

दि काष्णू एक्स्पोर्ट प्रमोशन  
कौणसिल ओफ इण्टिया

THE CASHEW EXPORT PROMOTION  
COUNCIL OF INDIA



*Speech delivered by*  
**Dr. R.K. Bhooles**  
Chairman

**63<sup>rd</sup>** | **Annual  
General  
Meeting**

At Kollam on 27 September 2018



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**Dr. R.K. Bhooches**  
**Chairman**

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**Dr. R.K. Bhooades**

Chairman

Ladies and Gentlemen,

It gives me great pleasure to welcome you all to the 63rd Annual General Meeting of the Cashew Export Promotion Council of India. All our Members of the Committee of administration are in attendance together with past Chairmen and several members of the Council. On behalf of the Members of the Committee of Administration, CEPCI, I thank you for joining us today, your presence indeed is a true testimony of your involvement and support for this esteemed institution.

I hope you had the opportunity to go through the 63rd Annual Report circulated earlier which comprises the overall performance and major activities undertaken by the Council along with the Audited Accounts and the Auditor's report for the financial year 2017-18.



I trust that it stands approved.

May I at the outset, takes this opportunity to brief our esteemed audience about the Council's performance and the environment against which the performance was accomplished.

The year 2017-18, witnessed a period of profound economic as well as policy revision and we continued to build our capabilities with regard to people, services and infrastructure.

### **Membership in the Council**

The Council's membership crossed 334 during the last year and I am happy that we had 192 Ordinary Members and 142 Associate Members (total 334) from all over the country as of 31 March 2018.

We also started another category of membership as "Supporting Members" who are Brokers, Quality inspection agencies, Shipping lines, C & F agents, Surveyors, Bank & Financial Institutions, etc.

With the objective of increasing the Membership strength, the Council has taken initiatives and is planning to conduct a membership drive across the country for enrolling Cashew Processors as Ordinary / Associate Members.

## **Export Performance – Fiscal 2017-18**

India earned Foreign Exchange of US\$ 916 Million equivalent to Rs.5904 Cr through export of cashew products during 2017-18 and catered the domestic market thereby collectively contributing around Rs.10,000 Cr to our Country's GDP.

During the year 2017- 18, we had exported 84,300 MT Cashew Kernels valued at Rs.5,871 Cr. and 8,300 MT Cashew Nut Shell Liquid(CNSL) worth Rs.33 Cr. Export of Cashew kernels recorded an increase of 2.5 % in quantity and an increase of 14% in value realization as compared to 2016-17.

The UAE, USA, Netherlands, Japan, and Saudi Arabia were the top 5 markets for Indian cashew kernels during 2017-18.

Out of the total quantity of cashew kernels exported during 2017-18, American Zone accounted to 17.16%, African Zone to 0.50%, European Zone to 27.49%, Oceanic Zone to 0.32% , South East & Far East Asian Zone to 16.21% and 38% to West Asian Zone. The shares of African and Oceanic zones were very negligible. West Asian Zone was the largest importer of Cashew kernels from India during 2017-18.

UAE continued to be the largest importer of cashew kernels from India during 2017- 18 also. It's a matter of serious concern that we are losing our market share in the traditional markets like USA, Europe and Japan. We should envisage proper marketing strategies to recapture our lost share in the traditional markets and also to increase exports to other emerging markets while fully catering to the requirements of the domestic market.

### **Imports of Raw Cashew Nuts**

During 2017-18, Indian imports of raw cashew nuts accounted to 6.4 lakh MT in comparison with 7.7 lakh MT imported during 2016-17, recording a decline of 16 % in quantity terms. During the current fiscal, import of RCN up to July 2018 was 3.96 lakh MT compared to 2.92 lakh MT during the same period, last year. The high raw nut price coupled with import duty, unattainable SION for Advance Authorisation and procedural hassles for import from LDCs have badly affected the industry which resulted in decline of our imports for export processing.

### **Production of Raw Cashew Nuts in India**

As per statistics of the Directorate of Cashew nut & Cocoa Development (DCCD), Ministry of Agriculture & Farmer's Welfare,

Govt. of India, the production of raw cashew nuts in India during 2017-18 was 8.17 lakh MT, registering an increase of 5% compared to the previous year. The raw seed requirement of the cashew processing industry in India is estimated at about 20 lakh MT per annum and the big gap is being met by import from other countries. There is an urgent need to increase our domestic production of raw cashew nut and reduce our dependency on imported raw nuts. The DCCD is making earnest attempts in this direction by implementing the schemes of Govt. of India for increasing the production. Thanks to their efforts, many nontraditional states have turned to look into cashew cultivation and as of now, we have cashew cultivation in 18 States of India.

CEPCI had already submitted a “Road Map” to the Government of India which aims to attain the raw cashew production to reach 20 Lakhs M.T by the year 2025 in three phases, viz.

- (I). **Pre-Harvest Management:** The immediate solution to increase the domestic production is to adopt proper pre-harvest management of the crop that include application of proper manure and irrigation. This is expected to bring in 15% growth in production.

- (ii). **Area Expansion:** An area expansion of 25% over and above the existing plantations of 10 Lakhs hectares is proposed over the next three years.
- (iii). **Re-plantation:** Re- plantation of the old and senile trees with high yielding varieties, to be replaced at 20% per annum is envisaged.

I am glad to inform you that at the National Conference organized by the DCCD on 12th and 13th February 2018 at Bhubaneshwar, Odisha, your Chairman had made a presentation on the topic “Innovative Technologies & Traditional Technologies In Processing of Cashew -Advantages & Disadvantages”.

As a measure to promote cashew cultivation, the CEPCI has also proposed to organise a National Conference during this financial year with the officials of Regional Cashew Research Centers and Horticulture Departments with active involvement of Cashew processors, exporters and farmers of various geographical locations. In this connection, I extend bouquet of gratitude to the Ministry of Agriculture, Government of India and various State Governments for their efforts in promoting cashew cultivation.

## **Export Incentives – MEIS Scheme for Cashew Kernels**

Cashew is an export oriented commodity, where the exporters take forward orders. The MEIS benefit is factored in the costing and not as an income. Export incentives were reduced from 5% to 2% from 01/04/2015 and increased to 3% from 29/10/15. Again this was reinstated to 5% from 01/11/17. The exporters who work on thin margins had already factored the 5% export incentives in their forward contracts and when this incentive were slashed down, all their forward contracts turned out to be of huge loss making to the tune of 2-3% during 2015-2016.

CEPCI has requested the Central Government to reinstates the 5% incentive (MEIS) with retrospective effect from 1 April 2015 to offset the loss so incurred.

The meeting of your Chairman, Vice Chairman and Executive Director with the Hon'ble Commerce Minister, Finance Minister, Commerce Secretary, DGFT and other concerned officials of the Ministry of Commerce several times has convinced them on the need for adequate Governmental support for the survival of the industry.

## **Import duty for cashew kernels**

India has a huge domestic market and we are producing sufficient cashew kernels for the domestic market. But low quality cashew kernels from other countries are being imported into India bypassing all the duty restriction norms by unethical means. Certain Policy decisions of the Government also support free imports of finished/semi-finished kernels directly or through indirect means.

Council has also raised concern over the notification issued by the ministry of agriculture permitting import of cashew husk and also on the ad- hoc decision of the SION Committee fixing SION norms for importing cashew shell with husk.

The request to revise Minimum Import Price (MIP) on cashew kernels and allied products is also under process.

## **Import duty on raw cashew nuts**

I am happy to share with you that as per the assurance given by the Honorable Commerce and Industries Minister Shri. Suresh Prabhuji during the Kaju India 2017 meet, the Government of India had considered our request and reduced the



import duty from 5% to 2.5% on imported raw cashew nuts in the union budget 2017 – 18.

I on behalf of the entire cashew fraternity of our country place on record our sincere thanks and gratitude to Shri. Suresh Prabhuji , the Hon’ble Commerce Minister & Shri .Arun Jaitleyji the Hon’ble Finance Minister for their kind gesture .The Cashew Industry is not completely enthused by this budget announcement as the industry had expected the complete roll back.

The CEPCI has already taken up the matter of complete roll back of import duty with the Honorable Finance Minister and Honorable Commerce Minister.

### **Marketing, Publicity and Promotion Programmes**

The Council had participated in four international fairs during 2017-18 viz. Anuga Fair, Cologne, Germany in November 2017, Indusfood 2018 in Delhi, January 2018, GULFOOD, Dubai during February 2018 & Foodex, Tokyo, Japan in March 2018, and during the current fiscal we had participated in Thaifex, Thailand in May 2018 and World Food Moscow in September 2018. The Council had arranged “Cashew Pavilions” in all the fairs with independent booths for member exporters apart from the CEPCI central stall.

The Council also participated in the 4th edition of World Cashew Convention & Exhibition 2018 held at Macau from 1st – 3rd February 2018. In the special address during the inaugural session, your Chairman emphasized the need for implementing standards and uniform customs and practices (UCP) in Raw Cashew Nut trade.

During the current year (2018-19) the Council participated in the 37th World Nut and Dried Fruit Congress (INC) held at Sevilla, Spain in May 2018.

The “CEPCI Cashew Meet” organized at Sevilla, during the INC Meet on 22nd May, 2018 was a grand success as it was attended by over 70 delegates overseas and provided golden opportunities for business networking and direct interaction. In the meeting, Mr. Pratap Nair, Member of Committee of Administration released the brochure of the KAJU INDIA 2019 – The Global Cashew Summit.

I am happy to share with you that the current year the Ministry of Commerce & Industry has approved our request for participation in 8 international fairs and has supported the Kaju India 2019 under MAI Scheme. I request all the members to make use of this opportunity and participate in all these fairs.

## Trade Delegations

A seven member delegation of CEPCI lead by your Chairman visited Ivory Coast and Ghana during January 2018. The main objective of the delegation was to understand and resolve various issues and also to strengthen the Raw Cashew Nut Trade of India with Ivory Coast& Ghana.

Another 5 member delegation of CEPCI had visited Tanzania during June 2018 to discuss and find settlement on the issues related to non performance of contracts , pending settlement of claims for short delivery, and quality issues. The need to impose a Uniform Customs and Practices (UCP) being developed by CEPCI was emphasized which was much welcomed by all the stakeholders.

I am happy that these delegations were effective in nature and have produced encouraging results to boost the trade of raw cashew nuts from these countries.

All the delegations had interactive meetings with senior level officials of the Government, Cashew trade controlling authorities, Port and Customs officials, Quality Inspection Agencies and other stakeholders of the cashew trade.

The Council expresses its profound thanks and gratitude to the officials of the Indian Embassies/High Commissions in Ivory Coast, Ghana & Tanzania for their support and assistance in organizing the delegations.

### **Kaju India 2019 - The Global Cashew Summit**

The Cashew Export Promotion Council of India is glad to announce its 6th edition of “KAJU INDIA 2019 – The Global Cashew Summit” – to be held at Hotel Taj Palace, Delhi, India from 13th - 15th February 2019 .

This year, the Council has thoughtfully chosen Delhi as the venue for KAJU INDIA 2019 which is the capital city of our Country and also close to major cashew centers on the north coast of India. The three day conference with the theme” Indian Cashew – The Super food“ offers a professional exchange of knowledge, direct networking with international buyers, technical presentations of nationally and internationally acknowledged speakers and the associated expo features the latest technological developments in the Cashew industry.

The Registrations to Kaju India 2019- the Global Cashew Summit

will start shortly. CEPCI looks forward to your participation to ‘Kaju India 2019- The Global Cashew Summit’ and together we will make it a grand success.

### **Medium Term Framework (2017-2020) Scheme - Extending Financial Assistance to CEPCI Members**

The Ministry of Commerce and Industry has approved the Medium Term Framework (2017-2020) Scheme of the Council Viz. “Process Mechanization & Automation of Cashew Processing Units” on 21st December 2017.

Regarding the current Union budget allocations of 4 Cr, CEPCI had requested to increase the allocation to 16 Cr. in tune with the Grant- in – Aid plan allocation.

Thanks to the Honorable Union Commerce Minister, who has been kind enough to understand our problems and support the industry for its survival and growth.

### **CEPCI Initiatives, Seminars & Meetings**

During the year 2017-18, your Chairman, Vice Chairman and Executive Director & Secretary and other officials of the Council

attended various Seminars, Meetings and Interactive sessions convened by Union Commerce Minister, DGFT, DCCD, MSME, Ministry of Agriculture, Commissioner of Customs, various Port Trusts, TAMP, Industries Department, Planning Board, FIEO, Bankers, SLBCs, Export Inspection Agency, FIEO, FICCI, CII etc. related to various issues concerning the cashew industry.

As desired by the Honorable Minister for Commerce & Industry, CEPCI had prepared its strategic business plan "Mission 2020 " and submitted the same during October 2017. The main issues highlighted were withdrawal of import duty on Raw Cashew Nut and restoration of the export incentive to 5% with retrospective effect. The Mission 2020 envisages an export target of 1.2 Billion US\$ and additional employment generation of 2 lakh workers with an aim to take Indian exports to its premier position in Global cashew scenario.

CEPCI had participated in an interactive meeting with Mr. Alok Vardhan Chaturvedi , DGFT at Trivandrum and addressed our various issues like surge in import of finished/semi- finished kernels, SION revision etc and I am happy to say that our efforts to revise the SION has yielded positive results and as per our representations the SION has been revised to 5.04 :1. I take this

opportunity to thank the DGFT team and of course this revision is a relief to the cashew sector.

Your Chairman had received a special honor on behalf of CEPCI from the “Business World- GOPIO Global Business Award 2018” for contributing to India’s international trade and also for strengthening the Indian economy, at Bahrain on 7th January 2018.

Myself ,the Vice Chairman and the ED&S had availed several opportunities to meet Shri Suresh Prabhu, Hon’ble Union Minister of Commerce & Industry , Smt. Rita Teotia, the then Commerce Secretary, Dr.Anup Wadhwan the present Commerce Secretary, Shri.Alok Chaturvedi, DGFT and other senior officials of the Ministries of Commerce & Industry, Finance, MSME and Agriculture & Farmer’s Welfare and submitted comprehensive representations on various issues faced by the cashew industry for necessary interventions. I am happy to report that all these representations have been favourably considered and have yielded positive results.

Your Chairman attended Agriculture Policy Meeting on Export & Trade Promotion during February 2018 at Delhi and the meeting



was chaired by Shri. Narendra Modi the Honorable Prime Minister of India. The Council submitted the copy of “Road map” to the senior officials of the Agricultural Ministry during the meeting.

CEPCI had submitted the special “Revival Package” to the Government of India for the rehabilitation of the Cashew Industry. It is reliably learned that the Government is actively considering a special package to the cashew industry as an interim measure.

In order to discuss the Revival Package for the Cashew Industry, the CEPCI had several meetings with State Planning Board, RBI, SLBC, MSME and your Chairman made a presentation on the working models for cost analysis without retrenchment of workers by implementing modernizations and also repayment proposals to protect the NPAs. The officials of these departments extended their support in recommending the Central Government for protecting the cashew industry from its present financial crisis.

CEPCI had organized an interactive meeting with Mr. Sumeet Kumar, Commissioner- Customs, at Cashew Bhavan, Kollam on 7th June 2018 to discuss the issues of GST refund, appraisal and other problems related to the clearance of imported raw cashew nut. CEPCI had taken up the pending GST issues of our members

and forwarded directly to the Commissioner which accelerated refund process.

CEPCI had organized a meeting with cashew processors at Ratnagiri, Maharashtra for exploring the export opportunities from Ratnagiri 21 June 2018. Your Chairman made a presentation on the “Export Potential of Konkan Region” in a workshop organized by the Indian Institute of Packaging (IIP) at Ratnagiri.

The Council compliments the efforts of the TKM Institute of Management, Kollam in conducting a Workshop on “Financing the Cashew Industry- Issues and probable solutions”, on 21st July 2018. This has indeed given an academic version to the current issues of the cashew industry.

I am happy to share with you that our Council in association with IIP has proposed a study on “Standardisation of cashew packaging to ensure better shelf life for the product”.

Let me welcome and compliment the Cotton & Cashew Nut Council (CCA), Cote d’Ivoire for their efforts in reducing the export duty of Raw Cashew Nuts from Cote d’Ivoire from 89.25 CFA to 20 CFA/kg at the request of the Council.

CEPCI's participation in the "Stakeholders Meeting" organized by Cashewinfo.com with the representatives of CCA (Ivory Coast), NEPC (Nigeria), VINACAS (VIETNAM) & KCMA (Mangalore, India) in Dubai on 11th August 2018 was an initiative towards forming a Global co-operation in raw cashew nut trade.

I am proud that the timely intervention of the CEPCI with the various Customs Officials, Port Authorities, DGFT, GST Authorities and FSSAI officers has helped the industry in immediately addressing the problems and issues faced in the course of their routine operations.

### **Research Publication**

We are glad that the first ever industry sponsored research on the "Health effects of cashew nuts among adults with type 2 diabetes (T2DM)" was published in international journals in February 2018 which was well received by the researchers as well as cashew fraternity across the world. The major research findings concludes that cashew nut supplementation in Asian Indians with type 2 diabetes (T2DM) reduced systolic blood Pressure and increased HDL Cholesterol concentrations with no deleterious effects on body weight, glycemia or other lipid variables.

## **CEPCI Regional Office in Odisha & Goa**

With an aim to promote cashew exports from different parts of the country and to broaden the base of the Council, CEPCI has decided to open two regional offices in Odisha & Goa. We are happy that the Odisha State Cashew Development Corporation has provided the Council a free office space to function its regional office in Bhubaneswar.

The Government of Goa has assured a space for the functioning of the regional office of CEPCI in Goa which would be operational soon.

## **CEPCI Laboratory and Research Institute**

The CEPCI Laboratory & Research Institute continued serving the industry in analyzing, testing, training and rendering advice on technical matters and conducting research activities in the field of cashew.

I am glad to inform that the Directorate of Public Instruction, Education Department , Government of Kerala has entrusted the work of testing the quality and safety of food/water of the mid- day meal distributed in the State Government Schools with the CEPCI

Laboratory & Research Institute. Presently 12,327 schools have been allotted for quality assurance tests.

The Kerala State Consumer Federation has this year also entrusted the CEPCI Laboratory & Research Institute the testing of the food ingredient samples supplied during Onam & Christmas seasons throughout Kerala.

CEPCI Laboratory & Research Institute organized a Special Campaign for testing drinking Water on the “WORLD WATER DAY” on 22 March, 2018 at Cashew Bhavan, Kollam.

The Laboratory conducts certificate training programs in analysis and quality management systems which are widely accepted. The Lab also facilitates a learning & Research center to BSc/MSc/M.Phil/Ph.D students for project work in Chemistry, Biochemistry, Biotechnology, Microbiology and Environmental sciences.

### **Accreditations and Recognitions**

The CEPCI Laboratory & Research Institute has been recognized by the Department of Scientific and Industrial Research (DSIR) under the Ministry of Science & Technology, Govt. of India and accredited

by NABL for chemical and biological analysis of food, agricultural products and water. It has also maintained the approval of the 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 has been accredited as an approved testing facility under FSSAI.

The Institute continues to be a recognized Doctoral Research Centre for Microbiology and Biotechnology of Kannur and Kerala Universities and for Chemistry of Kannur University. Currently we have eleven ongoing Research scholars of which two students have already submitted their PhD thesis. Further Ms. Sindhu, a research scholar has been awarded the Phd of the Kerala University .Our heartiest congratulations to Ms. Sindhu on her achievement. The Centre has also been considered for BITP (Biotechnology Industrial Training Program) of DBT under Ministry of Science and Technology.

Let me express my sincere thanks and gratitude to all those who have helped me with their continuous support and effective contribution in discharging my responsibilities as Chairman of the Council.

First of all let me place on record my sincere thanks and gratitude to Shri. Suresh Prabhuji, Honourable Minister for Commerce and Industry, Government of India, Shri. Arun Jaitley, Honourable Minister for Finance, Government of India and Shri. C. R. Chaudhary, Honourable Minister of State for Commerce and Industry, Government of India for their kind interventions, guidance and support to the Indian Cashew Industry and the Council.

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

My thanks are also due to Smt. Rita Teatota, who was the Commerce Secretary till July 2018. I wish to thank Dr. Anup Wadhwan, the Commerce Secretary and his team of officers for their valuable help, guidance and support.

I wish to place on record, our gratitude to Shri. Alok Chaturvedi, Director General of Foreign Trade, Shri.D.K.Singh, Addl. DGFT and Shri.S.B.S.Reddy , Addl. DGFT and all the Regional heads and officers of DGFT for their support rendered to the Council and the cashew industry.



Shri Santosh Kumar Sarangi, Joint Secretary, Shri R Ramesh, Director and Shri. Ram Sagar Panjair, Section Officer, Department of Commerce, Ministry of Commerce & Industry, deserve our heart-felt thanks for the relentless support and guidance they have been extending to our Council and the cashew industry.

I also take this opportunity to thank Shri.Sandeep Verma, Under Secretary, Ministry of Commerce for his presence in spite of his busy official schedules.

My sincere thanks are also due to Shri.P.K.Das, Member-Customs, Shri.P.N.Rao, Chief Commissioner of Customs- Kochi, Shri. Sumit Kumar, Commissioner of Customs - Kochi, Shri.Aneesh Rajan, Joint Commissioer, Dr.Raji.N.S, Deputy Commissioner and all regional commissioners and officers of Customs for their timely support for solving issues related to the cashew trade.

Let me also thank Dr.B.N.S.Moorthy, Director, Horticulture, Dr. Venketesh Hubballi, Director, Directorate of Cashew Nut & Cocoa Development, Ministry of Agriculture, Co-operation & Farmers Welfare, Government of India and their team for their valuable support in all the activities of the Council and their dedicated

efforts in increasing the cultivation and production of raw cashew nut in the country.

I am so grateful to Shri. Bahuguna, Chairman, FSSAI and his team for their kind gesture in understanding the issues of the industry and their efforts in formulation of specific standards for raw cashew nut and cashew kernel separately.

It is beyond words to express my sincere thanks and appreciation for the unstinted and intelligent support of Dr. Noordeen Abdul, Vice-Chairman, for the proper and successful functioning of the Council.

I place on record my sincere appreciation and gratitude to all the Members of the Committee of Administration, Special Invitees, Panel Conveners, and Members for their invaluable contribution and support rendered in carrying out the activities of the Council.

I take this opportunity to place on record my sincere appreciation and thanks to Shri S. Kannan, Executive Director & Secretary, for his dedicated and untiring support extended for discharging my duties as the Chairman of the Council.

On behalf of the Committee of Administration and on my own behalf, I thank all the Members of the Council, Associate Members, 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.

My thanks and appreciations are also due to all the officers and staff of the Council for their good work they have been rendering with sincerity in service of the cashew community.

I extend and acknowledge our appreciation and thanks to Dr. Prabha Kumari, Deputy Principal Scientist, Ms.C.B.Mayarani, H.O.D, Microbiology, Ms. Haseena , H.O.D, Chemistry and all other Scientists and staff at the CEPCI Laboratory and Research Institute for their efforts in helping the industry in matters related to quality analysis, training and research.

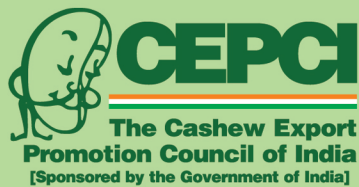
Shri. T.V. Narayanaswamy, our Liason Officer at Delhi, who has been representing our interests with the Ministry of Commerce sincerely and efficiently, deserves a special appreciation.

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. I wish the same support and cooperation to be extended to my next term also for continuing the activities of the Council to the betterment of the industry.

Thanking you all once again from the bottom of my heart and with a positive note. I curtail.

**Jai Hind**



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**THE CASHEW EXPORT PROMOTION COUNCIL OF INDIA**

Regd. Office : Cashew Bhavan, Mundakkal, Kollam-691 001, Kerala, India  
Tel : +91 474 2742704, 2742504, Email : [cepci@cashewindia.org](mailto:cepci@cashewindia.org)  
Website : [www.cashewindia.org](http://www.cashewindia.org)