

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

STARRED QUESTION NO:228

ANSWERED ON:07.03.2006

PRICE/ IMPORT OF SPICES

Satheedevi Smt. P.;Veerendra Kumar Shri M.P.

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether the prices of various spices including pepper and cardamom have gone down due to liberal import of these spices during the last three years and thereafter;
- (b) if so, the details thereof;
- (c) whether the Government has received any request from spices growers to restrict the liberal import of spices;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to overcome this crisis and to protect the farmers?

**Answer**

MINISTER OF COMMERCE AND INDUSTRY ( SHRI KAMAL NATH )

(a) & (b): The domestic prices of pepper, cardamom, cinnamon, cassia, saffron and vanilla have shown a declining trend during the last three years. However, in the case of ginger, turmeric, celery, ajwan seed and tamarind, the domestic prices have improved during this period. In the case of other spices, prices have moved both upwards and downwards.

The decline in the domestic prices of various spices including pepper and cardamom cannot be attributed to the liberal import of these spices during the last three years and thereafter. The domestic price movement is in line with the change in international prices of these commodities. The decline in international prices has been largely due to the increased global production and larger world supply.

(c): Yes, Sir.

(d) & (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (d) & (e) OF THE LOK SABHA STARRED QUESTION NO. 228 FOR ANSWER ON 7.3.2006 REGARDING 'PRICE / IMPORT OF SPICES'

(d) & (e): The Government of India has received some representations from various quarters including spice growers for restricting the import of spices. The steps taken in this regard as well as those measures directed to benefit the spice growers include:

# Duty-free import of pepper for re-export purpose through fresh Advance Licenses has been discontinued with effect from 14.12.2004 except for light pepper required by the oleoresin Industry for re-export.

# Sale of processed pepper products in the Domestic Tariff Area by 100% Export Oriented Units has been banned.

# Current imports on the basis of Advance Licenses issued prior to the ban for re-exports would be allowed only if value addition is at least 15% and if exports are completed within 90 days of customs clearance of the imports.

# Recently, an FTA Cell has also been constituted in the O/o DGFT where problems arising out of increased import could be posed for remedial action.

# Subsidy for export of pepper covering international and internal transport was announced with effect from 27th October 2005.

# The import duty on cardamom has been increased from 35% to 70% from the year 2002-03.

# To regain the lost market in the Middle East region, an air freight subsidy was given on exports to make cardamom exports from India competitive.

# Department of Revenue has been alerted to be vigilant to curb the smuggling of cardamom into India. Preventive measures have been taken for possible illegal import of cardamom from Guatemala.

# Planting material is supplied at subsidized cost.

# Farmers are given assistance for setting up of on-farm vanilla curing units.

# The Spices Trading Corporation Limited (STCL) has agreed to procure 3 metric tonnes of cured vanilla beans for extraction of natural vanillin to be sold in the domestic and international market.

#Spices Board is promoting the recently launched `Flavourit` brand in order to increase the demand of selected grades of spices.