercultivator-Cum-Ridgers to the growers at subsidized cost during 2010-11 crop season.

Bullock Drawn Ridgers

In order to improvise the farm operations and ridge formations in the tobacco fields, the Board had organized supply of 224 Bullock Drawn Ridgers to growers in Karnataka at subsidized cost.

PVC pipes

The Board with a view to help the growers in the drought prone area of Andhra Pradesh to go for a life saving irrigation using available waters in the wells/ponds had supplied 15,971 PVC pipes at subsidized cost.

Knapsack Sprayers:

The Board with a view to help grower to take up timely plant protection measures had supplied 4,228 Hi-tech Knapsack sprayers to growers in Andhra Pradesh & Karnataka at subsidized cost.

Curing of Tobacco - Energy Conservation:

The Board encourages growers up grade the furnace in the curing barn by supplying Venturi Furnaces at subsidized cost – Coverage – 91 barns so far in 2010-11.

The Board also is encouraging growers and other entrepreneurs to set up briquette making units from Agri-waste for use in the curing of tobacco. The Board would extend a financial assistance of Rs.4.5 lakhs for each unit where the machinery cost is Rs.12 to 18 lakhs.

Product Integrity:

Now a days customers are insisting clean product free from admixture of non-tobacco related materials (NTRMs). Therefore, to help growers supply clean product to the customers, the Board is organizing supply of tarpaulins to the growers for use at the time of leaf stringing, grading, bulking and transporting the tobacco bales to the auction platforms. In this direction the Board had supplied 8,896 tarpaulins in the 2010-11 crop season.

Input Loans

The Board organises input loans to growers in Andhra Pradesh and Karnataka states for procurement of various inputs viz., fertilizers, pesticides, fungicides, trays, coco-peat, sprayers, tarpaulins, power weeders, leaf stitching machines, etc., at most competitive rates of interest. The Board had organized about Rs. 50 Crores of input loans in Andhra Pradesh at 4.5% rate of interest per annum and at Rs.75 Crores in Karnataka at 4.75% rate of interest p.a for 2010-11 crop season so far.
**Modified Personal Accident Insurance Scheme (MPAIS)**

The Scheme will cover the growers in the sectors of tea, coffee, rubber and tobacco having plantations upto 4 hectares only. The scheme will also cover the permanent plantation workers working on these plantations. Growers who have enrolled themselves under the PSF scheme earlier don’t have to pay membership fee. The growers of tobacco have to pay Rs. 100/- for availing the benefit of the Personal Accident Insurance Scheme, as they did not join the main PSF Scheme. The premium for the policy to be issued for every individual would be Rs.17/- per annum (including Service Tax) and this would be subsidized by PSF Trust @ 50% of the premium. The insurance cover will be upto Rs.1.00 lakh per person. The Personal Accident Insurance Scheme is a standalone scheme and is not linked to the main PSF Scheme.

The Modified Personal Accident Insurance Scheme was introduced by the vendor agency i.e. National Insurance Company Limited. The growers of tobacco in Andhra Pradesh and Karnataka have expressed willingness to join the scheme. The enrollment of growers and their family members/ workers in Andhra Pradesh and Karnataka during 2009-10 & 2010-11 is given in Table 9.15.

### Table 9.15

**Enrollment of growers and their family members/workers in Andhra Pradesh and Karnataka during 2009-10 & 2010-11**

<table>
<thead>
<tr>
<th>State</th>
<th>No. of tobacco growers enrolled</th>
<th>No. of family members/ workers enrolled</th>
<th>Total No. of growers &amp; family members/ workers joined in the scheme</th>
<th>Entry fee collected from the growers and remitted to PSFT (Rs.)</th>
<th>Insurance Premium collected from the growers &amp; their family members/ workers and remitted to National Insurance Co.Ltd., Guntur (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>14936</td>
<td>26843</td>
<td>41779</td>
<td>1493600</td>
<td>355121.50</td>
</tr>
<tr>
<td>Karnataka</td>
<td>9032</td>
<td>26086</td>
<td>35118</td>
<td>903200</td>
<td>298503.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>23968</td>
<td>52929</td>
<td>76946</td>
<td>2396800</td>
<td>653624.50</td>
</tr>
</tbody>
</table>

Source: Tobacco Board.

**Compensation paid under the MPAI Scheme:**

i) An amount of Rs.1.00 lakh paid to Smt. Gaddala Mariyamma, spouse of Sri Gaddala Yalamanda S/o. Jalaiah of Thurpunaidupalem, who was joined as worker under the jurisdiction of Tobacco Board, Auction Platform No.34, Tangutur-II and expired in a road accident on 28/03/2010 vide Cheque No.199605, dated 27/07/2010.

ii) An amount of Rs.1.00 lakh was released by the vendor agency towards compensation to Sri Bezawada Venkateswarlu, spouse of Smt. Bezawada Nagendramma of Venkatarajupalem under the jurisdiction of Tobacco Board, Auction Platform No.23, Ongole-II was expired in a road accident on 25/07/2010 vide their Cheque No.200143, dated 11/11/2010.
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Production
a) Creation of Tobacco Growers’ Welfare Fund

The Tobacco Board Grower’s Welfare Fund of Rs.25.00 crores is created through contribution by around 89,000 tobacco growers in the states of Andhra Pradesh, Odisha, Maharashtra and Karnataka and the Tobacco Board in 1:2 ratio for the purpose of implementation of various schemes for the welfare of tobacco growers and their families in responding to their needs and financial exigencies in social, health and education sectors.

The Tobacco Board’s Growers’ Welfare Schemes have been formally inaugurated by Hon’ble Minister of State for Commerce Sri Jyothiradithya M. Scindia on 13/03/10. The Welfare schemes will be implemented by the Tobacco Board and the implementation monitored by an Apex committee headed by Chairman, Tobacco Board as Chairman and other officials, grower members on Board as members and with Regional Level Committees, one for each of the regions i.e., Guntur, Rajahmundry & Ongole in Andhra Pradesh and Mysore in Karnataka.

b) Welfare Schemes

The Tobacco Boards’ Grower’s Welfare Schemes provides for –

1. Relief in the event of death of the grower members (Rs.25,000/-) for natural death and Rs.50,000/- for accidental death).
2. Financial relief for treatment for major illnesses requiring surgery for the growers and family members of the growers (Rs. 25,000/- interest free loan).
3. Loans on interest for education to the dependent children of the grower members (Rs.25,000/- @ 4% interest loan).
4. Interest free loans for repairing the barns damaged due to natural calamities (Rs.25,000/- per barn for fully damaged and `10,000/- per barn for partially damaged).
5. Amount as advance for the marriages of girl-child of the grower member (Rs.25,000/- interest free loan).

Up to an amount of Rs.3,48,13,000/- was released under the schemes and the details of amounts sanctioned under different schemes are as indicated in Table 9.16.

<table>
<thead>
<tr>
<th>Category</th>
<th>No. of beneficiaries</th>
<th>Grant amount (Rs. lakhs)</th>
<th>Loan amount (Rs. lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Death cases –Grant to nominees of deceased members</td>
<td>575</td>
<td>151.75</td>
<td>--</td>
</tr>
<tr>
<td>b) For repairing the barns damaged due to natural calamities</td>
<td>1176</td>
<td>---</td>
<td>196.13</td>
</tr>
<tr>
<td>c) Advance for Girl-child marriage</td>
<td>1</td>
<td>---</td>
<td>0.25</td>
</tr>
</tbody>
</table>

Source : Tobacco Board.

Auctions

The Tobacco Board introduced manual auction system for marketing of the FCV tobacco in the year 1984. The auction system was introduced to ensure correct weighment, induce competitiveness among buyers and to ensure remunerative prices and timely payment to the growers.

Progress made during 2010-11

a) A total quantity of 207.58 M.kgs. of 2009-10 Andhra Pradesh FCV tobacco crop was
marketed in 20 auction platforms at an average price of Rs.80.06 per kg. Out of this, during 01.04.10 to 15.10.2010 (the last auction day for the season), a quantity of 195.80 M.kgs. of tobacco was marketed at an average price of Rs.77.25 per kg.

b) During the period January-March 2011, it is anticipated that about 30 M.kgs. of 2010-11 Andhra Pradesh FCV tobacco crop would be marketed.

c) A quantity of 31.35 M.kgs. of 2010-11 Karnataka FCV tobacco crop was marketed at an average price of Rs.93.55 per kg. up to 01/12/2010. It is anticipated that the entire estimated production of about 129.73 M.kgs. of 2010-11 Karnataka FCV tobacco would be marketed by the end of March 2011. The average price realized as on 01/12/2010 is down by Rs.12.55 per kg. (11.83%) over the average price of Rs.106.10 per kg. realized by the farmers of Karnataka for the same volume sold 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 tobacco on the recommendation of the Commission for Agricultural Costs and Prices (CACP). The MSPs for other grades are worked out and notified by the Tobacco Board.

The Tobacco Board has not taken up any MSP operations during 2010 auctions in Andhra Pradesh and in the on-going auctions for sale of 2010-11 Karnataka FCV tobacco crop, since the market is buoyant.

**Exports**

The exports of tobacco and tobacco products during 2009-2010 were estimated at 2,59,566 tons valued at Rs.4,402.29 crore (US$ 928.37 million) against an export of 2,24,867 tons valued at Rs. 3,388.43 crore (US$ 738.06 million) in 2008-2009. During 2010-2011 (April-October), exports of tobacco and tobacco products stood at 1,45,842 tons valued at Rs. 2,396.23 crore (US$ 522.63 million) against an export of 158273 tons valued at Rs.2,680.40 crore (US$ 555.06 million) during the corresponding period of last year. The unmanufactured tobacco exports are declining at about 12% in quantity terms and 18% in value terms, while the exports of tobacco products grew by 29% in quantity terms and 30% in value terms during this period. Overall, exports of tobacco and tobacco products declined by 8% in quantity terms, 11% in rupee terms and 6% in dollar terms over the corresponding period of last year.

**VIII. Marine Products Export Development Authority (MPEDA)**

The Marine Products Export Development Authority under the Department of Commerce is a statutory body entrusted with the primary task of promotion of export of marine products from India.

**Exports**

Compared to the corresponding period of previous year, exports of marine products during the first seven months of 2010-11, recorded a growth of 3.48% in quantity, 15.40% in rupee value and 21.53% in US$ realisation as indicated in Table 9.17.

**Table 9.17**

<table>
<thead>
<tr>
<th></th>
<th>2009-10 (Apr-Oct)</th>
<th>2010-11 (Apr-Oct)</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity in tonnes</td>
<td>3,58,277.00</td>
<td>3,70,737.00</td>
<td>3.48</td>
</tr>
<tr>
<td>Value (Rupees Crore)</td>
<td>5,617.69</td>
<td>6,482.59</td>
<td>15.40</td>
</tr>
<tr>
<td>Value (Million US Dollar)</td>
<td>1,169.88</td>
<td>1,421.81</td>
<td>21.53</td>
</tr>
</tbody>
</table>

Source: MPEDA
Major Export Markets
European Union (EU) continued to be the largest market with a share of 26.77% in value (US$), followed by USA, Japan, South East Asia and China.

Major items of Exports
Frozen shrimp was the single largest item of export accounting for 51.70% in the total export value for the year 2010-11. Fish, the principal export item in quantity terms and the second largest export item in value terms, accounting for a share of about 30% in quantity and 14.24% in US$ earnings, showed a decline of 16.48% in quantity terms and a decline of, 12.64% and 7.25% in rupee and US$ value realization respectively.

Major Ports of Exports
Major ports in the order of US $ earnings were Pipavav, Kochi, Jawaharlal Nehru Port, Chennai, Vizag, Kolkata, Tuticorin

Thrust Areas
To facilitate enhanced export of marine products MPEDA has been giving greater thrust in the following areas:

1. Extending financial assistance for conversion/construction of tuna long liners and imparting training to crew to develop tuna industry to boost the export of tuna.
2. Implementation of Catch Certification scheme for preventing/discouraging illegal unregulated fishing.
3. Diversify culture practices by popularizing cage farming of finfish and organic culture of shrimps and conduct demonstration of seabass culture, mussels farming.
5. Promoted ornamental fish breeding for export and initiated Green Certification and Geographic Indication for ornamental fish and constituted a Task Force on Green Certification of ornamental fish.
6. Research and Developmental activities in developing new aquaculture technologies by innovative methods for increasing production of commercially important fin and shell fishes through the Rajiv Gandhi Centre for Aquaculture (RGCA).
7. The upgradation of fishing harbours to international standards for sustaining/expanding our international markets.
8. Assist the setting up of state of the art processing facilities for value added marine products meant for export.
9. Ensure production of quality seafood by setting up sophisticated laboratories in the maritime states.
10. Extending linkages to the grass root level by ensuring better extension packages to fishermen / farmers and the workers engaged in various stages of processing of marine products.
11. Establishing presence of Indian seafoods in major International markets by co-branding Indian products with seafood giants abroad.
12. Participate in International Seafood Shows to showcase the strength of Indian marine products industry and trade relationship, also organized India International Seafood Show biannually.
13. Extending financial assistance to the next of kins of fishermen under Prime Minister’s National Relief Fund for fishermen held in captivity in Pakistan jails.

Appropriate schemes/measure have been devised to achieve these objectives.
Steps Taken to Increase Production and Exports

- MPEDA is operating schemes for conversion of existing fishing vessels to tuna long liners and for construction of new tuna long liners for encouraging deep sea fishing in our EEZ through modern fishing techniques so that India will emerge as a leading producer and exporter of oceanic tuna in the years to come.

- MPEDA is extending subsidy assistance for the installation of insulated fish hold/refrigerated seawater system/ice making machinery onboard fishing vessel for better preservation of catch and earning of more value for the catch.

- Extending technical assistance for development of new area under shrimp culture as well as for sustainable farming practices.

- India Organic Aquaculture Project (IOAP) involves the development of certified organic shrimp/scampi seed, certified organic aqua feed, organic certification of aquaculture farms and organic certification of processing plants to boost the export of organic aqua products from India. MPEDA is continuing the initiative to promote the production and export of Organic Seafood from the country.

- MPEDA assists the processors/pre-processors to construct/renovate captive/independent pre-processing centers as per EU/HACCP guidelines by subsidizing 50% of the cost incurred.

- MPEDA introduced the Interest Subsidy scheme to compensate a certain amount of interest payable by the plant owners to the bankers from whom they have availed loan for the upgradation of their facilities to achieve equivalency to EU/GOI norms.
• MPEDA is operating a sea-freight assistance scheme that is aimed at promotion of export of value added marine products by MPEDA registered seafood manufacturer exporters of India produced from domestic or imported raw material. The scheme also offers assistance for import of raw material for further processing and export as designated value added seafood.
• Another scheme offering developmental assistance for export of ornamental fishes/ aquarium plants is also offered, by which the registered exporters are offered an assistance upto 10% of FOB value realized.
• Under export promotion, MPEDA participate in major international seafood fairs in the world and displays a wide range of India's products especially value added products to generate awareness and demand.
• MPEDA invites delegations to visit India and sends delegation to leading seafood-buying countries to strengthen the trade links.
• MPEDA has introduced a voluntary logo of quality for promotion of value added consumer products in major markets. Logo will be awarded to processors who satisfy the standards fixed by MPEDA. This will create a brand image for Indian seafood products abroad.
• Quality and Sustainability Of Marine Products Meant For Exports
• In order to improve the hygienic conditions of the fish landing centers and ensure the quality of the raw material used for processing, MPEDA identified 19 fishing harbours in India for upgradation. Flake ice / tube ice making machines and chill rooms are being installed in these harbours.
• MPEDA has a scheme for establishing Common Pre-processing Centers (CPC) at Sakhikulangara, (Kollam District and at Ambalapuzha, (Alappuzha District) in Kerala which has been approved under the ASIDE scheme of Government of India. This project envisages better working environment for women folk engaged in pre processing activities in the area and also ensure hygienic handling and pre processing of raw materials meant for export.
• The test results of MPEDA laboratories at Kochi, Nellore, Bhimavaram are accepted by the importing countries without further verification. These accredited laboratories test antibiotics like Nitrofurans and Chloramphenicol of marine products meant for export.
• MPEDA has set up 16 pre-export Screening Laboratories in various maritime states with automatic ELISA testing equipment to screen for the presence of antibiotic residues like Nitrofuran metabolites and Chloramphenicol in cultured shrimp before aqua cultured shrimp / scampi are sold to the processors.
• NETFISH and NaCSA, the two societies formed for undertaking extension education programmes continue their effort in capture and culture fisheries sectors, for quality upgradation.
• Rajeev Gandhi Centre for Aquaculture (RGCA) continues its pioneering effort in research and development in production of seed and culture thereof.