

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

STARRED QUESTION NO:282
ANSWERED ON:13.12.2005
IMPORT OF SPICES
Krishnadas Shri N.N.

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

- (a) whether spices are presently permitted to be imported;
- (b) if so, the details thereof;
- (c) whether there is any quantitative restriction on the import of spices from SAARC countries;
- (d) if so, the details thereof alongwith the reasons therefor;
- (e) whether the Government has assessed the impact of such imports on the domestic production;
- (f) if so, the details thereof; and
- (g) the steps being taken by the Government to protect the interests of the farmers of our country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) Yes, Sir.

(b) to (g) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (b) TO (g) OF LOK SABHA STARRED QUESTION No.282 DUE FOR ANSWER ON 13.12.2005 REGARDING 'IMPORTS OF SPICES'.

(b) to (g): Import of spices are possible through the following routes.

(i) Spices except fresh ginger and poppy powder are freely importable subject to payment of import duty.

(ii) Export Oriented Units and units situated in SEZ's can import duty free for re-export purposes.

(iii) Duty Free imports against Advance license for re-export purposes. In case of pepper, currently advance licences are issued only for import of 'light black pepper' for extraction by oleoresin industry for export purposes.

(iv) Under the Free Trade Agreement from Sri Lanka at Zero Duty irrespective of end use. There are no Quantitative Restrictions on the import of spices from SAARC countries The removal of Quantitative Restrictions does not automatically remove all the protection available to the domestic producers. India can regulate imports through adjustments in Customs Tariff within the bound rates. This mechanism has effectively been used in the case of Pepper. The import of 300 sensitive items including spices is being monitored on a regular basis by the Government for checking any surge in import.

In order to protect the interest of farmers the following measures have been taken :

(i) Govt. has suspended issuance of advance licence for the duty free import of pepper except light berries to exporters (June 2005).

(ii) The Department of Agriculture and Co-operation has, this year launched a Centrally Sponsored Scheme, 'National Horticulture Mission'. Under this Scheme, the spices are also included and support is being provided for the following components to the spice farmers :

(a) Area expansion : Subsidy up to 75% of the cost subject to a maximum of Rs. 11250/ha. limited to 4 hectares is provided for area expansion under spices.

(b) Integrated Pest Management (IPM): 50% of the cost incurred on IPM, subject to a ceiling of Rs. 1000/ha. up to 4 hectares is allowed to be reimbursed to farmers under this scheme.

(c) Post Harvest Management etc. : Credit link back-ended subsidy at the rate of 25% of the project cost is also provided through the State Government on Post Harvest Management Projects.