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Title: Regarding import of spices.

SHRI K. FRANCIS GEORGE (IDUKKI): Sir, various spices, especially pepper, are allowed to be imported free of import duty by the Spices Oleoresin Industry for value addition and re-export. Sir, the retention period for value addition and re-export of this imported goods was 90 days. Actually, 75 per cent of the spices used by the industry for value addition are imported and so, there is not much benefit for the farmers from this industry.

Recently, the industry got the period of re-export extended to 120 days from 90 days, and it is said that they keep these products in their hands even up to 360 days leading to many malpractices which were detected by the Spices Board leading to the cancellation of some of their licences. At the same time, there is an allegation that these exporters are selling these products in the local market. They are off and on selling these imported spices without paying duty and thus depressing the prices. I need not say that it affects our farmers' interest.

The Kerala Government had represented to the Central Government and had said that the retention period should be strictly 9 days. On the plea of the world recession it is alleged by the farming community and the small trading community in spices that the industry is again trying to get an extension of the period of re-export from the Commerce Ministry. I need not say that this will again cause fall in the prices of spice. So, I would request the Government, the Commerce Ministry not to allow any extension and to strictly restrict the period of value added spice products to 90 days. That is my request and I hope that the Government will consider it favourably to help the spice farmers so that they will get reasonably good price for their products.

MR. CHAIRMAN: Shri A.V. Bellarmin – Not present.