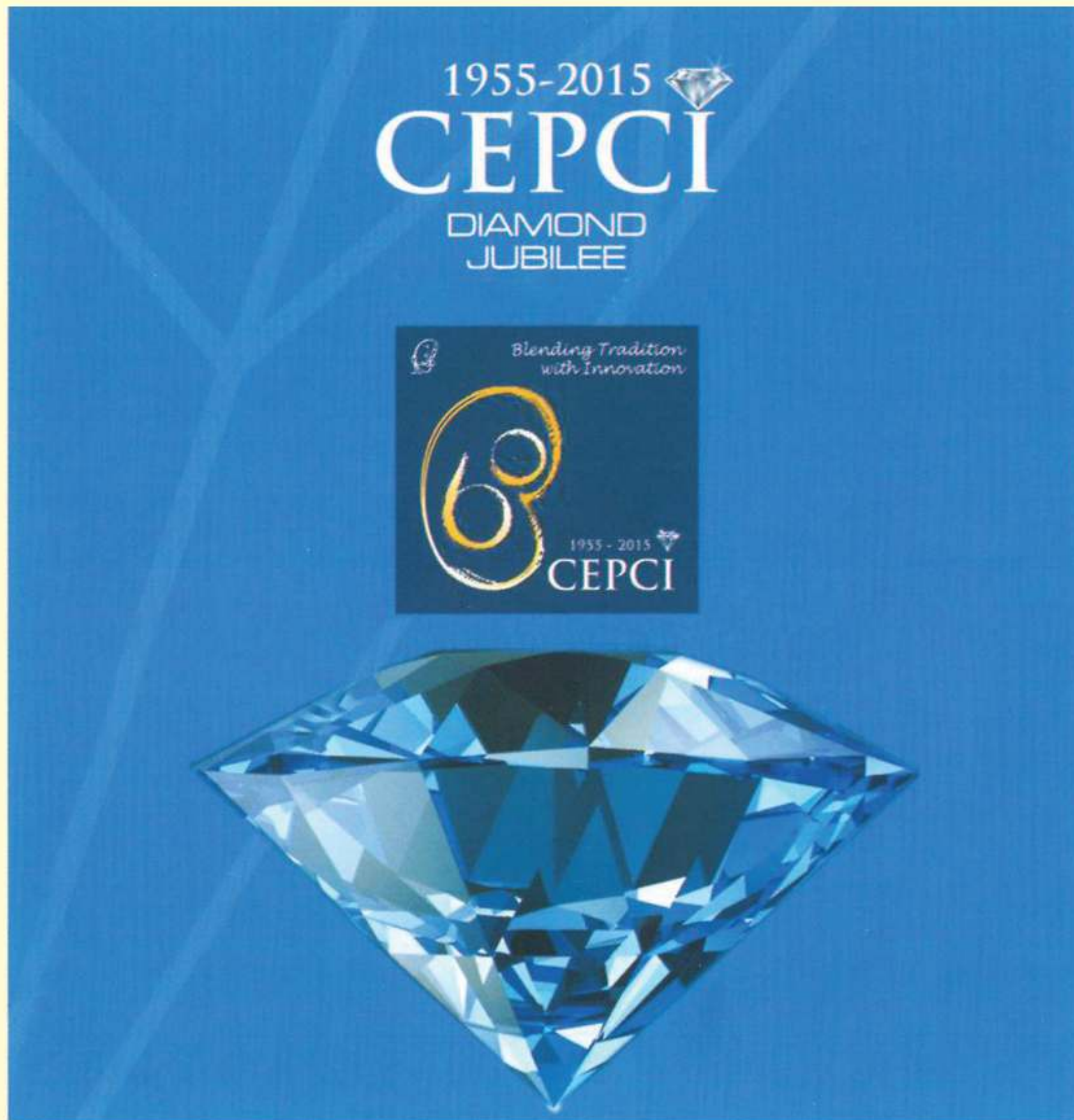


# THE CASHEW EXPORT PROMOTION COUNCIL OF INDIA



Speech delivered by  
**Shri T.K. Shahal Hassan Musaliar**  
Chairman

at the Sixtieth Annual General Meeting  
held on 28<sup>th</sup> October 2015





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**Shri T.K. Shahal Hassan Musaliar**  
*Chairman*

Ladies and Gentlemen,

It gives me great pleasure to welcome you all to this, the Sixtieth Annual General Meeting which is also the Diamond Jubilee year 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 31<sup>st</sup> March 2015 has already been circulated among the members, and I trust that, I have your approval to take them as read.

At the outset I wish to express my sincere thanks to all members of CEPCI, Ministry officials and others connected directly or indirectly with the cashew industry for the grand success of the flag-off event our Diamond Jubilee Celebrations,



namely, the Kaju Conclave 2015 comprising of the Kaju India 2015 International Buyer-Seller Meet and the Exhibition from 29<sup>th</sup> September to 1<sup>st</sup> October 2015 at Kochi. The tireless and sincere effort of the Diamond Jubilee Celebration Committee / Convenors and the employees of the Council over the past several months has resulted in a record 700 plus participants including 40 from overseas for this mega event. I also thank all exhibitors, sponsors, print and electronic media for their wholehearted support to make this event a memorable one.

## **Export Performance**

Cashew kernel exports during last year is an all time record in Rupee terms and almost touched Rs. 5500 Cr. during the year. India earned Foreign Exchange of US\$ 919 million, equivalent to Rs. 5489 Cr. through export of cashew products during 2014-15, including 1.2 lakh MT of cashew kernels worth US\$ 910 Mln (Rs. 5433 Cr.) and 11 thousand MT of CNSL worth US\$ 9 Mln. (Rs. 56 Cr.)

The quantity of cashew kernels exported increased by 4% and value by 7% as compared to 1.15 lakh MT worth US\$ 836 Mln. (Rs 5058.73 Cr.) exported in 2013-14.



The USA, UAE, Netherlands, Japan and Saudi Arabia were our major buyers. On a regional basis, export to the American Zone was 27%, West Asia and Africa 33%, European Zone 25%, South East and Far East Zone 14% 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 2014-15 was 7.25 lakh MT as against 7.36 lakh MT during 2013-14, reflecting a 1.5% decrease. 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 which were available for cashew till 31<sup>st</sup> March 2015 were Vishesh Krishi Gram Udyog Yojana (VKGUY), Duty Drawback, interest subvention and Agri Infrastructure Duty Scrip Schemes. However, with effect from 1<sup>st</sup> April 2015, the MEIS Scheme (which has been introduced in lieu of the erstwhile VKGUY Scheme) saw cashew being singled out for drastic rate cuts. The Interest subvention scheme has not yet been re-introduced and with high raw nut prices coupled with high processing costs, the industry is passing through difficult times. We have been very vigorously requesting the Government of India to restore export incentives to the 2014-15 levels, but are yet to receive any positive responses from the ministry.

I once again request the Govt. of India to favorably consider our genuine requests 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.

## Membership in the Council

The Council's membership crossed 280 during the last year and I am happy that we have 238 ordinary members and 44 Associate members (total 282) from 10 states of the country as on 31 March 2015.



## Marketing, Publicity and Promotion

The Council had been regularly undertaking 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 extending financial assistance to exporters / potential exporters.

The Council organized participation in four international fairs during the year (2014-15) viz. SIAL, Paris during October 2014, Food Week, Korea during November 2014, GULFOOD, Dubai during February 2015 and IFE 2015, London during March 2015. Cashew pavilions were 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 without missing the visitors who come to visit the CEPCI booth.

The Council has disbursed a sum of Rs 52.31 lakhs to 59 member exporters under MDA assistance during 2014-15 for participating in the above programmes sponsored by the Council.



During the current year (2015-16) the Council has already participated in the AFI Annual Convention, Sicily (April 22-26), the INC Congress, Antalya, Turkey (May 22-24), the Summer Fancy Food Show, New York (June 28-30) and ANUGA 2015, Cologne (October 10-14). I regret to say that though we had submitted our action plan to the Ministry of Commerce in 2014 itself, in June 2015, after we had commenced our MDA activities for the year, we were informed that our proposals for assistance under MDA have not been acceded to, thus leaving us and our participating members with no Governmental support, whatsoever, for export promotion activities. This has been a rather severe financial set-back for us.

### **Market Access Initiative**

The Kaju India 2015, the International Buyer-Seller Meet-cum-Exhibition which was the curtain raiser for the Diamond Jubilee Celebrations of the Council was conducted under the Market Access Initiative Scheme of the Ministry of Commerce, Government of India. Since this has been dealt with at the beginning of my speech, I shall pass on to the next issue.

### **Clinical Study on Cashew**

The Council's Clinical study on the effect of cashew on diabetic subjects is progressing at the Madras Diabetes Research Foundation, Chennai. The main study is already over and the results are expected to be published in international journals soon.



## **New Offices of CEPCI**

I am glad to inform that we have initiated the opening of new offices of the Council in Odisha & Maharashtra. The Government of Odisha has already offered us space in Bhubaneswar for this.

## **Global Cashew Council Activity**

The Council has been actively involved in the Global Cashew Council activities. Your Chairman along with Executive Director & Secretary attended the GCC steering committee meeting at Antalya. The GCC is going ahead with the conduct of an International Clinical research on the effect of cashews on Cardiac Health.

## **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 up-gradation and Food safety Certifications. Though we have requested for the upper limit of grant per exporter to be raised to Rs 2 Cr., we are yet to receive approval for this.

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

During the year 2014-15, a sum of Rs. 4.00 Cr. was released to 66 member exporters as grant-in-aid under the XII Five Year Plan Schemes.

## **Seminars & Meetings**

During the year 2014-15 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, APEDA, DCCD, Commissioner of Customs, VOC Port, Cochin Port Trust, Kollam Port, Industries Department,



Kerala, Kerala State Planning Board, FIEO, Bankers, Export Inspection Agency, FICCI, 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.

### **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.

## **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 recognized Doctoral Research Centre for Microbiology and Biotechnology of Kannur and Kerala Universities and for Chemistry at Kannur University.



The Laboratory has recruited field inspectors who have subsequently undergone training at the Plant Protection Division, Chennai, under the Ministry of Agriculture. Once we get the approval from the Plant Protection Division, we can conduct inspections & analysis of export consignments of Cashew Kernels on behalf of the Plant Quarantine Department.

The laboratory has also applied for authorization as an approved testing facility under FSSAI.

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.

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, former Commerce Secretary and the present Commerce Secretary Smt. Rita Teaotia and their team of officers for their valuable help, guidance and support to the industry and to the Council. Shri Santosh Kumar Sarangi, 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. Anup Wadhawan, Director General of Foreign Trade, Shri. Pravir Kumar, former DGFT, 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.



I place on record my personal appreciation and thanks for the unstained 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 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, former Principal Scientist of CEPC Laboratory who left the services recently, Dr. Prabha Kumari, Deputy Principal Scientist and all at the CEPCI Lab & Technical Division for their efforts in helping the industry in matters of quality up-gradation of cashew kernels and other related matters..

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

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**दि काष्यू एक्स्पोटे प्रमोशन कौणसिल ओफ इण्डिया**  
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