

# **Coconut Development Board**

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## **INTRODUCTION**

Coconut is grown in 92 countries in the world. Global production of coconut is 51 billion nuts from an area of 12 million hectares. The four major players; India, Indonesia, Philippines and Sri Lanka contribute 78% of the world production. India at present is the premier producer of coconut with maximum productivity at the global level. India is of the leading producers of coconuts in the world producing 13 billion nuts per annum. Coconut area is distributed in 18 states and three Union Territories. This geographical area has 3000 years' tradition in coconut cultivation. There are millions of farmers linked with this sector directly or indirectly. Large numbers of farmer's co-operative societies are in primary processing and marketing different coconut products. Government agencies such as Kerafed, State Trading Corporation, Kerala State Marketing Federation and Karnataka State Marketing Federation are in manufacturing and marketing of branded coconut oil in small packs. India has been known as the producer of best grade milling copra in the world yielding high-grade coconut oil known for its aroma and flavour. There are hundreds of reputed and established private firms in manufacturing and marketing of various coconut products including branded coconut oil in small packs. There are wide ranges of coconut products both edible and non-edible available for both domestic and export market.

Coconut Development Board is a statutory body established by the Government of India for the integrated development of coconut production and utilization in the country with focus on productivity increase and product diversification. The Board which came into existence on 12<sup>th</sup> January 1981, functions under the administrative control of the Ministry of Agriculture, Government of India, with its headquarters at Kochi in Kerala and Regional Offices at Bangalore in Karnataka, Chennai in Tamil Nadu and Patna in Bihar. There are six State Centres situated Bhubaneswar in Orissa, Calcutta in West Bengal, Guwahati in Assam, Agartala in Tripura and Hyderabad in Andhra Pradesh and Port Blair in the Union Territory of Andaman & Nicobar Islands. The Board has established 9 Demonstration cum Seed Production farms (DSP) in different locations of the country. The following are the functions, thrust areas and schemes given in the Coconut Development Board's publications.

## **FUNCTIONS OF THE BOARD**

- Adopting measures for the development of coconut industry, inter alia.
- Imparting technical advice to those engaged in coconut cultivation and industry.
- Providing financial and other assistance for the expansion of area under coconut.
- Encouraging adoption of modern technologies for processing of coconut and its products.
- Adopting measures to get incentive prices for coconut and its products.
- Recommending measures for improving marketing of coconut and its products.
- Recommending measures for regulating imports and exports of coconut and its products.
- Fixing grades, specifications and standards for coconut and its products.
- Financing suitable schemes to increase the production of coconut and to improve the quality and yield of coconut.
- Assisting, encouraging, promoting and financing agricultural, technological, industrial or economic research on coconut and its products.
- Collecting statistics on coconut and its products and publishing them.
- Undertaking publicity activities and publishing books and periodicals on coconut and its

- products.

## **THRUST AREAS**

- Increasing the production of quality planting material.
- Creating future production potential by bringing more area under coconut.
- Improving productivity of existing coconut holdings.
- Integrated management of major pests and diseases.
- Strengthening coconut industry by promoting product diversification and by-product utilization.

## **SCHEMES**

### **1. Production and Distribution of Planting Material**

- Establishment of Demonstration cum Seed Production (DSP) Farms for coconut.
- Setting up of coconut nurseries attached to the DSP Farms.
- Establishment of Regional Coconut Nurseries.
- Aid to registered / private / approved coconut nurseries @ Rs.6 lacs for a coconut nucleus seed garden and Rs.2 lacs for a coconut nursery

### **2. Expansion of Area under Coconut**

This program is intended to bring in more area under coconut in the potential belts thereby increasing the production potential in the country. For this, the small and marginal farmers are given incentive assistance for undertaking new planting of coconut and its further maintenance. The new planting assistance is given at the rate of Rs.8,000 per hectare, which is disbursed in two equal annual installments. The programme is implemented by the Board through the Department of Agriculture/Horticulture of various States/UT's as the cases may be. Application forms prescribed by the Board are supplied to various implementing offices of the State Government which in turn are distributed to the eligible farmers. The filled in applications submitted by farmers after proper field verification are forwarded to the office of the Board concerned with proper recommendation of the implementing officers for further processing and sanction of subsidy. The Board after scrutiny of the applications, sanctions eligible subsidy and disburse the sum in the form of individual cheques/demand drafts to the farmers through the same implementing offices.

### **3. Integrated Farming for Productivity Improvement**

- Removal of disease advanced palms @ Rs.250 per palm.
- Laying out demonstration plots in farmers' garden @ Rs.35,000 per ha.
- Aid to organic manure units @ Rs.20,000 per unit

### **4. Technology Demonstration**

- Financial assistance for setting up of pilot plants for the integrated coconut processing @ 50% of the cost of building / plant / machinery or maximum Rs.5 lacs.
- Aid to technological research
- Financial assistance to coconut based industries @ 25% of the cost of building/ plant/ machinery or Rs.2.50 lacs whichever is less.

- Financial assistance for the introduction of Agmark/ISO Standards in coconut processing units @ 25% of the cost of laboratory equipments or Rs.1 lac whichever is less.
- Grant-in-aid for the development and fabrication of machinery for coconut processing / cultivation / plant protection @ 25% of the cost or Rs.5 lacs, whichever is less.
- Techno-economic studies on product diversification and byproduct utilisation.
- Consultancy service on production, processing and marketing.

#### **5. Market Promotion and Statistics**

- Market information and intelligence service.
- Modernisation of coconut processing by introduction of improved copra dryer / other processing machineries / equipment @ 25% of the cost of dryer / equipment or maximum Rs.10,000, whichever is less. Surveys and evaluation studies.

#### **6. Information and Information Technology**

- Production of publications in different languages including grant-in-aid to State Government / Universities for production of publications.
- Production and screening of films including grant-in-aid to State Govt./Universities for production of films.
- Participation in exhibitions and fairs.
- Conducting seminars and workshops.
- Awards to best growers, master craftsmen, industrialists, processors and exporters.
- Training youths in harvesting and plant protection.
- Training farmers in scientific cultivation and post harvest processing.
- Training in the manufacture of coconut based handicrafts.
- National award to the best research worker or workers in product or machinery or equipment development.
- Establishment of National Information Centre cum Electronic Data Processing Unit.

#### **7. Human Resources Development**

- Training to improve technical skills of managerial and supervisory personnel.
- Training and visits to understand and appraise the technologies.

## EVALUATION

TABLE 1  
All India Final Estimate of Coconut (2001-2002)

STATE / UNION TERRITORIES	A R E A (Thousand Ha.)		PRODUCTION (Million Nuts)		PRODUCTIVITY (Nuts / ha)	
	2000-01 (Revised)*	2001-02	2000-01 (Revised)*	2001-02	2000-01 (Revised)*	2001-02
Andhra Pradesh	102.6	104.0	1092.7	1129.1	10650	10857
Assam	21.0	21.1	136.0	163.6	6476	7754
Goa	25.0	25.0	125.1	125.1	5004	5004
Karnataka	333.8	373.7	1754.2	1523.4	5255	4077
Kerala	925.8	939.5	5536.0	5744.0	5980	6114
Maharashtra	16.8	16.8	244.4	193.8	14548	11536
Orissa	17.7	17.3	109.9	142.4	6209	8231
Tamil Nadu	323.5	335.8	3192.0	3293.6	9867	9808
Tripura	3.1	3.3	7.0	7.0	2258	2121
West Bengal	24.5	25.6	330.5	331.6	13490	12953
A & N Islands	25.2	25.2	89.0	89.7	3532	3560
Lakshadweep	2.7	2.7	36.9	53.1	13667	19667
Pondicherry	2.2	2.3	24.7	25.3	11227	11000
<b>ALL INDIA</b>	<b>1823.9</b>	<b>1892.3</b>	<b>12678.4</b>	<b>12821.7</b>	<b>6951</b>	<b>6776</b>

Source: Directorate of Economics & Statistics, Ministry of Agriculture, Government of India. @ Fully revised estimates for all states except Orissa and Tripura for which final estimates have been used.

The coconut development board claims a significant improvement in area, production and productivity of coconut in the country during the period 1980-81 to 2001-02. The area, which was 1.083 million ha in 1980-81, increased to 1.892 million ha in 2001-02. The production increased from 5942 to 12822 million nuts and the productivity increased from 5485 to 6776 per ha during the same period. The growth rate was 2.69 percent in area, 3.73 percent in production and 1.01 percent in the productivity<sup>1</sup>. The important point that has to be taken into the account is that the growth rate in the various categories is that of a period of twenty years. During this twenty years time they have established the regional offices at Bangalore, Patna and Chennai and the state centres at Agartala, Bhubaneswar, Guwahati, Hyderabad, Kolkatta and at Port Blair. In addition, the board has established Demonstration-cum-seed production (DSP) farms in different parts of India demonstrating the scientific cultivation of the coconut to the farmers and to produce quality-planting material. They are located at Abhyanpuri (Assam), Belbari(Tripura), Kondagaon(Chattisgarh), Madhepura(Bihar), Mandya (Karnataka),

<sup>1</sup> Coconut Development Board 2003, *Marches Ahead*, p. 3

Neriamangalam(Kerala), Pitapally(Orissa), Vegiwada(Andhra Pradesh) and Vellanikkara(Kerala). The regional offices oversee:

- Aid to Registered or private or approved coconut nurseries and seed Gardens.
- Integrated farming in coconut holdings for productivity improvement in the states of Karnataka, Maharashtra and Goa.
- The functioning of Demonstration-cum-Seed Production Plants of the respective regions.
- Implement the Board' schemes in the states where the Board do not have any office.
- Monitor the Board's schemes implementation by the state Governments and keep close liaison with the State Agriculture and Horticulture Departments

The financial support to run these regional offices and DSP farms are largely coming from the Central Government. There is a support from the state government also, but it is very small. During the period 2002-03, a total area of 36286 ha was brought under the new planting by providing incentive subsidy totalling Rs 17.37 crores to 80904 farmers. The Board claims this as a major achievement. There is not much difference between the Functions and Thrust Areas, the board claims to look after. It looks like a repetition. There is always a chance of misappropriation of the funds meant for the removal of the disease plants. In fact, in Kerala this amount is distributed through Krishi Bhavan. There is always hue and cry to get this fund to be distributed. The farmers along with the officials manipulate the process even for the non-existing trees. In *Marches Ahead*, a publication of Coconut Development Board, it is claimed that during 1999-2001, the board accorded administrative approval to 16 private parties for establishment of seed gardens and 36 private nursery men for the production of quality seedlings in the sates in addition to the support to the state government for production of 5.50 lac seedlings. During the period, about 1.733 lac seedlings were produced from the DSP farms and nurseries attached to them. A through examination is required whether the amount allotted to set up these plantations really does good to the sector by the above said production. In the same pattern, Rs 19.62 lacs has been allotted to the units under the scheme "financial assistance to coconut processing industries" for the production of different by products of coconut. It is not known how the Board extends the financial support over a period of time to the units without conducting a continuous assessment on their performances.

TABLE 2  
Area, Production & Productivity of Coconut in India

Year	Area ('000 ha)	Production (Million nuts)	Productivity (Nuts per ha)
1950-51	626.5	3281.7	5238
1960-61	717.4	4639.1	6466
1970-71	1045.5	6075.0	5811
1980-81	1083.3	5942.0	5485
1990-91	1513.9	9700.2	6407
2000-2001	1823.91	2678.3	6951
2001-2002	1892.3	12821.7	6776

*Source: Directorate of Economics & Statistics, Ministry of Agriculture, Government of India.*

In this background, the stated increase in productivity and the area of production come for a scrutiny. In a country which is one of the leading producers of coconuts in the world producing 13 billion nuts per annum distributed in eighteen states and three Union Territories of different agro-climatic conditions having 3000 years tradition in coconut cultivation, the figures do not speak much from a layman's point of view. In addition, Government agencies such as Kerafed, State Trading Corporation, Kerala State Marketing Federation and Karnataka State Marketing Federation in manufacturing and marketing of branded coconut oil are in small packets. This enhances the marketability of the coconut at different planes of wide choices. In terms of productivity, an annual increase of one coconut per plant from the previous year's only one nut per plant would increase the productivity by 200%. The money spent on these various establishments; does it meet the objective is a million dollar question as in the case of the expenditure of the Board shows.

Even before setting up of the Coconut development Board, the market forces such as Cooperative Societies, Trade Associations etc decided the course of action in the farm sector. At present also, hypothetically questions can be raised what would be the market condition and farm sector if CDB is dismantled. For an ordinary farmer, it will not make any difference may be because CDB is not reachable to him or there is no requirement of the Board as such. At this juncture, where the role of Banks in the farm sector is deliberated than any other time, what is the coordination the Board has to with the banks have to be examined.

The evaluation of various research organizations involved in the Research and Development activities on Coconut sector requires a more a transparent mechanism if it claims to assist the farming community. Coconut research programmes on crop improvement, crop management and crop protection are mainly undertaken by the Central Plantation Crops Research Institute (CPCRI) functioning under the Indian Council Agriculture Research (ICAR) and state Agriculture universities. Research programmes are also undertaken under All India Coordinated Research

Project on palms. This project has 16 Centres of which 10 centres are conducting research on coconut. Research on post harvest processing of coconut is mainly undertaken by institutes such as the Regional Research Laboratory, Thiruvananthapuram and the Central Food Technological Research Institute, Mysore. There is no dearth in the research institutes to deal with the coconut and related products. The CDB's role in these research institutes are not clear. How far the academic research is converted into the utilization purpose in the agriculture farm sector is not divulged out in more detail. Even though, the Board claims pest management and biological means of plant protection has been provided to the farmers, the recent '*mandari*' crisis in Kerala cost hugely for the farmers. Is the Coconut development Board a requirement for the implementation of these Research and Development practices into farming side is another relevant question especially when one looks into the following data provided by Kerala Agricultural Ministry. It is very relevant since CDB head quarter is at Cochin. The following table gives how many Agricultural agencies are working in Kerala. The functions of CDB and the other agencies of the government can be supplementary to each other theoretically but most of the times overlapping. If this is the case in one state like Kerala, similar would be the other states of India.

TABLE 3

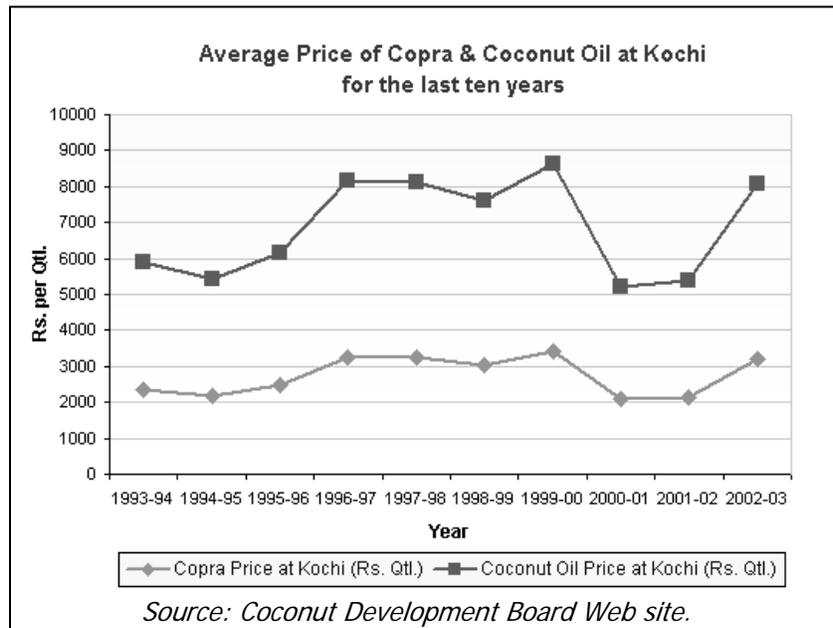
Districts	14
Corporations	3
Municipality	55
Panchayats	990
Principle Agricultural Officers	14
Additional Developmental Officers	151
Quality Control laboratories	3
Seed Testing laboratories	2
Soil testing laboratories	23
Parasite breeding station	9
Sales cum service depos	8
Agmark grading laboratories	10
Regional Agriculture technology training centres	5
Farmers training centres	2
Mobile agro clinic	10
Bio technology centres	1
State bio control lab	1
Bio fertiliser lab	2

*Source: Directorate of Agriculture, Ministry of Agriculture, Government of Kerala.*

TABLE 4  
Average price of Copra & Coconut Oil at Kochi for the last ten years

Year	Copra Price at Kochi (Rs./Qtl)	Coconut oil Price at Kochi (Rs./Qtl)
1993-94	2348	3553
1994-95	2183	3254
1995-96	2371	3693
1996-97	3266	4904
1997-98	3266	4866
1998-99	3020	4586
1999-2000	3399	5249
2000-01	2113	3100
2001-02	2138	3252
2002-03	3214	4853

Source: Directorate of Economics & Statistics, Ministry of Agriculture, Government of India.



On the Price situation front, the central Government announces the minimum support Price (MSP) for the milling copra and the all copra every year on the recommendations of the Commission for Agricultural Cost and Prices (CACP) to protect the vicissitude of price fall of coconut<sup>2</sup>. This MSP may not match with the market price most of the times. The coconut development Board has no influence on the market price of the Coconut and its products as far

<sup>2</sup> Coconut Development Board 2003, Marches Ahead p.11

as the farmers are concerned. Interaction with the farmers has highlighted that they are not acknowledged about the Board's role in the price mechanism. There are price mechanisms operated and devised by the separate independent bodies such as Trade Associations, Cooperative societies and Mill Owners Associations. These prices are quoted through the newspapers for the daily trading. In Kerala, for example they are provided by the markets like Kochi, Kottayam, Alleppy and Thrissur. The price is decided through the public auction of the commodities at the association hall of the traders, dealers and brokers of the respective market places. The Kochi association, which has been come into the dealings for more than a century, is the leader in the category. They have set their norms and rules for the people who involve in the trade. The rules are self imposed ones for the better transactions and the improved sales. They are prominent in the forward marketing. They also have the quality-testing laboratory and issue the certificates. Sometimes they request the help of Coconut Development Board this regard to update their quality parameters.

The Coconut Development Board is also active in the publication of books, booklets, brochures and pamphlets. During 1997-2001 periods, the Board has participated 81 exhibitions in India itself. What the sector has achieved from these exhibitions is a matter of concern especially when Government of India undertaking participating these national and international exhibitions utilizing taxpayers money. What is the penetration of these magazines among the farmers and its reachability in terms of the requirement of the day and supplementary articles are of much concern. How many in the farming community can access the web page and the documentaries are again leads into a confusing nature of affairs in the Board activities. These are not objectives in its content and relevance, but under the cloud when one tries to answer the question on the viability and feasibility of a big establishment like Coconut Development Board is concerned. It seems the Board is functioning under certain illusions like '*chalta rehegae*' and the attitude is whimsical. It is a pertaining question that how many farmers do acknowledge the existence of Coconut Development Board. A few gets the benefits of the Board and others are reluctant and not cared about the CDB activities.

The expenditure sheet of Coconut Development Board during the year 2001-02 shows that the total expenditure of the Board was Rs 4,9072,685.11. Salaries and pension attributed to Rs 2,82,29,884.00 while travelling expenses, office expenses, purchase of vehicles took a large amount away; Rs 1,31,83,584.11. The amount spent for the Functions and Thrust Areas are not clear from the data available. The Board is also not willing to share these accounts.

The establishment cost of the Coconut development Board needs to be urgently looked into. The mansions like buildings such as country headquarters at Kochi and other places have to be assessed. The requirement of number of staff is also to be calculated upon. These observations are from the live interaction with the situation offers. It is learnt from the reliable sources of Central Public Works Department (CPWD) that at the time of the construction of the multi storied (7 in number) building at Kochi, most of the space was meant for commercial subleasing. At present the Board works on every floor like a big elephant. The Board's operations do not seem to be so transparent since most of the developments and initiatives are not communicated to the farmers at large. The base year for many of the projections is not clear in the reports.

The Coconut Development Board claims to be catalyst in the farm sector. This Board comes under Ministry of Agriculture thus should provide a platform for overall development and

marketing of the sector. But in reality, the investigation has not proved the claims in the field. It is time for introspection and re modeling of the board. The transparency and accountability have to be brought into the area of activity of the board.

## **SPICE BOARD**

### **INTRODUCTION**

The story of Indian Spices dates back to 7000 years into the past. It is a chequered history of lands, discovered or destroyed, kingdoms built or brought down, wars won or lost, treaties signed or flouted, favours sought or offered. Over 46% of the world supply comes from India. India's exports of spice extracts have showed over 50 percent of the global market within a short span. In recent years, export of Indian Spices has been taking giant leaps. The Indian export of spices has crossed the US \$ 450 million mark during 2002 -2003 and has reached Rs 1765 crores (value). This remarkable achievement has brought a sea change in the industry scenario. From traditional commodity exports, Indian Spices have evolved into a state-of-the-art industry. Absorbing technology, broad basing its products range, developing value added products, identifying niche markets, forging strategic alliances clinching global collaborations and joint ventures. The Spices Board India is the apex body for the export promotion of Indian Spices established in 1987.

As per Spices Board Act, 1986, the following functions have been assigned to the Spices Board.

### **FUNCTIONS OF THE BOARD**

- Assist and encourage studies and research, for improvement of processing, quality techniques of grading by providing "Quality marking" and packaging of spices with special reference to cardamom
- Develop, promote and regulate export of spices and grant certificates for export of spices
- Strive towards stabilization of prices of spices for export
- Give licences, subject to terms and conditions as may be prescribed, to the manufacturers of spices for export with special reference to cardamom
- Provide warehousing facilities abroad for spices.
- Collect statistics with regard to spices for compilation and publication with special reference to cardamom
- Import with prior approval of the central government any spice for sale
- Advise the central government on matters relating to import and export of spices
- Promote co-operative effort among growers of cardamom and ensure remunerative returns to growers of cardamom
- Provide financial or other assistance for improved methods of cultivation and processing of cardamom, for replanting cardamom and for extension of cardamom growing areas.
- Increase the consumption of cardamom and carry on propaganda for the purpose
- Secure better working conditions and the provision and improvement of amenities and incentives for workers.

There are 52 spices in any form including curry powder, spice oils, oleoresins or any other mixtures where the spice content is predominant, come within the preview of the Spices Board for export promotion.

## THE BOARD AND ITS COMMITTEES

### (i) **The composition of the Board shall be as follows:**<sup>3</sup>

1. Chairman
2. Three members of Parliament, of whom two shall be elected by the
3. House of the people and one by the Council of States
4. Three members to represent respectively the Ministries of the Central Government dealing with Commerce, Agriculture, Finance
5. Seven members to represent growers of spices
6. Ten members to represent the exporters of spices
7. Three members to represent the major spice producing states
8. Four members, one each, to represent the following
  - The Planning Commission
  - The Indian Institute of Packaging Bombay
  - The Central Food Technological Research Institute, Mysore
  - The National Research Centre for spices, Calicut
9. One member to represent spices labour interests

The Spice Board Act 1986, Chapter 2(5) says that the term of office of the members and other conditions of service of the members shall be such as may be prescribed.

## COMMITTEES AND FUNCTIONS

### (a) **Executive Committee:**

This committee shall exercise the following functions:

- Such administrative matters as are delegated by the Board
- Registration of traders and exporters, examination and acceptance of returns to be made by registered owners of estates, farms, gardens processing units, publications of the statistics so collected, or of any portions thereof or extracts there from
- Any other functions assigned by the Board

### (b) **Research and Development committee for Cardamom:**

This committee shall exercise the following functions:

- Formulation of projects for the development of cardamom
- Reviewing implementation of development of cardamom
- Assigning priorities for research work to be undertaken by the Board
- Reviewing progress of research
- Any other function assigned by the Board

### (c) **Market Development Committee for Spices :**

This committee shall exercise the following functions:

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<sup>3</sup> Government of India, Spices Board Annual Report 2002 – 2003, Ministry of Commerce

- Monitoring of auctions of spices
- Formulation of projects for market development in internal markets and for exports;
- Review of the markets conditions relating to Spices
- Recommend to Board such matters as are necessary for streamlining of marketing of spices
- Any other function assigned by the Board

### **Provision for constitution of a special committee**

The Board may set up a special committee for undertaking a specific work connected with its functions and appoint members including chairman for such a committee.

The Central Government shall cause the Annual Report and auditor's report to be laid, as soon as may be after they are received, before each House of Parliament.

### **EVALUATION**

In International Spice Market India has a great role to play with. India produces around 2 million tonnes of spices every year. World spice trade is only one fifth of India's total production. Worldwide Spice trade accounts 45,000 tonnes. India contributes to one third of this trade. What is the significant role of spice board in this trade is a spicy question. There requires the study on how much trade is happening through the direct involvement of the spice board.

Spice board works under Ministry of Commerce under the rule for commodity exchange. As on 31<sup>st</sup> March 2003, the staff strength of Spices Board was 585 consisting of 77 Group A, 102 Group B, 327 Group C and 79 Group D employees. In addition there were nine project related staff. The Head Office of the Board is located in Cochin, Kerala. The marketing offices are located at sixteen locations at different parts of the country while the Developmental offices are at nineteen locations. Thirty-five field offices are located in the states of Kerala, Karnataka, Tamil Nadu and Northern Eastern states. In addition the Board continued to maintain seven Department Nurseries, the main research station and three regional research stations. It has been noted that the measures were taken by the Board to ensure the promotion of Hindi language by conducting spoken Hindi classes and celebrating Hindi fortnight.

### Item-wise export of spices from India

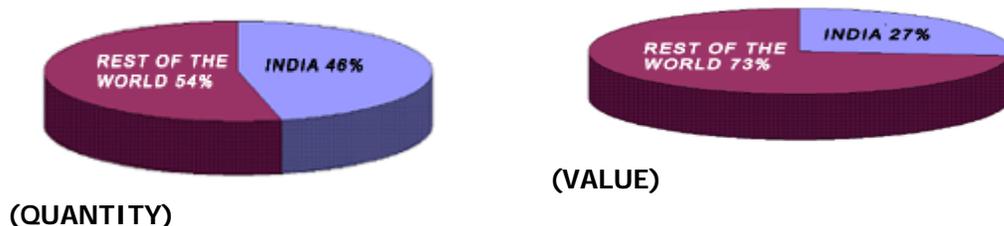
SPICES	2001-02			2002-03			2003-04 (E)		
	QTY (MT)	VALUE (RS.LAKHS)	VALUE (MLN US \$)	QTY (MT)	VALUE (RS.LAKHS)	VALUE (MLN US \$)	QTY (MT)	VALUE (RS.LAKHS)	VALUE (MLN US \$)
PEPPER	22877.36	20368.79	42.81	21608.58	17887.98	36.99	16700.00	14350.50	31.27
CARDAMOM(SM ALL)	1030.91	6167.80	12.96	681.83	4707.42	9.73	690.00	3301.00	7.19
CARDAMOM(LARGE)	1576.84	2391.66	5.03	1449.53	2057.08	4.25	800.00	1107.00	2.41
CHILLI	69997.50	25244.02	53.06	81021.50	31514.68	65.16	81500.00	35511.25	77.39
GINGER	6464.20	2311.47	4.86	8461.43	2396.59	4.96	5000.00	2340.50	5.10
TURMERIC	37777.58	9073.71	19.07	32402.30	10337.99	21.37	34500.00	12751.88	27.79
CORIANDER	15924.80	4833.87	10.16	18064.95	5564.64	11.51	21000.00	7103.75	15.48
CUMIN	17247.70	14818.03	31.14	10422.07	9326.33	19.28	6700.00	4983.75	10.86
CELERY	4251.01	1236.59	2.60	3959.95	1225.43	2.53	4400.00	1389.00	3.03
FENNEL	4374.41	1695.82	3.56	4159.63	1783.75	3.69	5200.00	2143.00	4.67
FENUGREEK	6582.11	1617.14	3.40	13192.82	2551.06	5.27	7500.00	1660.75	3.62
OTHER SEED SPICES (1)	9978.51	2790.79	5.87	14919.85	3617.36	7.48	10000.00	2324.75	5.07
GARLIC	1105.59	409.78	0.85	1538.77	698.68	1.44	3500.00	1321.13	2.88
NUTMEG & MACE	1346.05	1990.19	4.18	1380.56	2847.36	5.89	1450.00	2731.53	5.95
VANILLA	27.30	1750.61	3.68	25.17	2225.72	4.60	26.32	3606.35	7.86
OTHER MISCE. SPICES (2)	20529.48	6516.57	13.70	23897.69	7383.12	15.27	24000.00	7663.00	16.70
CURRY POWDER/MIXTURE	6305.41	5052.61	10.62	8491.90	6893.67	14.25	7600.00	6508.13	14.18
MINT PRODUCTS (3)	11295.45	48474.34	101.88	13589.16	56557.94	116.94	11250.00	42505.00	92.63
SPICE OILS & OLEORESINS	4510.42	37311.10	78.42	4838.81	39094.23	80.83	4750.00	37206.25	81.08
<b>TOTAL</b>	<b>243202.63</b>	<b>194054.88</b>	<b>407.85</b>	<b>264106.50</b>	<b>208671.02</b>	<b>431.45</b>	<b>246566.32</b>	<b>190508.50</b>	<b>415.15</b>

The major source of funds for the activities of the Board is the budget allocation by the Government against the cess collection on the export of spices. The rate of cess now in force is half percent on exports of all spices and spice products. Grants from the Government are another source of finance for the Board. The Board also claims to generate about Rs two crores on an average from sale of seedlings from nurseries, farm products from research farms, subscription and advertisement charges, exporters registration fees, recovery of part cost of polythene sheets supplied to the farmers and changes for quality evaluation services among others.

The budget approved for the Board during 2002-03 was Rs 1850.00 lacs under plan and Rs 325.00 lacs under non-plan. The amount released against the above provision was Rs 1550.00 lacs under plan and Rs 300.00 lacs under Non-plan. The internal revenue generated amounted to RS 229.32 lacs under plan and Rs 25. 52 lacs under Non-plan. In addition, the Board also received Rs 15.84 lacs in the form of fee for the implementation of the various projects and in the form of grants from various agencies Rs 207.87 lacs. The total expenditure of the Board under Plan and Non – plan during the year 2002-03 was 2079.41 lacs. Out of this, the administration cost was Rs 314.50 lacs.

Interestingly, the Board focuses more on Publicity and Public relations. More than one month in total was spent on foreign trips for the Board officials and a few exporters during 2002-03. In addition the Board conducted a number of National seminars, Exhibitions, and catalogue displays. Brochures, Field display activities, publication of magazines, film, photo panels and books were the other areas of activity of the Spice Board.

**India's share in world trade of spices (2002 - 2003)**



*Source: Spice Board website*

For the export of spices and spice products, the exporting countries have to comply with the specifications laid down by the regulatory agencies at importing countries. Before the liberalisation, exporters had to comply with the pre-shipment inspection and quality control as per the AGMARK Grade Specification prescribed by the Directorate of Marketing and Inspection (DMI). Export Inspection Agency, under the Export Inspection Council of India, also have the mandate for pre-shipment inspection and quality control certification. With the liberalization pre-shipment inspection and quality control was withdrawn and the exporters are free to export the spices and spice products as per the specifications prescribed by the importing countries. As per the Memorandum of Understanding (MOU) signed between Ministry of Commerce and Industry, Govt. of India and the United States Food and Drug Administration (USFDA), export of Black Pepper to USA can be made with the pre-shipment inspection and quality control certification by Export inspection agency. In the present context the role of Spice Board has to be examined.

The Pepper Exchange Board at Jew town, Cochin has been in the operation since 1957. It is very strange that the pepper exchange board, which is a privately run show managed by the interested traders and farmers does not have any representatives in the Spice Board administration. There is a very strong association called Indian Spice Exporters Forum at Cochin, having a big share in the export market. As a part of the study, many spice merchants were interviewed. Most of the times, it was found that they are running an office in Cochin for the namesake only. Most of their headquarters are in North India and they are big guns in the trade. From the interactions, the realisation is that they can do the trade even without the help of Spice Board. They allege that Spice Board has become a few people's mantra. They use it for the foreign travel and annual get together. The democratic principles are not kept right, they say. Even though, this conclusion is without much in depth study, one has to look at imaginary case where no more Spice Board exists and the spice trade of that time. Then only one can find out the nature and scope of the Spice Board.

TABLE 5

Head of Account	Budget grant For 2002 – 03	Actual Exp. for 2002 – 03
NON-PLAN ADMINISTRATION	325.00	314.50
<b>TOTAL:</b>	<b>325.00</b>	<b>314.50</b>
<b>PLAN</b>		
EXPORT ORIENTED PRODUCTION	1135.00	1119.25
EXPORT ORIENTED RESEARCH	250.00	207.41
QUALITY IMPROVEMENT	140.00	148.55
EXPORT DEVELOPMENT	315.00	283.56
WORKS AND H.R.D.	10.00	6.14
TOTAL	1850.00	1764.91
GRAND TOTAL	2175.00	2079.41
<b>RECEIPTS</b>		
(A) NON-PLAN	25.00	25.52
(B) PLAN	300.00	230.38

*SOURCE: GOVERNMENT OF INDIA, SPICE BOARD ANNUAL REPORT 2002-03*

Functions of the Spice Board lead to an ambiguous state of practicality. The Board claims that it is only a facilitator in the trade. But at the same time, it has been found out that the board deals with the plantation of crops. In recent times, the demand for vanilla in international

market attracted the Board's concerns into the international trade of the vanilla crop. It distributed the vanilla crop at a subsidized rate to the farmers. Within two years itself, the market has shown downward trend with regard to vanilla of an acute reversal to what was expected earlier. It is almost similar to the coco boom during 80's, when majority of the Kerala household, had coco plants in their vicinity. The board could not sustain or market the coco for a long time forcing the farmers to cut the coco trees.

Even if the board is more accustomed to trade, it is very difficult to understand how can the board plan the strategy without knowing the ground realities. In simple terms, the demand and supply decide, the market price; acknowledging the supply from the domestic market is very imperative. Officially; the board is not bound with this argument.

The dealings of the board with true farmers are very minimal at the ground level. Most of the dealings of the board are with a handful of merchants it is earliest. Many of the schemes including financial assistance to the merchants are mostly divested to the special category session of the elite class. In fact, the dealings are not transparent or other word they are not reaching the ground level. Most of the farmers care little about the spice board and its activities fifty-two spice items under the control of spice board make it diverse field, rather than a focused one. It affects the efficiency of the board as it looks after the spices of different qualities and quantities from various parts of the country.

It is very important to evaluate the spice board activities on the basis of its promotional invitation. Advertisement, exhibitions, branding, logo (certifying) and publications are the major routine assignments of the spice board. Whether the Government of India should manage such an organization for the public relations activities is a very relevant question. It is told that the research centers are pulling up huge deficit in the recent times. The accountability relevance and transparency of the board has to be examined at the earliest. In this scenario, just for the quality control and the promotional activities, a government machinery more than five hundred employee under its ranks does not have a creditable existence of it own.

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