

## 1. EXECUTIVE SUMMARY

### A. Indian Cashew Industry

- The Cashew Export Promotion Council of India (CEPCI) is the nodal agency for promoting exports of Cashew Kernel and its allied products, functioning at Cashew Bhavan, Kollam, Kerala.
- Cashew industry is one of the oldest and traditional industries of our country and providing gainful employment to over 1 million workers in the farms and factories.
- Cashew is cultivated in 17 states of our country. The total area under cultivation is 10.41 lakh hectares and the estimated production is about 7.80 lakh MTs with an average production of 753 Kg / ht and accounting 25% share in the world production.
- India is the largest producer of Raw Cashew Nut (7.8 lakh MTs) and processor of cashew (16 lakh MTs) as well as largest consumer of cashew (2.70 lakh MTs) in the world.
- The export of cashew kernel during 2016-17 is Rs.5169 Cr. (US\$771) and accounting around 21% of the total global cashew export as against the share of Vietnam at 62%.

### B. Challenges to Indian cashew industry

#### i. Internal challenges

##### ▪ Imposition of Import Duty

Basic customs duty @ 5% was imposed with effect from 1<sup>st</sup> March 2016 which has very badly affected the availability of raw material for processing. As a result closure of more than 50% of units and loss in employment to the cashew workers. Export of kernels has also declined by around 15,000MTs.

##### ▪ Unattainable SION

As against the required ratio of 1:6, for obtaining exportable grades, the SION norms fixed at 1:5.04 ratios is not practically attainable.

##### ▪ Misuse on Imports of Cashew Kernels

While importing cashew kernels for re export, broken cashews are mis declared as wholes and sold in the domestic market for a premium and replenished with domestic material for export.

##### ▪ High Cost of Production

Due to higher cost of labour and inadequate modernization in India, the cost of production is almost double than the cost of production in Vietnam.

- **Stringent Factories & Labour laws**

Since most of the cashew factories are small and in cottage sector. Hence it is difficult to comply with stringent factory and labour laws like fire safety requirements, effluent treatment etc. which are required for large scale processing units.

- **GST issues**

- Blockage of Funds / increased working capital requirement
- Non-refund of GST paid on Exports
- High GST for job works
- Interstate branch Transfer issues

- **FSSAI**

- Absence of separate specification for raw cashew nut under FSSAI

- **Customs Procedures**

- Penalty for late Clearance of Cargo
- Denial of LDC benefits for traded goods

- **Banking Support**

- Change in NPA Norms
- Support to Sick Units
- Enhanced working Capital support in tune with enhanced unit price of Cashew.

- ii. **External Challenges**

- Competition from other Producing countries
- External funding for competitors from international agencies
- High level of Export incentives in Competing countries
- High Price of Raw material

### **C. Target to be achieved by 2020**

- ✓ Export of cashew to increase to 1.20 lakh MT value at US \$ 1.20 Billion.
- ✓ The processing capacity of units in India to reach 22.50 lakh / MT.
- ✓ Generate an employment of 200 million man days in the organised sector.
- ✓ Area expansion by 2.50 lakh ht. to produce addition 5.00 lakh MTs of RCN.
- ✓ Achieve a minimum 60% mechanisation and automation in cashew processing.
- ✓ Increase the share of value added products to reach 10% of total processing.
- ✓ Promote “Indian Cashew” brand in the international market.
- ✓ Establishing Export facilitation Centres and Regional offices of CEPCI across the cashew cluster.

#### **D. Target to be achieved by 2025**

- To regain the prime position as the world’s largest exporter of Cashew kernels.
- To achieve self sufficiency in raw cashew nut production by producing 20.00 lakh MT.
- Enhance the share of value addition to 10% in our total exports

#### **E. Suggestions / Recommendations**

- ❖ Recommended for withdrawing the basic customs duty @ 5% imposed on import of raw cashew nuts immediately to ensure adequate availability of raw cashew nut for promoting exports and ensure regular employment to cashew workers.
- ❖ Due to heavy losses incurred by the industry on account of sudden imposition of import duty and slashing down the export incentives, requested for higher export incentive at 10% under MEIS.
- ❖ To bring down the cost of production and compete in the international market to regain the prime position, it is requested for 50% subsidy for modernization and process automation during the Mid Term Plan Period.
- ❖ Considering the disadvantages being faced by the industry on account of imposition of 5% basic customs duty on imported RCN and other taxes on packing materials, recommended for 6% duty drawback for cashew.
- ❖ In view of the possible closure of cashew processing units in India and other serious related implications, the Government is requested to keep “Cashew Kernel” outside in purview of the tariff negotiation under Regional Comprehensive Economic Partnership agreement between ten countries of ASEAN.
- ❖ Considering the need for aggressive market promotion and expansion to regain our prime position in exports, assistance provided earlier under MDA is required to be considered.

- ❖ Due to heavy financial loss, closure of about 50% processing units, imposition of duty on import, inadequate incentive, sudden increase in RCN price by many folds, the cashew industry is badly in need of an Economic Package to include three year moratorium on the term loan, interest holidays for working capital loan, not to classify the industry loan as bad loan, extending the scope of Rural Employment Scheme of the Government of India to cashew sector and assisting processors with payment on fringe benefits such as ESI, PF etc.
- ❖ Since the domestic production of RCN is not adequate to meet even 50% of the processing capacity, for achieving self sufficiency, ensuring regular employment through continuous processing, a road map to achieve 20.00 lakh MTs by 2025 submitted by the CEPCI is required to be implemented.

## **2. ORGANISATIONAL SUMMARY**

The Cashew Export Promotion Council of India (CEPCI), under the Department of Commerce and Industry, Government of India, is the nodal agency for the promotion of the export of Cashew Kernels, CNSL and allied products. The Council undertakes activities such as market research and analysis of Cashew Nuts and allied products in India and abroad, organizing global buyer- seller meets, participating in International trade fairs, sponsoring trade delegations, sponsoring researches/studies on Health Benefits and nutritional values of Cashew and providing support to cashew processors and exporters for improving their infrastructural facilities.

### **2.1 Objective:**

The main objective of the CEPCI is to increase and promote Exports of Cashew Kernels and allied products from India.

### **2.2 Auxiliary Objectives:**

To support the main objectives, the CEPCI has set the following auxiliary objectives:

- Recommend/respond to government and public bodies on policies, taxation and other measures pertaining to cashew industry.
- Setting standards / specifications on quality and trade aspects of cashew and allied products.
- Conduct Market Research in India and abroad.
- Provide training in the field of processing and export of cashew kernels and allied products.
- Promote mechanisation/ automation of cashew processing units in India.
- Train processors to practice Good Manufacturing Process in the processing centres.
- Support the members to adopt quality certifications like ISO, HACCP, BRC etc.
- Participate in trade fairs, conferences and exhibitions related to cashew industry in India and Abroad.
- Disseminate market information and trade related data to members.

- Quality analysis and certification of cashew kernels and allied products for exports and domestic markets
- Conduct scientific researches related to cashew kernels and cashew nut shell liquid (CNSL).
- Conduct clinical research related to the Nutritional and Health aspects of Cashew kernels.
- Publish periodicals in the field of cashew:-‘Cashew Bulletin/ Grade chart/ Directory

### **2.3 Vision Statement**

To promote Exports and overall business of cashew and allied products by enhancing production and productivity and providing support to produce high quality products of cashew and to provide gainful employment to the socially and economically weaker section of our society thereby supporting overall development of the economy of the nation.

### **2.4 Mission 2020**

In line with the Vision statement, the CEPCI proposes a strategic business plan, ‘Mission 2020’ with specific objectives for achievement by the year 2020. The salient features are:

- To regain India’s premier position in the international market as the largest producer, processor and exporter of Cashew Kernels in the World.
- To promote raw cashew nut production in India to reach 20 Lakhs MT by the year 2025 by working closely with Government and Non-Government Organisations to implement the CEPCI’s roadmap for increasing raw cashew nut production.
- To find an entry to the ‘Billion’s Club’ by the year 2020.

### **2.5 The Indian Cashew Scenario:**

Cashew is an important traditional and labour intensive industry. Currently 17 states in the country are actively involved in cultivation of cashew. It fetches gainful employment for 10 lakh workers in farm and factories, a vast majority of whom are women folk belonging to socio-economic backward communities. The economy of many a village in rural and semi urban India are dependent on this industry. On an average, the industry fetches foreign exchange equivalent to Rs.5200 crore to the nation per annum.

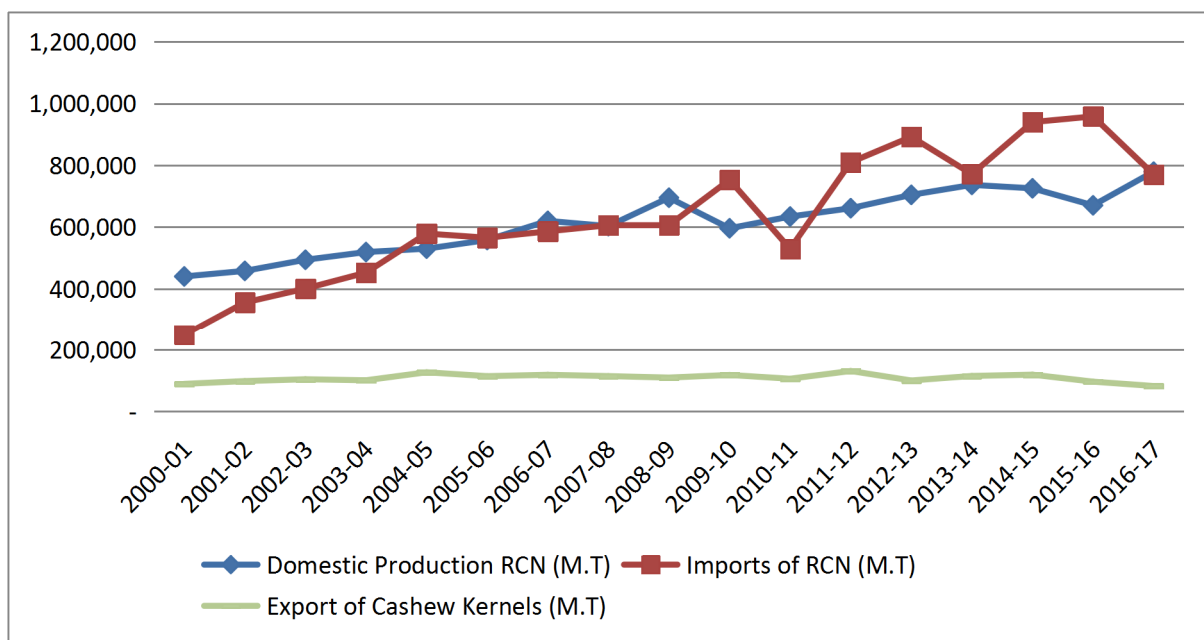
#### **The salient features of the industry are:**

- India accounts for about 25% of the total world production of raw cashew nuts and during 2016-17, our production of raw cashew nut was estimated at 7.8 lakh MTs.
- Cashew cultivation is undertaken in 17 States of India covering an area of 10.41 lakh hectares.
- India is the largest cashew processor in the world (Processing about 16 lakh MT of raw cashew nut per annum).

- Export of cashew and allied products consisting of cashew kernels, roasted & salted cashew kernels, cashew nut shell liquid (CNSL) and Cardanol (Purified CNSL) from India amounted to Rs. 5213 Cr., (US\$ 778) during 2016-17.
- The exports of cashew kernels during 2016-17 valued at Rs. 5169 Cr. (US\$ 771) and India accounts for about 21 per cent of the total global cashew exports.
- The average export price of cashew kernels has increased three times during the last 10 years, from Rs.200/- per Kg during 2007-08 to Rs.628/- per Kg during the year 2016-17.
- India has direct exports of cashew kernels to more than 80 countries, major markets being the UAE, USA, Saudi Arabia, Japan, The Netherlands, Germany, Belgium, Korea Rep., Spain, France, UK , Kuwait and Singapore.
- UAE is now the largest market for Indian cashew kernels, followed by USA and Saudi Arabia, while Indian Cashew Nut Shell Liquid is largely exported to South Korea, followed by Spain, USA, Belgium and China.
- Other major cashew producing and cashew kernel exporting countries are Vietnam and Brazil.
- Import of Raw Cashew nuts are mainly from East and West African Countries
- Indian domestic consumption of cashew kernels is the largest in the world estimated at about 2.70 lakh MT during 2016-17. The domestic consumption has increased by 70% during the last 10 years.
- Unlike the rest of the World, the consumption in India is mostly for ‘Broken’ grades, used as ingredients in food items.
- Around 97 percent of Indian exports of cashew kernel are in plain form and in bulk packing. Export of value added / consumer packs accounts to less than 3 percent.

### **3. MARKET ANALYSIS:**

#### **a) Export Import Analysis**

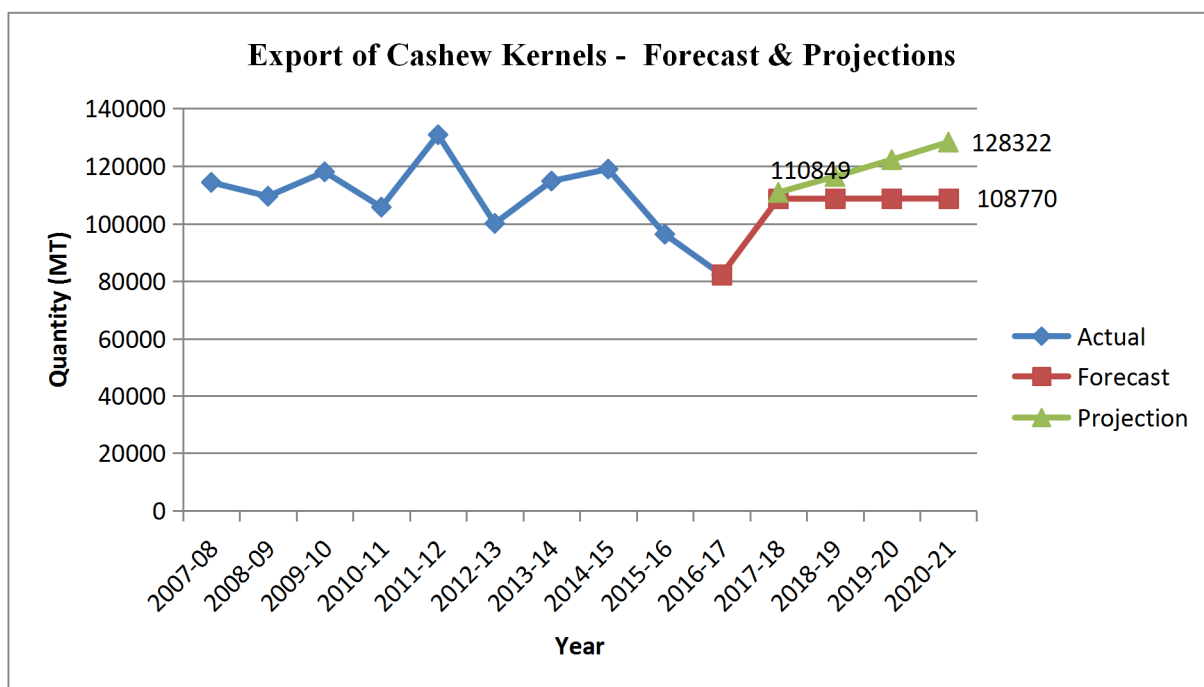


Description	Units	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Domestic Production of Raw Cashew Nuts	MT	603000	695000	596000	634000	661000	704274	736560	725420	670300	779335
Imports of Raw Cashew Nuts	MT	605985	605850	752854	529370	809825	892365	771356	939912	958339	770446
Export of Cashew Kernels	MT	114345	109522	117991	105755	130869	100105	114791	118952	96346	82302

From the above table, it can be seen that the domestic production of Raw Cashew Nuts during 2016-17 was increased by 16 % compared to the production during 2015-2016 and in the case of Imported Raw Cashew Nut, it showed a decrease of 20% compared to 2015-2016. The increase in domestic production of Raw Cashew Nut (RCN) is mainly due to good climatic condition, support from the Government etc. The major reasons for decrease in import of RCN are imposition of duty on imported RCN and increase in raw nut prices.

Export of Cashew Kernels, showed a decrease of 15% during 2016-2017 compared to 2015-2016, due to various reasons which mainly includes, imposition of Import Duty on RCN and Slashing down of Export Incentives (MEIS) to 3% in the [FTP 2015-2020](#).

**b) Export Projections for 2020:**



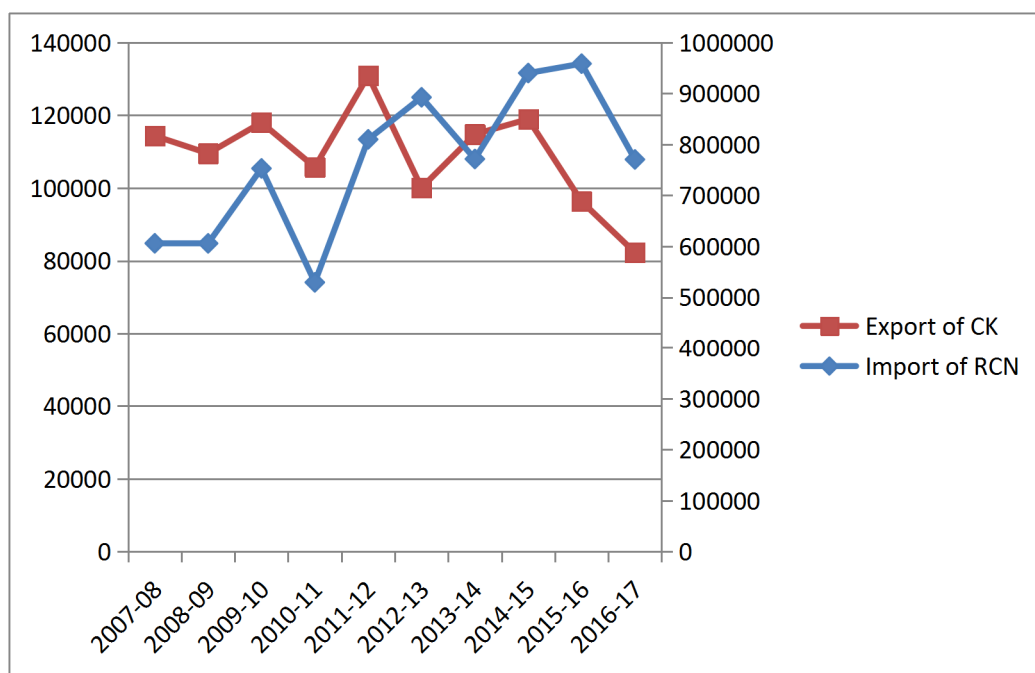
Year	Actual Exports - MT	Projected Exports - MT
2007-08	114345	
2008-09	109522	
2009-10	117991	
2010-11	105755	
2011-12	130869	
2012-13	100105	
2013-14	114791	
2014-15	118952	
2015-16	96346	
2016-17	82302	
2017-18	108676*	110849
2018-19	108707*	116391
2019-20	108739*	122211
2020-21	108770*	128322

**\*Forecasted Exports**

During the year 2017-2018, the forecasted, export quantity comes to 108676 MT, ie; 32% increase from the exported quantity of 2016-2017. For the next three financial years, by utilizing the adequate support from the Government, 5% increase is projected and we anticipate achieving an export of 128322 MT during 2020-2021.



### c) Export of Cashew Kernels & Import of Raw Cashew Nuts - Comparative Chart



Year	Import of RCN MT	Export of CK MT
2007-08	605985	114345
2008-09	605850	109522
2009-10	752854	117991
2010-11	529370	105755
2011-12	809825	130869
2012-13	892365	100105
2013-14	771356	114791
2014-15	939912	118952
2015-16	958339	96346
2016-17	770446	82302

The above chart gives information about the relationship between export of cashew kernels from India and import of Raw Cashew Nuts into India for the last 10 financial years. It can be seen from the graph that whenever the import decreased, the export also decreased, i.e.; following a similar trend and pattern. The reduction in import is mainly due to the imposition of basic customs duty on RCN, which again leads to reduction in exports.

#### (iii). SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>• Largest producer of raw nuts</li> <li>• Largest processor of cashew nuts</li> <li>• Huge domestic consumption</li> <li>• High Market potential for Broken cashew Nuts</li> <li>• Availability of skilled labour</li> <li>• Diversified production base</li> <li>• Long presence in the international market</li> </ul>	<ul style="list-style-type: none"> <li>• Low level of mechanization</li> <li>• Infrastructural inadequacy and lack of level playing field</li> <li>• Low productivity in cultivation</li> <li>• High processing costs</li> <li>• Dependence on imports</li> <li>• Inadequate value addition and branding</li> </ul>	<ul style="list-style-type: none"> <li>• Quality Products compared to competitors</li> <li>• Tradition of Trust built up over years</li> <li>• Skilled Labour availability</li> <li>• Ever increasing demand of Cashew Kernels worldwide</li> <li>• Strong domestic market demand</li> <li>• Availability of land for cultivation</li> <li>• Strong infrastructural / institutional facilities for cashew research and cultivation</li> <li>• Recognition of Nutritional value of cashew nuts.</li> <li>• Establishing of “Indian Brand” in the International market.</li> <li>• Infrastructural facilities for developing Value added products</li> </ul>	<ul style="list-style-type: none"> <li>• Cashew Growing countries getting into processing and export of cashew kernels</li> <li>• Increasing cost of living and associated cost of production</li> <li>• Imposition of stringent Quality standards by importing countries</li> <li>• Low cost of raw material and processing cost in the raw nut producing countries.</li> <li>• Highly subsidised production inputs and external funding in competing countries</li> <li>• Lack of availability of new generation Labour force in the industry.</li> </ul>

## 4 CHALLENGES TO INDIAN CASHEW INDUSTRY

### 4.1 Internal Challenges

#### 4.1.1 Government Policies

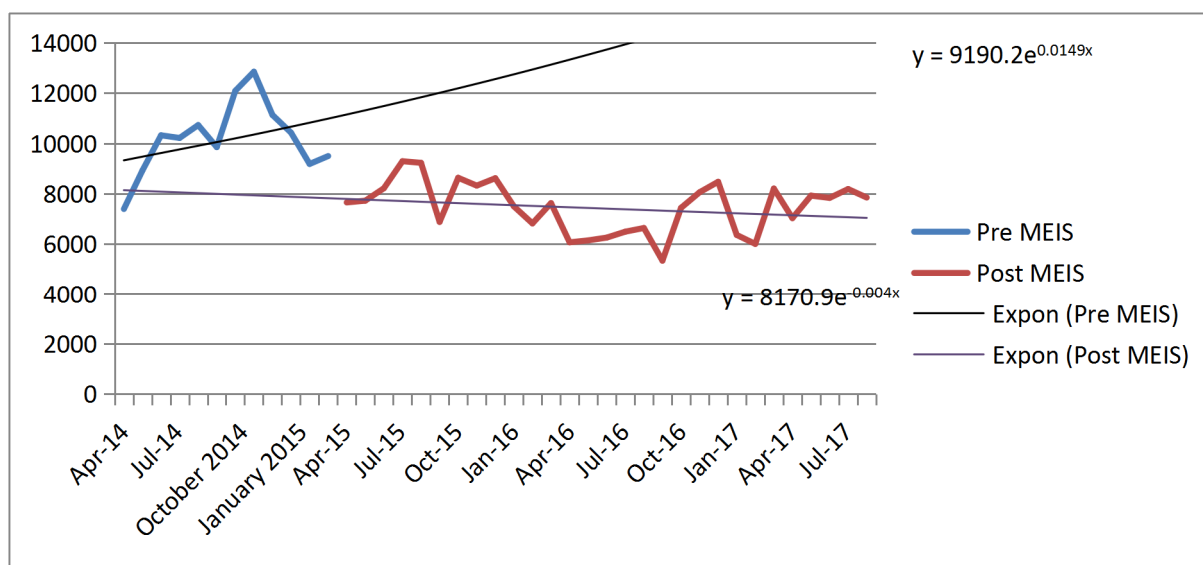
##### a. Inadequate export incentives

The cashew kernels are provided with 5% MEIS under the present [FTP 2015-2020](#). When the MEIS scheme was introduced by the Government, the cashew kernel was initially provided with only 2% incentive and later on increased @ 3% incentives from 29 October 2015 onwards and now to 5% on 5 December 2017, during the Midterm review of FTP 2015-2020. Though the present FTP provides topmost preference to (1) Agricultural (2) Women Centric (3) Labour Oriented and (4) Export Oriented, cashew fits into all the above categories, was left out with inadequate export incentives.

Due to our price un-competitiveness, competitors have taken advantage of the situation for market penetration and expansion and almost monopolised the cashew market.

#### Impact of Slashing Down of Export Incentive

The export performance of cashew kernels from India is represented below for a period from April 2014 to August 2017.



Year	Pre MEIS
	MT
Apr-14	7395
May-14	8928
Jun-14	10322
Jul-14	10217
Aug-14	10729
Sep-14	9853
Oct-14	12090
Nov-14	12848
Dec-14	11130
Jan - 15	10427
Feb -15	9184
Mar -15	9498

Year	Post MEIS
	MT
Apr-15	7656
May-15	7725
Jun-15	8219
Jul-15	9293
Aug-15	9229
Sep-15	6882
Oct-15	8635
Nov-15	8324
Dec-15	8618
Jan-16	7499
Feb-16	6822
Mar-16	7628

Year	Post MEIS
	MT
Apr-16	6071
May-16	6148
Jun-16	6259
Jul-16	6494
Aug-16	6640
Sep-16	5342
Oct-16	7439
Nov-16	8059
Dec-16	8476
Jan-17	6364
Feb-17	6008
Mar-17	8207
Apr-17	7032
May-17	7926
Jun-17	7835
Jul-17	8188
Aug-17	7850

### Pre MEIS

The exports registered a steep rise from 7,395 MT in April 2014 to 12,848 MT in November 2014 and then reduced to 9498 MT in March 2015. The growth rate (CAGR- Compounded Annual Growth Rate) during the period was 1.4 %. It can be seen from the above graph that,

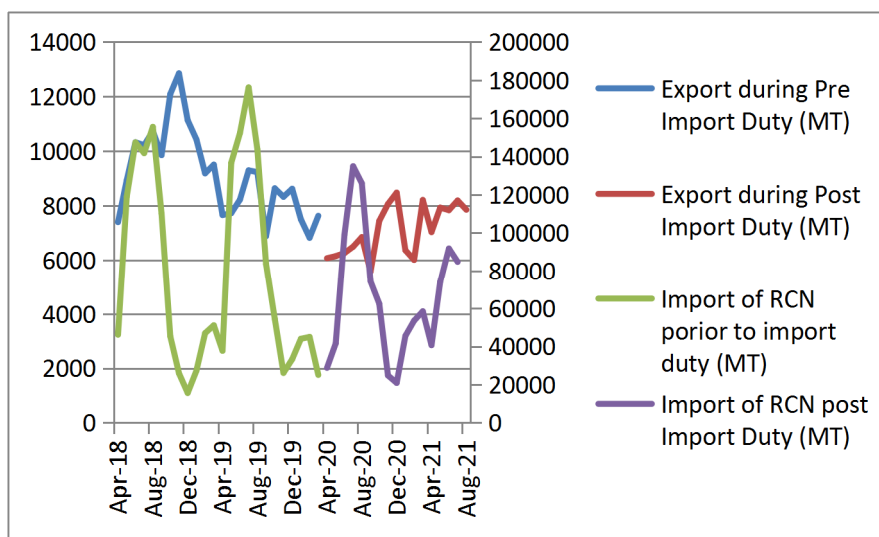
during the pre MEIS period, the growth in exports shows a positive upward trend. If the MEIS is increased to 10 %, the export growth trend will increase in the long run.

### Post MEIS

The second phase of analysis starts from April 2015 to August 2017, where the export incentives were slashed down to 2% initially and then increased to 3%. The exporters found it difficult to compensate the infrastructural inadequacies and were deprived of a level playing ground to face the international competition. Slowly they started concentrating the domestic market. Thus the slashing down of export incentives has resulted in a decline of exports from (+) 1.4 % in the Pre MEIS period to (-) 0.00%. In a nutshell, the export shows a negative trend and absolutely nil growth (0% growth- Exponential decay) when the incentives were slashed to 3%.

#### b. Impact of Import Duty on Raw Cashew Nut

Cashew is one of the most traditional industries of our country providing employment to over 10 lakhs workers mostly women from weaker sections in the rural area. The domestic raw cashew nut production is less than 50% of the requirement of the cashew processing units. In order to provide regular employment to the workers, the Government had permitted import of raw cashew nut without payment of duty for several decades. With effect from 1<sup>st</sup> March 2016, the Government has introduced 5% import duty. This was a very big blow to the cashew industry, which works on very thin margins of less than 1% (N.P). A number of exporters had gone bankrupt, as they all had forward contracts for periods up to one year, where the price contracted had not factored this unexpected duty imposed.



Year	Export during Pre Import Duty
	(MT)
Apr-14	7395
May-14	8928
Jun-14	10322
Jul-14	10217

Year	Export during Post Import Duty
	(MT)
Apr-16	6071
May-16	6148
Jun-16	6259
Jul-16	6494

Aug-14	10729
Sep-14	9853
Oct-14	12090
Nov-14	12848
Dec-14	11130
Jan-15	10427
Feb-15	9184
Mar-15	9502
Apr-15	7656
May-15	7725
Jun-15	8219
Jul-15	9293
Aug-15	9229
Sep-15	6882
Oct-15	8635
Nov-15	8324
Dec-15	8618
Jan-16	7499
Feb-16	6822
Mar-16	<b>7628</b>

Aug-16	6845
Sep-16	5578
Oct-16	7439
Nov-16	8059
Dec-16	8476
Jan-17	6364
Feb-17	6008
Mar-17	8207
Apr-17	7032
May-17	7926
Jun-17	7835
Jul-17	8188
Aug-17	7850

Year	Import of RCN prior to import duty (MT)
Apr-14	46151
May-14	119010
Jun-14	147416

Year	Import of RCN post import duty (MT)
Apr-16	28795
May-16	41605
Jun-16	98953

Jul-14	141784
Aug-14	155512
Sep-14	110096
Oct-14	45342
Nov-14	25935
Dec-14	15644
Jan-15	27249
Feb-15	46976
Mar-15	51109
Apr-15	37744
May-15	136704
Jun-15	152237
Jul-15	176169
Aug-15	143858
Sep-15	83597
Oct-15	54547
Nov-15	26151
Dec-15	33306
Jan-16	44033
Feb-16	45002
Mar-16	25090

Jul-16	134917
Aug-16	125983
Sep-16	74283
Oct-16	62457
Nov-16	24817
Dec-16	20906
Jan-17	45529
Feb-17	53520
Mar-17	58451
Apr-17	40696.398
May-17	74058.021
Jun-17	91801.362
Jul-17	84806.25

### DATA – Production, Import, Export, Consumption

Sl. No	Description	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
		MT	MT	MT	MT	MT	MT	MT	MT	MT	MT
1	Domestic Production of Raw Cashew nuts	603000	695000	596000	634000	661000	704274	736560	725420	670300	779335

2	Imports of Raw cashew Nuts	605985	605850	752854	529370	809825	892365	771356	939912	958339	770446
3	Total Qty. of RCN available for Processing (1+2)	1208985	1300850	1348854	1163370	1470825	1596639	1507916	1665332	1628639	1549781
4	Yield of Exportable grade (@16.6%)	200692	215941	223910	193119	244157	265042	250314	276445	270354	257264
5	Yield of Non-Exportable grades (6.%)	72539	78051	80931	69802	88250	95798	90475	99920	97718	92987
6	Total Yield of Cashew Kernels (4+5)	273231	293992	304841	262922	332406	360840	340789	376365	368072	350251
7	Import of Cashew Kernels*	556	1510	3530	5436	2128	6150	4979	958	3193	4123
8	Total quantity of cashew kernels(6+7)	273787	295502	308371	268358	334534	366990	345768	377323	371265	354374
9	Export of Cashew Kernels	114345	109522	117991	105755	130869	100105	114791	118952	96346	82302
10	Domestic Consumption of cashew Kernels(8-9)	159442	185980	190380	162603	203665	266885	230977	258371	274919	272072
11	Average Value of Exports (per M.Ton)	4972	5933	5005	5852	6986	7460	7284	7470	7851	9364
12	Average Value of Exports (per M.Ton)	200185	272858	237442	266596	334978	404198	440690	556726	513993	628026

It can be seen that with the imposition of import duty on raw cashew nut, there occurred a decline in the imports of Raw Cashew Nuts. Hence the processing in the country became unviable and many processing units started either reducing their volumes or were closed down and these in effect lead to decrease in exports. The total processing over the last year has gone down from 16,28,639 M.T to 15,49,781 M.T. The declining trend is still continuing.

### c) Unattainable SION

The FTP provides duty free imports of raw cashew nuts meant for processing and export under Advance Authorisation Scheme. But the Standard Input and Output Norms (SION) stipulated the export of 1kg of finished goods against every 4 kg of raw cashew nut imported following the ratio of 1:4. This ratio was practically not achievable and a uniform ratio cannot be fixed for raw nuts of all origins that widely vary on the outturn. The SION was fixed much earlier, when India was the sole importer of high grade cashew nuts from selected market. Today, with high demand for raw cashew nuts from all processing countries, the import of graded quality raw nuts is not possible, and what is being offered is platter of mix quality nuts. Apart from that, the SION was not significant to exporters, as there was no import duty and hence there was no need for import against Advance Authorisation License.

A survey conducted by CEPCI revealed that the processors could get an yield of 15-17 % of exportable grades that demanded the revision of SION to 1:6 ratio on an

average. Against this request of CEPCI, the SION now stands revised to 1:5.04, which again is not practically attainable.

#### **4.1.2 Misuse on Imports of Cashew Kernels**

The FTP allows import of Cashew kernels by paying an import duty of 45% against a Minimum Import Price of Rs.400 per kg for 'wholes grades' and Rs.288 per Kg for 'Broken grades'. These rates were fixed in 2013 based on the then prevailing market prices of the respective grades. Today the market prices have gone up to Rs.700 per kg for 'Wholes' and Rs 600 per Kg for 'brokens'. Making use of this disparity, the imports are in full swing declaring only the minimum prices stipulated in the MIP, which needs to be revised to prevailing levels.

Further, as indicated in section 2.5, unlike the rest of the world, the domestic consumption in India is mainly the broken grades used as food ingredients and we have a strong domestic market in India compared to the rest of the World. This strong demand and the resulting good prices help to balance the non-parity prices on exports to some extent as well.

Now, misusing the provisions, there has been too much of imports of cashew kernels into the country mis-declaring the same as 'Whole Cashew Kernels', where as in reality more than 80% would be 'Broken grades'. The price declared in the invoices would be the weighted average price of the mix of both; 'Wholes' and 'Broken' grades of Cashew nuts.

Once, imported, the 'Broken grades' are sold in the domestic market that attracts a profit of up to Rs.100 per kg and in lieu of that 'Whole grade' kernels are purchased from the domestic market and exported at more or less the same price. Since, the 'Whole' grades only are re-exported in lieu of the mix of 'Whole' and 'Broken' grades imported; on record a high level of Value addition is achieved. The same practise is followed by domestic traders as well, by making advantage of low MIP on cashew kernels.

This can be controlled only if the MIP is revised to prevailing levels and all the imported cashew kernels are subjected to open inspection and lab analysis.

#### **4.1.3 High Cost of Production**

India is constantly losing her comparative advantage to her competitors mainly due to high cost of production and lack of infrastructural facilities coupled with high prices on raw cashew nuts imported. The main reasons for this can be attributed to:

##### **a. Low levels of Mechanisation**



The cost of production in India is higher compared to her competitors mainly due to the low level of mechanisation coupled with high labour cost. The average cost of production in India varies from Rs.25, 000 to Rs.40, 000 a ton compare to USD 150 ( Rs. 9750) per MT in Vietnam.

#### **b. Low levels of cashew production/ High dependency on import**

The installed capacity of Indian cashew processing is 25 Lakhs MT per annum against the production of raw cashew nuts at 7.8 Lakhs MT. Another 7.7 Lakhs MT is sourced by way of imports, making the raw nuts available for processing to a total of 15.5 Lakhs MT only (Capacity utilisation 62%). Due to low levels of processing costs, our competitors can always beat India in the international market by 15% more on raw nut prices, and to run the industry in India, the Indian exporters are forced to buy raw nuts at the same prices offered by competitors incurring heavy loss in exports.

#### **4.1.4 Stringent Factories & Labour laws**

The minimum wages fixed by some of the state Governments makes the functioning of the industry totally un-viable. Also most of the states stipulate non-practical measures and rules for establishing and running the cashew processing units including APMC (Agricultural Produce Marketing Cess). A national policy for establishment and running of Cashew Processing is to be formulated.

#### **4.1.5 GST issues**

With the implementation of GST from 1<sup>st</sup> July 2017, the cashew industry is put to hardship that affects the smooth flow of business for exporters in general and cashew exports in particular.

##### **a. Blockage of Funds / increased working capital requirement**

On import of raw cashew nuts for processing, as per the GST rules, the IGST is collected upfront for imports against Advance Authorisation License. Earlier, both import duty and SAD (Special Additional Duty) were exempted for import against Advance Authorisation Licence.

In all type of imports, IGST is collected upfront even if the importer is having huge ITC (Input Tax Credit) in his favour. This, apart from blockage of funds and working capital, results in huge financial burden by way of interest payable to banks for the funds blocked in the system. For every import of 1000 M.T, huge amount to the tune of Rs. 80 Lakhs is to be paid as IGST even when the importer is having huge amounts as ITC in his favour. Considering the fact that the imports are seasonal, the volume of cash blocked is very huge and on an average the cashew exporter is left with blocked working capital of Rs.1.5Cr. – Rs.3Cr. Even if the

refund is effected after exports, it would take an average of 6 months time to claim it back, which in other words would mean the blockage of working capital for 6 months time.

#### **b. Non-refund of GST paid on Exports**

The GST Act provides provision for refund of GST paid for purchase of items exported. So far the same is not implemented and exporters are stuck with the GST payments made on the purchase of various inputs.

#### **c. High GST for job works**

Earlier under VAT / Service Tax regime, service tax was totally exempted for job works of agricultural products. Since, cashew is a traditional industry that involves the processing at tiny units on job work basis, the present level of 18% GST adds to the cost of processing, that has added additional burden on the ailing industry which otherwise is facing acute problems due to high cost of production.

#### **d. Interstate branch Transfer issues**

The cashew industry is spread over different states and quite often, the intermediary products are to be transferred from one unit to another unit in a different state, but belonging to the same organisation. Under the erstwhile VAT regime, such inter branch transfers were permitted free of cost, whereas under GST, this facility is limited to inter branch transfers within the state only. For inter branch transfers between two states, the materials are to be sold from one branch to other with the payment of IGST on such transactions. More over fixation of value of the intermediary products is too complex and results in disputes and litigations very often.

### **4.1.6 FSSAI**

The industry is put to irreparable losses by the way of detention of imported raw cashew nuts by FSSAI authorities. Upon the recommendations of CEPCI and considering the fact that raw cashew nuts undergoes a series of high pressure and heat treatments before the same is converted into edible nuts and that the same should not be considered as food product, FSSAI has issued an order dated 27 October 2017, directing the customs to not to detain the imported raw cashew nut consignments.

#### **a. Separate specification for RCN under FSSAI**

In the absence of separate specification for Raw Cashew Nuts (RCN), the specifications for peanuts and pistachio are referred for analysis under FSSAI. Raw cashew Nuts cannot be equated with peanuts or pistachio, as unlike these nuts, RCN undergoes a series of heat and high pressure process before it is converted into edible product. As such, it is recommended that separate specifications should be laid for Raw Cashew Nuts in consultation with CEPCI.

#### **4.1.7 Customs Procedures**

##### **a. Penalty for late Clearance of Cargo**

As per the prevailing provisions, the imported cargo has to be cleared within 3 days from the date of arrival in the port, lest a heavy penalty is imposed on daily basis. Since most of raw cashew nut cargo is sourced from African region often the importers are experiencing delay in receiving the documents for clearance.

##### **b. Denial of LDC benefits for traded goods**

Imports of Raw cashew Nut from LDCs are exempted from payment of basic customs duty. Generally RCN from LDCs are sourced through agents /traders in 3<sup>rd</sup> countries as the Indian processor may not have direct link with the suppliers of LDCs. For such transactions, LDC benefits are denied in spite of submitting all documentary proofs connecting the source of origin.

#### **4.1.8 Banking Support**

##### **a. Change in NPA Norms**

The high cost of production in the country resulting out of rising wages, shortage and high cost of Raw Cashew Nuts and lack of automation in processing has now resulted the cashew processing financially unviable.

All these has resulted in overdue positions of the finance availed from various banks. Many accounts are categorised as SMAs/ NPAs and many more are to join the stream shortly. If the banks in the countries strictly adhere to the norms and no relaxation on the norms are made available to the cashew industry, the entire cashew industry in the country may collapse in a short span leaving no chance for retrieval. This may have severe impacts on the economy as well and would result in retrenchment of a million of workers engaged by the industry.

##### **b. Support to Sick Units**

The cashew Industry has been facing several setbacks that led to financial crunch in the cashew circle that has adversely affected the rhythm of working of the industry. Due to this the premium position enjoyed by our country in the international cashew market is lost to Vietnam, which has adopted high level of automation in processing. The automation in India is in its primitive stage as the same can be adopted in a phased manner only due to the traditional nature of the industry. The cashew Industry is fast revamping from the crisis, but due to the backlog in servicing the loans during the crisis has resulted in a strained relationship with the banks in the country and an effective support from the banking circle is the need of the hour.

The cashew fraternity would request the Government to direct the banks to come up with concrete solutions to support the cashew industry and pave way for retrieval of the industry.

**c. Enhanced working Capital support in tune with enhanced unit price of Cashew.**

Working capital shortage has been one of the serious problems followed by inadequate assistance from banks. Cashew Industry belongs to SME sector and the Raw Cashew prices are increasing globally, the small units often fail to repay the loan in the stipulated period and therefore banks are not willing to assist the small units and therefore the small processors are forced to close down their processing units. In the light of the above, CEPCI would sincerely solicit your kind intervention to find out effective measures to save the industry from a total collapse.

An economic package for the Cashew Industry is the need of the hour, which among others should include:

1. Providing special dispensations in nonperforming asset rules to not classify the cashew industry loans as bad loans,
2. Allowing three year moratorium on the term loan to the industry and convert the eroded working capital into working capital term loan repayable over a period of three to five years,
3. Allowing three year interest holidays for the working capital loans and provides low interest bearing loans for implementation of automation and mechanisation in processing units.
4. Extending the scope of Rural Employment Scheme of the Government of India to cashew sector and provide the basic wages under the Scheme to cashew workers with the difference being met by the processors.
5. Assisting processors with payment on fringe benefits such as ESI, PF etc, and thereby reducing the cost of production.

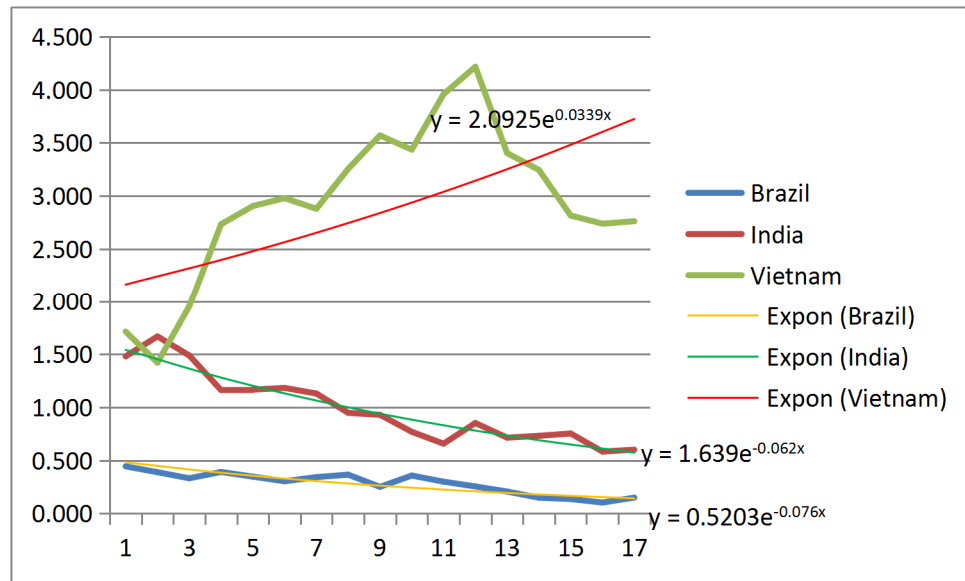
The special economic package provided to the textile industry during 2011-12 by which the industry could revive is worth mention at this stage.

#### **4.1.9 External Challenges**

**a. Competition from Producing countries**

With the Mechanisation and automation in cashew processing, the raw nut producing countries started processing directly and the products are sold in the International market. This results in double disadvantage to India namely (1) the rawnut supplies are reduced and (ii) the raw nut supplying countries turned out to be our competitors in the International markets.

## Revealed Comparative Advantage (RCA)



CALCULATED RCA			
Year	Brazil	India	Vietnam
2000	0.444	1.480	1.713
2001	0.389	1.668	1.420
2002	0.332	1.489	1.953
2003	0.391	1.163	2.733
2004	0.347	1.167	2.905
2005	0.303	1.183	2.979
2006	0.343	1.130	2.879
2007	0.366	0.948	3.255
2008	0.251	0.929	3.570
2009	0.357	0.769	3.436
2010	0.300	0.657	3.958
2011	0.255	0.852	4.216
2012	0.207	0.714	3.403
2013	0.149	0.732	3.245
2014	0.136	0.753	2.816
2015	0.103	0.583	2.739
2016	0.150	0.601	2.762

The above graph reveals the revealed comparative advantage of India, Brazil and Vietnam in cashew, over the last 17 years. It can be observed that the revealed comparative advantage of India is (-) 6% whereas the revealed comparative advantage of Vietnam is 3.3%. It can be analysed that the exports from Vietnam is increased tremendously compare to India. During 2015, Vietnam exported 3, 12, 991MT of cashew whereas India exported only 1, 03, 205 MT, ie; 203% increase in exports from Vietnam. That means Vietnam is more efficient in exporting Cashew kernels in the International market. In order to restore our competitiveness, we request the Union

Government to withdraw 5% import duty on raw cashew nuts and increase the MEIS incentive.

**b. External funding for competitors from international agencies**

Most of the African countries from where raw cashew nut is sourced are being heavily funded by International agencies like Bill Gates' Foundation, USAID, etc. for sustaining development of the cashew industry and promoting processing and value addition at source countries.

**c. High level of Export incentives in Competing countries**

The processing of raw cashew nuts in African and other cashew producing countries are heavily promoted by the respective Governments by offering high level of incentives for exports.

**d. High Price of Raw material**

Owing to low processing cost in the other competing countries compared to India, our competitors have a cushion of paying high prices for raw cashew nuts, still making profits out of exports. Indian processors have to source raw cashew nut and sell the cashew in the same market is forced to pay the same price for raw cashew nut as offered by our competitors, which from Indian context is above parity levels.

**5. PROJECTIONS 2020**

- a. Export value to cross USD 1.2 Billion
- b. Export volumes to cross 1.2 Lakhs M.Tons
- c. Area Expansion by 2,50,000 Hectares for cashew growing
- d. Indian processing to reach 22.5 Lakhs M.Tons.
- e. Generation of total employment of 200 Million man days in organised sector
- f. Achievement of 60% on Mechanisation and automation in processing
- g. Establishing of 'Export Facilitation Centres' and Regional Offices of CEPCI across cashew clusters.
- h. Establish 'Indian Cashew' brand in the international markets
- i. Implementation of quality Certifications in 2/3<sup>rd</sup> processing Centres
- j. Value added products to reach 10% of total Processing in Indian and overseas Markets.

**6. STRATEGIC SUPPORTS**

The CEPCI is committed to achieve the above targets by promoting cashew business as a whole in India and the exports in particular for which it seeks the support of the Govt. of India for the following :-

**(i) Higher export incentive for Cashew @ 10% MEIS**

Considering the comparative disadvantages of Indian Cashew Industry that incurs 10% cost of production compared to competing countries and to survive the Cashew Export Business, and owing to the fact that the exporters have incurred heavy loss due the sudden slashing down of incentives since 1<sup>st</sup> Apr 2015, the Government of India is requested to provide at least 10% MEIS for cashew kernel.

**ii) Investment subsidy for Modernisation and Process Automation @ 50% grant in aid.**

To meet the growing demand for cashew kernels and to stay competitive in the International cashew trade, the Indian cashew industry is required to build up its capacity through Automation and Process Mechanisation for substantially reducing the cost of production. Considering the need and scope, the Government has been extending financial assistance for modernisation and automation and quality certification under the Plan Scheme. Though the Plan Scheme was supporting the Modernisation since IX Plan period, only from 2015-16, many processing units, particularly from Odisha, Maharashtra, Andhra Pradesh and Gujarat have started availing the benefit. By the end of the 12<sup>th</sup> Plan period there were 147 claims deferred for want of funds and for 281 claims only 50% of the eligible grant of 33.33% approved by the Government has been released. In the light of the above and considering the need for massive modernisation and automation of the processing units, the Government has approved the CEPCCI's proposal for Rs.60.00 Crores for implementing the scheme during the midterm plan period starting from 2017-18, however, with a lower grand in aid of 25%. Since the cost of automated machineries is ranging from Rs.3.00 Cr. to Rs.5.00 Cr., it will be very difficult to invest such huge amount by SMEs. In the absence of such level of mechanisation it will not be possible to bring down the cost of production and to become competitive in the international trade. Hence for successful and more effective implementation of the plan scheme, the Government of India is requested to consider providing 50% subsidy to the cashew exporters for the midterm plan period.

**iii) Withdrawal of Import Duty on Raw Cashew Nut.**

Out of 15 African countries regularly supplying raw cashew nuts to India, 12 countries are qualified for duty free import into India under the LDC scheme, except Ivory Coast, Nigeria & Ghana. Hence, the import duty is more of a hurdle for smooth operation and providing assured employment to cashew workers. The possible revenue loss to the Government on account of duty exemption will be negligible compared to the advantages for promoting export and providing rural employment. As the duty free import of Raw Cashew nut facilitates all the small players for trouble free import and ensuring adequate supply of raw material for continues processing. Hence it is strongly recommended for withdrawing the import duty imposed on raw cashew nuts immediately.

**iv) Duty Draw Back @6%**

Before the introduction of BCD, the export of cashew kernel was eligible for 1% duty draw back under “Miscellaneous items” which is still continued without any increment even after imposition of 5% BCD. The introduction of 5% BCD has increased the total input of duty component to 6%.

In the light of the heavy loss incurred by the industry on account of forward trading of cashew kernels at lower prices and considering the sudden imposition of duty on import of raw cashew nut, it is recommended to consider 6% duty draw back with retrospective effect from 1<sup>st</sup> March 2016 till the import duty is withdrawn to save the industry and start operating the closed processing units.

**v) The IGST on import against Credit Slip**

CEPCI is requesting the Government to permit the importers to effect the payment of IGST payable against the outstanding credit available at their account by the way of credit slip. As this credit adjustment will substantially improve the working capital availability as well as reduce the bank interest burden, the suggestion may kindly be considered.

**vi) Protection from Cashew Kernels import**

In view of the misuse of the provisions of FTP, and to to protect the domestic industry, the Government may consider revising the MIP on import of Cashew kernel (wholes) at Rs. 730 per kg and Cashew Kernel (Brokens) at Rs. 680 per kg, at par with the prevailing markets. Also, it is recommended to increase the import duty for cashew kernels to 70% to make the import of cashew kernel uneconomical and thereby protecting the domestic industry.

**vii) Protection for Cashew from Trade Agreements**

The Government of India is negotiating tariff on goods under Regional Comprehensive Economic Partnership (RCEP) and proposing free trade agreement between ten countries of ASEAN (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) and six FTA partners.

In this context, the Indian cashew industry is requesting to exclude “Cashew kernels” from the tariff negotiations. Since, we have already lost our prime position to Vietnam and due to aggressive automation / modernisation of processing units in Vietnam; it will be very difficult to compete with Vietnam in the short term. Indonesia and Cambodia are also emerging as major suppliers of cashew kernels. In view of our strong domestic demand and lower cost of production in these countries, if cashew



kernels are included in the item qualified for duty free import into India, almost all our processing units will be closed and India will become the net importer of cashew kernels.

Considering the seriousness of the issue and likely damage expected to be created through duty free import permit from our competing countries particularly Vietnam, we request that 'Cashew kernel' be kept outside the purview of the tariff negotiation.

In the recent years, the consumption of cashew kernels into Korea, Japan, China and Australia has registered a considerable increase. However for market penetration, the major hurdle is the prevailing import duty for trading between India and Australia, China, Korea and Japan vis a vis Vietnam. The Government of India has Free Trade Agreement partners with Australia, China, Korea and Japan. Since these countries does not grow cashew and also do not have cashew processing units, we recommend to include cashew kernel as an item qualified for duty free import into these countries. Hence, considering our large processing capacity and possible additional employment generation we request the Government to consider inclusion of 'Cashew kernel and allied products' under Free Trade Agreement with these countries

#### **viii) Fixation of Standards for Raw Cashew nuts under FSSAI**

The raw Cashew nuts are subjected to steam boiling at 8-10 PSI for about 20-30 minutes before the shell is removed. Again the cashew kernel with testa (covering protective skin) is heated in Borma at 70°C - 80°C for about 10-11 hrs before obtaining the edible cashew kernel and considering the difficulties being experienced and possible quality deterioration, the DGFT has issued a Policy Circular No. 63, Dt. 18<sup>th</sup> Feb 2009, in consultation with the Ministry of Health & Family Welfare and Department of Revenue to seek the opinion of the Technical Committee to confirm whether raw cashew nut is an edible item covered under the Act or not.

In the interim period, it was ordered to release the consignment without waiting for the test results, in case any consignment is subjected to random sampling by FSSAI.

In this context, FSSAI has issued an order dated 27 October 2017 directing that the imported Cashew consignments need not be detained for FSSAI clearance.

It is also proposed that separate standards for Raw Cashew nuts be specified under FSSAI in consultation with CEPCI.

#### **ix) Market promotion/development Assistance**

For sustaining our exports in existing markets and to penetration into new and emerging markets, adequate financial support is required to be considered in line with the erstwhile MDA guidelines. The conditions stipulated under MAI are difficult to comply with for availing benefits for the cashew industry.

**x) Economic Package to Cashew Industry**

In view of the heavy losses suffered on various reasons stated earlier and owing to the fact that around 40% of the processing units are closed down retrenching around 4 lakhs workers, the industry is badly in need of a revival package in line with the support extended by the Government to the textile industry, which among others may include:

- a. Providing special dispensations in nonperforming asset rules not to classify the cashew industry loans as bad loans,
- b. Allowing three year moratorium on the term loan to the industry and convert the eroded working capital into working capital term loan repayable over a period of three to five years,
- c. Allowing three year interest holidays for the working capital loans and provide low interest bearing loans for implementation of automation and mechanisation in processing units.
- d. Extending the scope of Rural Employment Scheme of the Government of India to cashew sector and provide the basic wages under the Scheme to cashew workers with the difference being met by the processors.
- e. Assisting processors with payment on fringe benefits such as ESI, PF etc, and thereby reducing the cost of production.

**xi) Implementation of Road Map for Raw Cashew Production**

The CEPCI has designed a road map for promoting raw cashew nut production in India. The thrust areas for achieving the target are:

- Pre-harvest management, by adopting irrigation, manuring pest and disease management and providing technical advice through field officers.
- Area expansion, by increasing 25% of area over the existing area of 10 lakh ht. in three phases to be achieved in three years.
- Replanting of old and senile trees: The replanting is proposed over a span of 4 years after the area expansion plan. Around 2.00 lakhs hts. per year from 2020 is expected to be replanted.

Based on the estimated yield as per the above plan, it is estimated to achieve a target of 21.42 lakh MTs of raw cashew nut production in India against the estimated demand of 21.90 MTs by the year 2025.

The above plan is required to be approved for implementing in traditional and non-traditional states, through the Directorate of Cocoa and Cashew Development, with the support of the State Horticulture Department and involvement of the Cashew Export Promotion Council of India.

## 7. MANAGEMENT SUMMARY

Sl. No.	Name of the Member of the Committee of Administration	Company Represented by	Remarks
1.	Dr. R. K. Bhoodes Chairman	M/s. Kairali Exports, Kollam, Kerala	Dr. R K Bhoodes is currently the Chairman of the CEPCI. A Mechanical Engineer by profession and done his MBA in International Marketing. Awarded Ph.D for his thesis on Cashew Industry. He is the Managing Partner of the firm which is an associate concern of M/s. Prashanthi Group who are prominent exporters of cashew kernels and having offices in UAE and African countries.
2	Dr.Noordeen Abdul Vice Chairman	M/s. M. Abdul Rehuman Kunju, Kollam, Kerala	Dr. Noordeen Abdul is the current Vice Chairman of the CEPCI. A Doctor in Ophthalmology by profession joined the family of MARK Group of Companies which is involved in cashew business for several decades. Became Member of the Committee of Administration since September 2013. He has played a key role in successful conduct of Kaju Conclave in 2015 and Kaju India 2017.
3	Shri. P. Sundaran	M/s. Sreelekshmi Cashew Company, Kollam, Kerala	Shri. P. Sundaran is the former Chairman of CEPCI & Proprietor of the firm and a prominent exporter of cashew. He has widely travelled abroad and has led many CEPCI delegations to many countries and participated in leading food fairs abroad.
4	Shri. T. K. Shahal Hassan Musaliar	M/s. TKM Agro Ltd., Coimbatore, Tamil Nadu	Shri. T. K. Shahal Hassan Musaliar has served the Council for 8 terms as Chairman and 5 years as Vice Chairman. He has been a Member of the Committee of Administration for

			<p>the last 47 years. Mr. Musaliar hails from a family engaged in cashew business for several decades. One of the leading exporters of cashews in consumer packs. He is also the Chairman of the TKM College of Engineering, Arts &amp; Science &amp; Management.</p>
5	Shri. G. Krishnan Nair	M/s. Krishnan Food Processors, Kollam, Kerala	<p>Mr. Krishnan G. Nair is the CEO of the KGN group of concerns. His contributions to the various activities of the Council including conduct of past Kaju India are laudable. He has been well involved in the trade and social circles and has received various awards like the Regional and National Samman Patra for Income Tax from the Government of India, Kerala State Pollution Control Award, Kerala State Factory Safety Awards, Kerala and Tamil Nadu State Labour Safety Awards, Chamber of Commerce Export Awards, etc.</p> <p>Mr. Krishnan Nair is a Gold medallist from the University of Kerala for B.Com and a Post Graduate in Management from IIM, Bangalore.</p>
6	Shri. R. Pratap Nair	M/s. Sunfood Corporation, Kollam, Kerala	<p>Shri R Pratap Nair is the proprietor of M/s. Sunfood Corporation, a member of the VLC Group, who is the largest exporters of cashew from India for the last several years. They have processing units in different states of India. He has been in the Committee since the year 2000 and is actively involved in the activities of the Council.</p> <p>He is also the Ambassador from India to the International Nut &amp; Dried fruit Council (INC), Spain.</p>

7	Shri. A. Abdul Salam	M/s. A.S. Cashew Exporters, Kollam, Kerala	Shri A Abdul Salam is the proprietor of M/s. A. S. Cashew exporters, a leading exporter of cashew from India and is also a Senior Member of the Committee of Administration.
8	Shri.M. Ramakrishnan	M/s. Pratipa Cashews, Panruti, Tamil Nadu	Shri M Ramakrishnan is the partner of Pratipa Cashews, a leading exporter and Star Export House Company from Panruti, Tamil Nadu.  He has been representing Tamil Nadu in the Committee since September, 2010.
9	Shri. C. Yohannan	M/s. Carmel Cashews, Kollam, Kerala	Shri C Yohannan is the Managing Partner of M/s. Carmel Cashews, one of the major exporters of cashew kernels from India.  He has been serving as a Member of the Committee since Sep. 2013.
10	Shri. G. Satheesh Nair	M/s. India Food Exports, Kollam, Kerala	Shri. G Satheesh Nair is the Managing partner of M/s. India Food Exports, a major manufacturer and exporter of cashew kernels in bulk and in value added consumer packs.  He has served as Member of various Sub Committees and panels of the Council.
11	Shri. P. Somarajan	M/s. Kailas Cashew Exports, Kollam, Kerala	Shri P Somarajan is the proprietor of Kailas Cashew Exports, one of the leading exporters of Indian Cashew kernels in bulk as well as branded consumer packs. 'Kailas' & 'Nila Palace' are their brands.  He has been the Convener of the

			Panel for Food & Beverages for the Kaju India BSMs organised by the Council. Actively participating in all deliberations and meeting of the CEPCI.
12	Shri. Renjith Lal S Kurup	M/s. Mahavishnu Cashew Factory, Kollam, Kerala	<p>Shri. S Renjith Lal, a graduate in Industrial and Production Engineering is the CEO of the Mahavishnu Cashew Factory, which has an Export House status.</p> <p>Well versed in the needs and requirements of processing and processors, he brought a Vessel full of raw cashew Nuts to Kollam Port which was first of its kind.</p> <p>He is a Member of the Committee of Administration of the CEPCI since 2015. He has captured the attention of all national and international delegates at the Kaju India BSMs as the convener of the Panel for Exhibitions, featuring the latest machineries and equipments for cashew processing.</p>
13	Shri. N. Satheesh Kumar	M/s. Kumar Cashew Exports, Kollam, Kerala	<p>Shri. N. Satheesh Kumar is the Proprietor of Kumar Cashew Exports, a leading processor and exporter of cashew from Kerala.</p> <p>He is a Member of the Committee since 2016 and also served as the Convener of the Panel for Accommodation at the Kaju India 2017 BSM.</p>
14	Shri. Shiyas Hussain	M/s. Bismi Cashew Company, Kollam, Kerala	<p>Shri Shiyas Hussain is the Managing partner of Bismi Cashew Company, a leading exporter of cashew from India having the Export House recognition.</p> <p>He is a newly elected Member to the Committee of Administration of</p>

			the Council during the current year.
15	Shri. C. R. Selvamani	M/s. Radha International, Panruti, Tamil Nadu	Shri. C R Selvamani is the proprietor of Radha International, who is Members of the CRP Group from Panruti and leading processor exporter of cashew from the region. They are in the cashew business for the last three generations.  He was elected to the Committee in the last AGM held on 28 Sep. 2017.
16	Shri. N. Ramesh	Director, Export Promotion – Agriculture Division, Ministry of Commerce & Industry, New Delhi	Shri N Ramesh, Director, Department of Commerce looking after the interest of the cashew industry in the Govt. of India and also the Director in the Board of the CEPCI. He is the nominee of the Government of India to the Committee of Administration of the Council.
17	Dr. Venkatesh. N. Hubbali	Director, Directorate of Cashewnut & Cocoa Development, Kera Bhavan, Cochin, Kerala	Shri Venkatesh Hubbali , Director, Directorate of Cashewnut & Cocoa Development, Ministry of Agriculture and Farmers Welfare is a Government of India nominee to the Committee of Administration of the Council.
18	Shri. T.F. Xavier	Managing Director, The Kerala State Cashew Development Corporation Ltd., Kollam, Kerala	Shri. T.F. Xavier, Managing Director, The Kerala State Cashew Development Corporation Ltd., is the Government of Kerala nominee to the Committee of Administration of the Council. The KSCDC is also processor / exporter and trader of cashew and allied products. They have recently introduced innovative products of cashew to the domestic market.
19	Shri. S. Kannan	Executive Director & Secretary,	Shri S Kannan Joined the Council as Executive Director & Secretary in November 2016. Prior to this, he

		CEPCI, Cashew Bhavan, Kollam, Kerala	has served the Spices Board as Director Marketing for 16 years. He has also worked as Executive Director of International Pepper Community (UNESCAP) based Jakarta for 4 years from 2010.
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