

Keynote address of Mr. T. Nandakumar, Secretary to Government of India, Department of Agriculture and Cooperation, at the World Spice Congress, 2010 – New Delhi

Agriculture continues to be crucial for the growth of the Indian economy. This was proved last year when the rural economy supported the industry and service sectors in India thereby insulating them from the Global Economic downturn. It acquires much larger importance in our policy of INCLUSIVE GROWTH. Though its contribution to GDP has come down to 17%, it still employs about 56% of the population. With less than 3% of world's arable area and less than 4% water available for irrigation, it produces enough food for 17% of the world's population. The transformation from a food-importing nation to a food-exporting nation has not been easy. It has been brought about by technology interventions, huge investment in infrastructure, policy changes encouraging higher productivity and most importantly, the unrelenting hard work of millions of Indian farmers.

However, in the year 2006, the country was starting at a possible food shortage. After a long period of self-sufficiency and exports, we had to resort to food imports. The year 2007 witnessed a global food crisis exacerbated by a financial crisis. There were times when there was no food available in the global market even if one had enough money.

This was a wake-up call for us, policymakers. We decided to step up govt.'s investment in agriculture substantially from the previous levels. Two new flagship programmes called the National Agriculture Development Programme – commonly known as Rashtriya Krishi Vikas Yojana – with a proposed outlay of US \$ 5.5 billion, a programme called National Food Security Mission with a proposed investment of about US \$ 1 billion over a five year period were launched in 2007-08. While the National Food Security Mission addresses specific targeted interventions in production of Rice, Wheat and Pulses, the National Agriculture Development Programme is a more flexible, region-specific, strategy driven and decentralized intervention aimed at a sustainable 4%+ growth in agriculture. This programme allows the districts to plan their agriculture

strategy, including interventions in subsidiary activities like dairy, poultry, processing and marketing to get the best out of the natural resources and from the market. The programme also allows investment in research, infrastructure, processing and marketing infrastructure.

Another flagship programme called the National Horticulture Mission with a proposed investment of about US \$ 2 billion launched earlier (in 2006) aims at increasing production of fruits, vegetables and Spices. This is implemented in a project-mode in select districts by State Horticulture Missions. The State Horticulture Missions are free to choose a set of crops, including Spices for intensive development. The projects could cover post-harvest handling, Pest & disease management, storage, transportation and warehousing. In fact, the modern cold-storage attached to the Kochi Airport is a project funded partly by the National Horticulture Mission and is just one of the examples. Another project under the Horticulture Mission is a programme implemented through the Spices Board with an outlay of US \$ 27 million for reviving and rejuvenating the pepper plantations in the district of Idukki in Kerala.

The Spices Board, which is responsible for post-harvest handling and also for the research and development and growing of cardamom, has its own programmes and allocations outside these programmes. Currently, Spices are cultivated by millions of farmers and the annual production is about 5 million tonnes. India has a tradition of growing different spices and has capability to grow almost all the spices in the world. About 70 out of 109 spices listed by the International Standards Organization are grown in the country. The availability of different climatic conditions, from tropical to temperate' contribute significantly to the immense variety of spices grown in different seasons.

The Indian spice industry, which was traditional in the beginning, has transformed itself into a global player by investing in frontier technologies, process improvements, better packaging and marketing infrastructure.

We do understand that the market for spices is changing. We do understand that the consumer is demanding different and better products. This means that we have to produce and process better quality spices both in terms of food safety and in terms of natural qualities to cater to different segments, different markets.

From an overall agricultural development perspective, it is therefore important to outline, the initiatives and activities the Government of India, particularly the Ministry of Agriculture is currently engaged in.

We are aware of the importance of managing insects and pests without using poisonous chemicals in. A programme of Integrated Post Management for judicious and minimal use of chemicals pesticides is under implementation in the country particularly in those areas from where the agricultural products are getting into sensitive market segments, including the domestic market segments. Bio-control agents are being actively encouraged. An amendment to the Law regulating the use of insecticides is proposed to be introduced soon.

We are aware of the concerns of food safety concerns of the consumer both in India and abroad. An integrated legislation called Food Safety and Standards Act, 2006 has been passed and is being implemented in the country. This legislation makes a demand on the producer of agricultural products, namely, the farmer to use only such methods of pest control and use only such processes, which conform to the regulations.

We are promoting, in an active manner, good agricultural practices, primarily the **GLOBALGAP** in some of our horticultural products. Grapes and pomegranates have already accepted these practices on a large scale. We intend extending this to a large number of horticultural crops, including Spices. We have already developed, through APEDA (Agricultural and Processed Food Product Export Development Authority), a traceability framework, which enables the export promotion agencies and exporters to address issues of possible contamination. Grape-Net, developed by APEDA is a model,

which could be copied almost in toto by other producers. We are supporting all these efforts.

The quality of the produce is an important element in its acceptability by the consumer. While food safety parameters addressed the concerns of human health, the inherent quality of the products is important for its marketability. Given the variety of products that are produced and the increasing demand for more varieties in the global market, we understand the value and importance of good quality seeds/planting materials. The seed import regime in the Government of India allows import of seed of specific varieties subject to quarantine regulations to ensure that a specific agriculture product can be grown and processed in the country for any specific market. The flexibility would allow large number of farmers in the country to take advantage of the natural endowments of the country to produce products of higher value for the international market.

We also support as a programmatic intervention, conservation programmes for varietal specificity. This is in addition to the efforts made by Spices Board and APEDA.

We have probably the largest research network in the public domain. There are institutions and projects dedicated to research in Spices under the ICAR, SAUs and the Spices Board. A large number of scientists are constantly engaged in finding solutions to farmer's problems and in developing new varieties.

We are conscious of the inadequacies in our marketing infrastructure. Some of the markets in the rural areas of India need an upgrade both in terms of infrastructure and quality. The National Horticulture Mission permits such improvements in markets, which handle sensitive products, particularly perishables. The cleanliness in these markets and the hygienic handling of products is of prime importance in these interventions. Many State Governments have come forward in taking up programmes for improving their market yards and warehouses. To cite only one example, our successes

in exporting cotton is largely due to the interventions made in improving the market yards and the technological capabilities of the ginning industry.

We are currently engaged in developing a private-public partnership mode for setting up extensive cold-chain networks in the country for handling the large variety and quantities of perishables that we produce. Fiscal incentives have already been announced in the last Budget for cold-chain infrastructure and proper warehousing. Those of you from the private sector, could take advantage of the 100% depreciation facility that has been announced by the government. In addition, we are also looking at setting large terminal markets in key locations in the country, which will be supported by the government through a financial subvention.

The Ministry of Food Processing Industry has already announced a scheme of Large Food Parks with state-of-the-art infrastructure facilities to take care of investments in food processing. The Spices Board has a similar programme called **SPICE PARK**. A large number of private entrepreneurs are already taking advantage of this facility. We, from the Ministry of Agriculture, are trying to support these efforts by creating enough production potential around these food parks.

We do understand that there is a niche, but significant market for organic products. In fact, we have in our own ministry a separate organization called the National Centre for Organic Farming and both organic cultivation and conservation are supported under various programmes of the ministry.

We know that we have a challenge – the challenge of feeding a population of a billion plus with just about 142 million hectares of cultivable land. We also know that with a targeted growth rate of about 9% and with interventions at the bottom of the pyramid to increase the purchasing power of our poor, the demand for foodgrains, vegetables, fruits and Spices will increase. We are also conscious of the fact that we have an obligation as a country to contribute to reduce hunger in the world. We are also conscious of the fact

that our increase in production, year after year, has to be on a sustainable basis. Our efforts, therefore, are to conserve natural resources to the extent feasible, use them optimally to produce not only for our people but also for export. Our programmes of intervention, therefore, address issues of sustainable production, better post-harvest management, better storage and handling and better processing. We believe that we will be able to continue to produce enough for our people and will have surpluses for export in those products where we are competitive. We shall continue to work hard to remain a consistent quality exporter of the largest varieties of spices and spice products to the world.

Yesterday, I talked about the past. Today I want to look ahead. I would like to raise a few points to ponder:

How do we see the spice industry, the food industry and the processed food industry growing in the future? Same products?. Bigger volumes? Different products larger volumes? Different demands of taste, flavour, colour ... more stringent food safety parameters...? Different combinations of products..... different processes? More concerns on health (cancer Obesity) and therefore a shift to wellness foods ... ayurveda...

Or more environmental concerns? More uncertainty in agriculture due to climate variability?

One thing seems certain there are clear signs of change will all of us be ready when the change happens? This may be a good time to think and plan a new strategy.

You are the leaders of the industry. I am sure you will lead the way. Be assured we will be with you. I wish your deliberations all success.

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