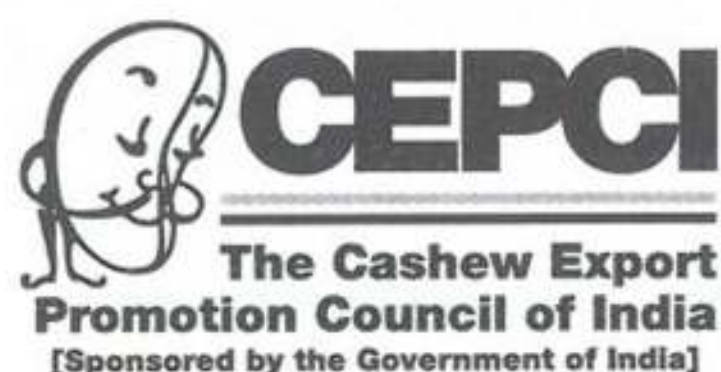


THE CASHEW EXPORT PROMOTION COUNCIL OF INDIA

Speech delivered by

Shri T.K. Shahal Hassan Musaliar
Chairman

**at the Fifty-ninth Annual General Meeting
held on 25th September 2014**



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Chairman

Ladies and Gentlemen,

It gives me great pleasure to welcome you all to this, the fifty-ninth Annual General Meeting of the Cashew Export Promotion Council of India.

The Annual Report along with the Audited Income and Expenditure Account and the Balance Sheet for the year ended 31st March 2014 has already been circulated among the members, and I trust that, I have your approval to take them as read.

Before I start my speech, I would like to request all members to observe a minute's silence as a token of respect for Shri. K.Krishna Pillai, former Chairman, CEPCI and Shri. K.Gopinathan Nair, former Vice Chairman, CEPCI, who left us recently for their heavenly abodes.

I, on behalf of the CEPCI recall with gratitude the invaluable contributions made by these two worthy gentlemen and place on record our sincere thanks to them.

Export Performance

Cashew kernel exports during last year is an all time record in Rupee terms and crossed Rs. 5000 Cr. during the year. India earned Foreign Exchange of US\$ 843 million, equivalent to Rs. 5097 Cr. through export of cashew products during 2013-14, including 1,14,791 MT of cashew kernels worth US\$ 836 Mln (Rs. 5,059 Cr.) and 9,480 MT of CNSL worth US\$ 6.38 Mln. (Rs. 38.61 Cr.)

The quantity of cashew kernels exported increased by 15% and value by 25% compared to 1,00,105 MT worth US\$ 747 Mln. (Rs 4,046 Cr.) exported in 2012-13.

The USA, UAE, Netherlands, Japan and Saudi Arabia were our major buyers. On a regional basis, export to the American Zone was 31%, West Asia and Africa 30%, European Zone 25%, South East and Far East Zone 13% and Oceanic Zone 1% of our total exports.

Production of Raw Cashewnuts in India

As per the estimate of the Directorate of Cashewnut & Cocoa Development, production of raw cashew nuts in India during 2013-14

was 7,36,560 MT as against 7,28,474 MT during 2012-13, reflecting a 1.11% increase. The raw nut requirement of the cashew processing industry in India is estimated at about 15 lakh MT per annum and the availability from internal sources is less than half of this. The balance is met by import from other producing countries. There is an urgent need to increase production of raw cashews in India and reduce our dependence on imported raw cashews to meet our processing requirements. The Directorate of Cashewnut and Cocoa Development under the Ministry of Agriculture is making earnest attempts in this direction by implementing schemes of Govt. of India for production development.

I request the Government of India to allocate sufficient funds and put forward necessary schemes to increase the production of raw cashew nuts in India.

Export Incentives

The export incentives now available for cashew are Vishesh Krishi Gram Udyog Yojana (VKGUY), Duty Drawback and Agri Infrastructure Duty Scrip Schemes. I place on record our sincere thanks to the Ministry of Commerce & Industry, Government of India for continuing the export incentives during the year.

The Cashew industry is however, unable to use the Agri Infrastructure Duty Scrips due to its limited scope. Therefore, CEPCI has requested inclusion of cashew processing equipments in the scope of

this Scheme and also its transferability to make this financially attractive for exporters. This would make exports more attractive than domestic sales and thus increase exports.

The Council has also requested for higher VKGUY rates for cashew.

I request the Govt. of India to continue the incentive schemes as otherwise, the cashew exporters will find it very difficult to withstand competition and survive in the international markets especially under the current global recession situation.

Import of Cashew Kernels

Low priced cashew kernels from other producing countries like Vietnam, Tanzania, Mozambique, etc. flooded our domestic market posing serious threat to the industry. We were able to take this up with the concerned Govt. authorities and get a higher import duty imposed coupled with minimum floor prices for import of cashew kernels - wholes and broken. This was a great relief to the Indian Cashew industry.

I place on record, our sincere thanks to the DGFT and Govt. of India for saving the Indian cashew industry by fixing minimum import price and increasing the import duty. I would also wish to request the

Govt. of India to put in place sufficient checks to ensure that these directives are being complied with at all ports of entry.

Membership in the Council

The Council's membership crossed 230 during the last year and I am happy that we have 233 exporter members from 8 states of the country as on 31 March 2014.

The Council, with the approval of the Government introduced Associate Membership during last year. Cashew processors and factory owners who currently do not have exports can become Associate members and avail of support from the Council to become exporters in the future. We now have 39 Associate members enrolled from 6 states.

Marketing, Publicity and Promotion

The Council undertakes various export promotion programmes under the Market Development Assistance (MDA), Market Access Initiative (MAI) and Five year plan Schemes of the Govt. of India and extends financial assistance to exporters / potential exporters.

During 2013-14, the Council participated at the AFI Annual Convention at Naples, Florida. We also organized a Cashew Confluence

on the sidelines of AFI event.

The Council participated in the 33rd INC World Nut & Dried Fruit Congress, Melbourne.

In addition to this, the Council also organized participation in five international fairs during the year (2013-14) viz. ANUGA, Germany (October), Food Week, Korea (November), Jeddah International Trade Fair, Saudi Arabia (December) GULFOOD & BSM at Dubai (February) and FOODEX, Japan (March). Cashew pavilions are being organized in most of those fairs with independent booths for member exporters apart from the CEPCI central stall.

The CEPCI stall helps exporters to make initial contact with prospective buyers, while individual booths at the CEPCI pavilion help established exporters to conduct business discussions with privacy, without missing the visitors who come to visit the CEPCI booth.

The Council has disbursed a sum of Rs 30.75 lakhs to 40 member exporters under MDA assistance for participating in the above programmes sponsored by the Council.

The Council's activities during the current year (2014-15) include participation in five international fairs, viz. SIAL 2014, France (October),

Food Week Korea (November), Gulfood Dubai (February 2015), FOODEX, Japan (March), IFE, London (March).

I request all the members to participate in the Council's international export promotion programmes and make maximum benefit to grow your exports.

Market Access Initiative

Under the MAI Scheme of the Govt. of India the Council organized 'Kaju India 2013" Buyer Seller Meet at Kollam during September 2013. There was wide participation of about 250 delegates including 26 from overseas.

We are now preparing for the next Buyer Seller Meet Kaju India 2015 to be held at Pondicherry in February 2015.

I take this opportunity to request all members to take part in the BSM and also invite your buyers to join us at Kaju India 2015 at Pondicherry.

Clinical Study on Cashew

The Council's Clinical study on the effect of cashew on diabetic subjects is progressing at the Madras Diabetic Research Foundation, Chennai. The study is expected to be over in 2015.

Global Cashew Council Activity

The Council has been actively involved in the Global Cashew Council activities. Your Chairman along with Vice Chairman attended the GCC steering committee meetings at Dubai and Melbourne. The GCC is planning an International Clinical research on the effect of cashews on Cardiac Health, the details of the same are yet to be finalised.

Five Year Plan Schemes extending financial assistance to members

XII Five Year Plan (2012-2017)

As you are aware, the Council is implementing two schemes viz.

1. Process Mechanization and Automation of cashew processing units and
2. Quality Upgradation and Food Safety Certifications

for providing financial assistance to members under the XII Plan scheme of the Government of India. The Schemes will be available during the Plan period, upto 2016-17.

Under the scheme, members are eligible for grant equivalent to 33.33% of the total eligible investment. The maximum total grant available for member exporter is Rs. 100 lakhs for Process Mechanization and Automation of Cashew Processing Units and Rs. 5 lakhs for Quality upgradation and Food safety Certifications.

For Associate members, the upper limit for grant is Rs. 10 lakhs and Rs. 2.5 lakhs respectively

During the year 2013-14, a sum of Rs. 2.07 Cr. was released to 29 member exporters as grant-in-aid under the XI and XII Five Year Plan Schemes.

Seminars & Meetings

During the year 2013-14 your Chairman, Vice Chairman, Executive Director & Secretary, Joint Director and other officials of the Council attended various Seminars/meetings/Interactive Meetings convened by Union Commerce Minister, DGFT, Cochin Port Trust, Madras Diabetes Research, Kerala State Planning Board, KINFRA, FIEO, Bankers, Export Inspection Agency etc. related to various issues concerning the cashew industry.

Interactive meetings at Kollam, Panruti and Mangalore were organized during the year to understand the problems and issues being faced by our members. We have tried to resolve such issues taking up at appropriate levels.

CEPC Laboratory and Technical Division

The CEPC Laboratory and Technical Division at Kollam continued

serving the industry in analyzing, testing, training and rendering advice on technical matters.

Accreditations and Recognitions

The Department of Scientific and Industrial Research (DSIR) under the Ministry of Science & Technology, Govt. of India has recognized CEPCI Laboratory under the Scheme on Recognition of Scientific and Industrial Research Organizations (SIROs), 1988.

The CEPCI Laboratory maintained NABL accreditation for chemical and biological analysis of food, agricultural products and water and is also approved by Bureau of Indian Standards for analyzing packaged drinking water and “A Grade” approval from Kerala State Pollution Control Board for analysis of water / waste water and solid waste.

The Laboratory continues to be a recognised Doctoral Research Centre for Microbiology and Biotechnology of Kannur and Kerala Universities and for Chemistry at Kannur University.

Activities & Projects

The Laboratory is equipped with most modern analytical instruments and associated advance research and testing in chemistry, bio-chemistry, bio-technology, food technology, microbiology and environmental sciences.

The Laboratory conducts certificate training programs in analysis and quality management systems which are widely accepted. The Lab also provides guidance and facilities to BSc/MSc/M.Phil students for project work in chemistry, bio chemistry, biotechnology, microbiology and environmental sciences.

Before I conclude, it is my bounden duty to express my sincere gratitude to all those who have helped me in discharging my responsibilities as Chairman of the Council during my tenure.

First of all let me thank Smt. Nirmala Sitaraman, Honourable Minister for Commerce and Industry, Government of India, Shri. Arun Jaitley, Honourable Minister for Finance, Government of India for their keen interest and budgetary support to the Indian Cashew Industry.

My thanks are also due to the past Honourable Union Ministers, Shri Anand Sharma, Shri. P. Chidambaram and Smt. D. Purandareswari for their unstinted support to the Indian Cashew Industry.

I also place on record my sincere thanks to all the Ministers and officers of the Central and various State Governments for their assistance and co-operation in understanding and solving the problems of the industry.

I wish to thank Shri. Rajeev Kher, Commerce Secretary and his team of officers for their valuable help, guidance and support to the industry and to the Council. Shri A. K. Tripathy, Joint Secretary, Shri Ajit B Chavan, Director & Shri R.S. Bisht, Under Secretary, Department of Commerce, Ministry of Commerce & Industry, deserve our heart-felt thanks for the fullest support and guidance they have been extending to our Council and the cashew industry.

I wish to thank Shri Venketesh Hubballi, Director and his team at Directorate of Cashewnut & Cocoa Development, Ministry of Agriculture & Co-operation, Government of India, Cochin for their valuable efforts in increasing the domestic production of raw cashewnut. My sincere thanks are also due to the other Ministers and Ministries of the Government of India for their assistance to the cashew industry and the Council.

I wish to place on record our gratitude to Shri Pravir Kumar, Director General of Foreign Trade, Shri. D.K.Singh, Addnl. DGFT and all the regional heads and officers under the DGFT , for the help being rendered to the cashew industry and the Council. We are also extremely thankful to Dr. Anup Poojari, former DGFT for his fullest support and guidance to the industry.

I place on record my personal appreciation and thanks for the

unstinted support and intelligent advice of Shri P. Sundaran, your Vice-Chairman, all Members of the Committee of Administration, Panel Conveners and Members for the proper and successful functioning of the Council.

I place on record my personal appreciation and thanks for the outgoing Committee Members who have been with us over the years for their valuable advices and guidance on various issues at regular intervals. I request them to continue extending their full support in the years to come also.

I take this opportunity to place on record our appreciation and thanks to Shri K. Sasi Varma, Executive Director & Secretary, Smt. Sree Rajmohan, Joint Director, other officers and staff of the Council for the good work they have been rendering with sincerity, in service of the cashew exporting community.

I also place on record our appreciation and thanks to Dr. V.P. Potty, Principal Scientist of CEPC Laboratory and his team for their efforts in helping the industry in matters of quality up-gradation of cashew kernels and other related matters. I also thank Dr. M N Muraleedharan Nair, former Chief Administrator & Head, CEPC Lab, for the good services rendered by him during his tenure.

I thank Shri. T.V. Narayanaswamy, our Liaison officer at Delhi, who has been representing our interests with the Ministry of Commerce sincerely and efficiently.

On behalf of the Committee of Administration and on my own behalf, I thank all members of the Council, the cashew trade associations, other related organizations and all others who have whole-heartedly co-operated with the Council and strengthened the Council with their active interest, involvement and support.

It is extremely gratifying for me to recall that during my term of office as Chairman of the Council, I received full co-operation and support from all persons who are directly and indirectly connected with the industry as well as the Council.

Thank you all once again.

Jai Hind



दि काष्णू एक्स्पूटे प्रमोशन कौणसिल ओफ इण्डिया
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