Chapter 3

SPICES BOARD OF INDIA

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Chapter 3

The Spices Board of India is the apex organization formed by the Government of India in 1987 for the development of spices sector in the country. This organization comes under the purview of Ministry of Commerce and Industry of the Union Government. In view of Kerala’s importance as a major producer of spices and Kochi as a major traditional port for export of spices, the head quarters of the Board is located in Kochi, a city in the central part of the state.

3.1 Origin

The origin of Spices Board is the result of the merger of two organizations viz. Cardamom Board and Spices Export Promotion Council. The Cardamom Board was established in 1966 by the Government of India to look after and promote cultivation and export of cardamom. Other spices were excluded from its purview. Spices Export Promotion Council was the agency set up by the Central Government in the year 1961 for the promotion of export of spices other than cardamom. For the purpose of having a single apex organization for the development of spices sector in India, Cardamom Board and Spices Export Council were merged and thus the organization called Spices Board of India came in to existence.
3.2 Functions

The functions of the Board comprise all round development of cardamom, post harvest improvement of spices and promotion of export.

For the benefit of cultivators other than cardamom, the Board conducts adaptive research, organizes planters’ meet, imparts training on modern methods of cultivation, encourages organic farming, conducts policy makers’ workshops to make them aware of the problems of growers etc. In fact, the mandate for production development of spices excluding cardamom vests with the concerned State Agriculture /Horticulture Departments under Ministry of Agriculture. However, based on specific needs, the Board is formulating programmes and getting externally funded projects for production development of spices. Such a programme is being implemented by the Board for the development of pepper during the eleventh plan.

On the export front, the functions of the Board include undertaking projects for the growth of global market for Indian produce; stabilizing prices in international market; empowering manufactures/exporters to adopt global standards on quality for better mobility of Indian products in the international market; giving license to manufacturers of value added spices as well as exporters and dealers of spices; organizing auction for cardamom etc.

3.3 Governance

The Board is governed by the Spices Board Act, 1986 and Spices Board Rules, 1987. In addition, it has formulated its own rules and regulations like

3.4 Composition of the Board

The administration of the Spices Board is vested with a Board of Directors constituted by the Government of India. The Board consists of thirty two members as shown below:-

a) Chairman

b) Three members of parliament of whom two shall be elected by the House of People and one by Council of States.

c) Three members to represent the Ministries of the Central Government dealing with:

i) Commerce

ii) Agriculture

iii) Finance

d) Seven members to represent the growers of spices.

e) Ten members to represent the exporters of spices.

f) Three members to represent major spices producing states.

g) Four members one each to represent

i) The Planning Commission

ii) The Indian Institute of Packing Mumbai

iii) The Central Institute of Food Technological Research, Mysore.

iv) The Indian Institute of Spices Research, Calicut.
h) One member to represent spices labour interest.

The examination of the composition of the Board indicates that it gives representation to different sections of society such as producers, exporters, Members of Parliament, Ministries, research institutions and labourers. These members are elected for a period of three years.

3.5 Chairman

The Chairman of the Board must be a member of Indian Administrative Service and should not be below the rank of the joint secretary to the Government of India. His appointment is made in consultation with the Department of Personnel and Training, Ministry of Home Affairs, Government of India. His term of appointment would be for three years. He is the chief executive of the Board who attends to its day to day functioning and is responsible for achieving the objectives of the Board.

The Chairman has powers such as to preside over the meeting of the Board, prescribe duties of all officers and staff of the Board, sanction expenditure for contingencies, purchase articles for the working of the office, takes decision on the matters that cannot wait the disposal of the Board or Committee. Besides he has authority to fill up sanctioned posts of the Board, enter into contract and re-appropriate between sub-heads the amounts allocated under various heads of expenditure. As regards financial powers, he can sanction expenditure on all schemes approved by the Board/Government. Thus, a perusal of his powers and
authority shows that he is entrusted with enough powers to ensure the smooth
conduct of the activities of the Board.

3.6 Vice Chairman

From among the members, a Vice-chairman is elected for a period of twelve
months from the date of election. If the election is not held within a period of twelve
months, the existing Vice-chairman shall continue to hold office till the election is
held. He is expected to perform the duties delegated to him by the Chairman. He
would be a member of all the advisory committees of the Board.

3.7 General Staff

The general staff of the Spices Board on the basis of hierarchy comprises
Secretary, Directors of the Departments, Joint, Deputy and Assistant Directors,
Section Officers, Field Officers and other Lower Grade Staff. Mainly there are four
categories of staff pattern in the Spices Board on the basis of pay band i.e. pay band I
to pay band IV. The Chairman who is at the top of the organization would be in
the pay band IV of the Central Government pay pattern.

Next in importance to Chairman among the officials of the Board is Secretary.
Further there is one Director each for every department of the Spices Board whose
position in the organization is also highly significant. The Secretary and the
Directors of various departments are appointed by the Ministry of Commerce. They
are at the pay band III of the Central Government pay pattern.
The Joint Directors, Deputy Directors, Assistant Directors, Section Officers and Field Officers at the various departments and regional offices are appointed as per Central Government rules and regulations for the employment of staff. They are at the pay band II of the Central Government pay pattern.

The Lower staff category consists of assistants and peons of the Spices Board. They are at pay band I of the Central Government pay pattern. These employees of the Spices Board are appointed from the employment exchange.

3.8 Standing Committees

In order to facilitate the smooth conduct of the operations of the Board, it sets up three Standing Committees every year such as Executive Committee, Research and Development Committee and Market Development Committee. The Board can also form special committees for undertaking specific works connected with its functions (Spices Board Rules, 1987).

The Executive Committee deals with administration, registration of traders and exporters, examination of returns submitted by registered owners of estates, farmers and processing units, publications of the statistics so collected and any other functions assigned to it by the Board from time to time.

Research and Development Committee is concerned with formulation of projects for the development of cardamom, reviewing implementation of
development projects, assigning priorities for research work, reviewing their progress and any other function assigned by the Board.

Market Development Committee takes care of auctions of spices and projects of market development in internal markets and for exports, review of market conditions relating to spices and recommend to Board measures necessary for the streamlining of marketing.

3.9 Departmentalization

For the execution of day to day functions, apart from standing committees, the Board has formed five departments also. These departments are Development Department, Marketing Department, Research Department, Finance Department and Administrative Department. Among these, the first four departments are under the charge of a director each, while the last one is under the control of the secretary.

Departments for Development, Marketing and Research are the executive arms of the Board since all developmental functions take place through them. The other two departments viz. Finance and Administration are called facilitating ones. They are expected to ensure the smooth running of the Board by extending financial and other support. An important difference noted between the Standing Committee explained above and Departments is that while Standing Committees are constituted on an yearly basis, Departments are permanent structures of the Board.
The following is an analysis of the functions of the various departments of the
Board:-

3.9.1 Development Department

This Department has to formulate and implement programmes for the
improvement of productivity and quality of cardamom as well as post harvest
improvement of all spices. It should also provide technical guidance and support to
cultivators of all spices on scientific aspects of cultivation.

Technical knowhow on scientific aspect and post harvest improvement is
made available to farmers by the officials through regular visit as well as
conducting farmers’ meetings, campaigns, group discussions and seminars.
Preparation and distribution of technical literatures on spices are also done by the
department towards these objectives.

The activities of the Development Department are routed through Regional
Offices, Zonal Offices and Field Offices of the Board functioning at various centres
of the country. These offices maintain liaison with growers, State
Agriculture/Horticulture Departments, State Agriculture Universities, ITC, IPC, and
ICAR Institutions, local bodies, traders and exporters.

The Development Department is headed by a Director and he is assisted by a
team of officials such as Joint Director, Deputy Director, Assistant Director, Field
Officers and the lower level technical functionaries in the hierarchical set up of this
Department.
3.9.2 Marketing Department

One of the chief objectives of the Board is to enhance the export of spices from the country. Marketing Department has to formulate and implement programmes for this purpose. The programmes of this Department aim at enabling exporters to have a competitive edge in the global market.

At the instance of the Marketing Department, a Quality Evaluation Laboratory has been set up by the Board to facilitate exporters to maintain the quality of their produce through regular checking. Besides, this Department promotes participation by farmers and exporters in national and international seminars, meetings and trade fairs. For publicity and promotion of Indian spices and spice products in domestic and world markets, the department brings out a number of publications such as Spice Market weekly, Spices India Magazine, Spices Export Review, etc.

Marketing Department is entrusted with receiving applications from exporters seeking assistance extended by the Board for promotion of exports. The officials of the Department have to verify these applications and sanction them. Sanction is provided on condition that exporters fulfill certain export obligations. The Marketing Department has to monitor export performance of these units and ensure that they achieve the targets fixed.

The Marketing Department is headed by a Director and he is assisted by Deputy Directors and Assistant Directors and Marketing Intelligence Officers.
3.9.3 Research Department

This Department functions at the head office and provides research support to all the researches undertaken at its research centres either by its own merit or in collaboration with the organizations like NHM, FAO, ICAR, Coir Board, etc.

The department has three research stations under its control and these centres undertake research on cardamom, vanilla and herbal spices as well as adaptive research trials on other spices. Research department is also engaged in development of organic and eco-friendly farming of spices with the use of bio agents. In addition, the research wing analyses the environmental aspects affecting the spices plants.

Research Department provides farm advisory service to all farmers of spices like soil and leaf testing to assess nutrient status and make fertilizer recommendations. It conducts Planters’ meet to make them aware of the problems relating to cultivation and steps to be taken to overcome them. It organizes workshops and seminars for policy makers, administrators and Central and State Government officials to impart them knowledge about the state of affairs of the spices sector and such seminars and workshops enable planners and administrators to frame policies and schemes of assistance which will solve farmers’ problems. Further it provides training on good agriculture practices (GAP) for quality production of spices to selected unemployed youths.

The Director of Research Department is assisted by Joint Director, Deputy Director, Senior Scientists for research stations and Biotechnology Division.
3.9.4 Finance Department

This department is responsible for the internal and external receipts and payment of the Board. Finance Department has three divisions such as: (i) Finance (ii) Accounts and (iii) Audit, having different duties.

The Finance division should prepare the budget proposal for every year showing estimated receipts and expenditure for the Board and forward the same to the Central Government. It should maintain information on Five Year Plan allocations and Annual Plan allocations for various schemes and projects. Keeping data pertaining to expenditure for various schemes being implemented by different departments, budget proposals presented by them to the Board and Government and approvals received on them, also form part of their activities.

The Accounts division should prepare proper accounts and Income and Expenditure Statement and Balance Sheet in the prescribed forms in consultation with Comptroller and Auditor General.

The Audit division is responsible for the internal audit of the organization. More important, it should make arrangements for getting the books and records of the Board audited by the Comptroller and Auditor General of India. The division should submit audited copy of accounts together with audit report to the Central Government. Preparing an annual report giving full details of the Board’s activities at the conclusion of every financial year and presenting a copy to the Central Government constitute part of the functions of this division.
The Director of Finance is assisted by Joint Director, Deputy Director and Assistant Directors and other lower grade staff.

3.9.5 Administrative Department

The functions of the Administrative Department comprise administration, planning and control. This department is put in charge of Secretary who must have Associate Company Secretaryship (ACS) or Degree in Personnel Management/Human Resource Development/Law.

The Secretary is the person responsible to convene the Board and committee meetings. He has to maintain the address of all the members of the Board and keep them updated. He should reply to all the queries from the Government as well as general public. The Secretary has to plan and co-ordinate the work arrangement of all the departments. He is also in charge of the various welfare measures implemented for the labourers of spices plantations.

Administrative Department operates a Trade Information Service Division for the benefit of domestic traders and exporters. It collects state and district wise area and production of various spices as well as world area and world production. It also obtains data from international agencies such as FAO, ITC, and IPC and from national agencies like Department of Economics and Statistics, State Agriculture Departments, etc. on prices, demand, supply, export and import and disseminates them to traders and exporters.
Research Department is headed by the Director Research and is assisted by Joint Directors, Deputy Directors, Trade Information Officers and supporting staff.

3.10 Decentralization of the Board

India is a vast country and spices cultivation is spread far and wide across the nation. Location of the Board at one place causes difficulties for cultivators, traders and exporters scattered throughout the country to have easy access to it. In order to mitigate this difficulty, the Board has been striving for decentralization right from its commencement. Over the period of its existence, with this end in mind, it has organized several Regional, Zonal, Field Offices and Marketing Offices at different parts of India. A description of their activities is shown below:-

3.10.1 Regional Offices

The number of Regional Offices set up by the Board as on 31-3-2010 comes to seven. The Board has allotted them their areas of jurisdiction as well as responsibilities. These regional offices are at:- (a) Nedumkandam for Kerala and Tamil Nadu (b) Saklespur for Karnataka, (c) Gangtok for Sikkim (d) Guwahati for North Eastern Region, (e) Ahmedabad for Gujarat, (f) Guntur and (g) Warangal for Andhra Pradesh.

The officers in charge of Regional offices perform the activities of the Board coming under the area of their jurisdiction and are responsible for meeting the objectives and targets laid down for the concerned areas. They have to monitor and supervise the functioning of Zonal offices. Regional officers are allowed to sanction
an amount not exceeding ₹15,000/- at a time (single payment) for the disbursement of its schemes. Applications received for amounts in excess of ₹15,000/- are to be forwarded to the head office for approval.

3.10.2 Zonal Offices

A total of 16 zonal offices have been established under the various Regional offices of the Board. Each zonal office is in charge of an official designated as Assistant Director.

The Assistant Directors have to supervise and monitor the work of field offices under their purview. They should examine the implementation of the developmental programmes by the field offices which deal directly with the target group. The Assistant Directors should permit or forward the application forms of various schemes received from the field offices to the regional office for their final approval. Zonal officers have been given power to sanction schemes amounting up to ₹5,000/- at a time (single payment) to its applicants. Applications for schemes exceeding this limit have to be forwarded to head office.

3.10.3 Field Offices

With the object of having direct contact with farmers, the Board maintains Field Offices at important spices producing centers in the country and their number as on 31.3.2008 stands at thirty one. The Senior Field officers and Field officers are in charge of these Offices. These offices are located mainly in the states of Kerala,
Karnataka, Tamil Nadu, and North Eastern States. The field offices function under the control of various Zonal Offices of the Board.

All the developmental and extension programmes to the cultivators are routed through the field offices. The Senior Field Officers and their subordinates have to interact directly with the growers of spices for this purpose. Applications in the prescribed format collected from the beneficiaries under various schemes are to be verified by the Field officers. Physical verifications are also to be done wherever required and based on this verification decisions are taken for assistance. The right to grant final approval rests with the head office. The Spices Board gives two to three months training to the field officers in their area of activities. They should visit spices cultivating areas and give proper guidance to the farmers regarding modern cultivation practices and new schemes introduced by the Board from time to time. Field officers are given financial powers up to ₹ 500/- at a time (single payment) regarding scheme allocation.

3.10.4 Marketing Offices

In order to foster internal and external market, the Marketing Department of the Board has set up thirteen marketing offices at important centres of the country. These offices function at Bodinayakanur, Chennai, Tuticorn, Bangalore, Secunderabad, Mumbai, Ahmedabad, New Delhi, Kolkatta, Gangtok, Guwahati, Chindwara and Güntur. Each Marketing Office is under the charge of a Deputy Director.
Through the Marketing offices, the Board is expected to supply necessary information pertaining to internal and external markets to the producers and traders. Exporters are to be given updated information on the opportunities emerging in different markets, new uses and application in food and non-food sectors by conducting market surveys. Marketing activities also include the regulation of domestic marketing of cardamom through auction system. The marketing offices at various centers help the traders and exporters in the matter of registration and getting certificates for the same without approaching the head office. In addition, Marketing Offices facilitate the producers, traders and exporters to avail the market promotional programmes at their location.

3.11 Infrastructure Expansion

In the course of working of the Board, it has been trying for adding additional divisions or centre and taking up newer activities. Following is a study made of such divisions and activities:-

3.11.1 Research Centres

Indian Cardamom Research Institute (ICRI) was established by the erstwhile Cardamom Board in 1978 at Myladumpara in Kerala and is now under the control of the Board. The institute organized three more research stations, one at Hassan district of Karnataka, another in Dindigal of Tamil Nadu and the third at Gangtok in Sikkim. The first two were set up in the year 1980 and the last in 1987. Research stations in Hassan and Dindigal concentrate on location specific research for small
cardamom growing areas while the station at Gangtok initiates research effort in large cardamom in the areas of Sikkim and Darjeeling district of West Bengal.

The Research Station at Myladumpara in Kerala has grown into a major one with the setting up of separate divisions for Crop Improvement, Biotechnology and Post Harvest Technology.

Crop Improvement Division concentrates on fundamental research and development of cardamom by providing information to planters regarding quality planting materials, pest management and disease management. In respect of pepper and other spices, it conducts adaptive research. Adaptive research means secondary research done on trial basis for a specific purpose. Evaluation of released varieties of pepper, pepper tissue culture plantlets vs. vegetable cutting evaluation etc. constitute examples of adaptive research.

Biotechnology Division is occupied with research on development of hybrid varieties of spices, effect of bio-fertilizers and bio-chemical parameters on spices, etc. This division is also concerned with evolving appropriate methods to control diseases, identification and control of pests, developing production strategies for high value oils and other items from spices.

Post Harvest Technology Division operates by giving advice like harvesting at correct maturity stage without physical damage and proper washing, drying, cleaning, grading and packing of the harvested crop.
3.11.2 Quality Evaluation Laboratory (1989)

In the year 1989 the Board made another organizational expansion by starting Quality Evaluation Laboratory at its head office with the intention of facilitating quality checking of the spices. The Laboratory offers analytical services to exporters, traders, farmers and research organizations in spices and spice products. It also undertakes analysis of consignment sample under the mandatory inspection of the Board. The Laboratory is under the charge of a Senior Scientist who is accountable to the Chairman of the Board.

3.11.3 Biotechnology Laboratory (2005)

Biotechnology wing functioning at the head office as a part of Crop Management Division of the ICRI was upgraded as the biotechnology laboratory in 2005. It undertakes research programmes as well as large scale tissue culture plant production. Research activities of small and large cardamom, development of protocols through tissue culture route for rapid multiplication of planting material, development of organic and eco-friendly farming with the use of bio-agents, etc. are being carried out in this laboratory.

3.11.4 Spices Parks (2008)

To empower the growers of spices and ensure better price realization, the Board has established a Spices Park at Chinaware, Madhya Pradesh in the year 2008. The Board formed another Park at Puttady, Idukki district in 2011. Spices Parks are primarily intended to benefit the growing community through quality improvement, grading, packing, warehousing, etc. for value addition. Exporters can
also set up their unit in the Parks for processing spices under the terms and conditions of the Board.

3.12 Activity wise expansion

There have been attempts by the Spices Board to expand its areas of activities as well as to modernize them in tune with the changing times. Training on GAP, World Spice Congress, e-marketing, e-auction, setting up of web-sites, office mechanization, etc. are examples for these efforts.


It is a residential training Programme of Spices Board for a three month duration on good agriculture practices for quality spices production to unemployed youths of India. The Programme imparts training on integrated pest management, post harvest handling of spices, organic cultivation, organic certification requirements, etc. It is designed for youths who are interested in taking up agriculture as profession in rural areas aimed at ecologically sound and sustainable spices production. The training covers all major export oriented spices such as pepper, cardamom, chilli, turmeric, seed spices, etc. A stipend of ₹1250/- per month during the period of training will be given to the trainer to meet expenses on travel, food and accommodation. There are also chances of such trained persons getting employment in nursery production, bio-agent production, consultancy services, etc.

The World Spices Congress, which originated in the year 1989, is an international forum for the world spice trade for constant interaction and better understanding. It is a biennial event organized jointly by Spices Board and the All India Spices Exporters Forum, Kochi. The endeavour of this event is to promote Indian spices all over India and the world by ensuring the participation of hundreds of Indian and foreign delegates including policy makers, regulators, exporters, extractors, processors, importers and many others interested in world spice trade and industry. The Congress holds discussion on major issues affecting global spice trade under three main heads; Markets, Products and Quality. The impact of various trade agreements like GATT, ASEAN is also a matter of discussion in the World Spice Congress.

On the occasion of the Congress, the Board conducts exhibitions displaying the wide range of spices and spice products of India. Besides, scientific and technological advances of spices industry are also exhibited in detail.


The Spices Board launched direct e-marketing of pepper, cardamom and vanilla under the brand name ‘Flavourit’. Direct e-marketing has been a new step of the Board to promote marketing of spices and spices products. It is intended to popularize the products in the domestic and international markets and to ensure better price to the growers for their good quality cardamom, pepper and vanilla.

As the part of market development of spices, the Spices Board had introduced e-auction of cardamom in Bodinayakanur in Theni district, Tamil Nadu in August 2007 with forty buyer terminals. The second e-auction centre was established in Vadanmedu, Idukki district, Kerala in December, 2007 with sixty terminals. In 2011 it is shifted to Spices Park at Puttady in Kerala. The e-auction had replaced the traditional uproar auctions of cardamom in Kerala and Tamil Nadu. Under e-auction, licensed dealers are provided with a user id and password. The dealers have to log in to the system to participate in an auction. A bid is made with key expressions using a normal computer keyboard. Highest bidder’s is displayed only on the Auction Masters’ terminal. The e-auction system has brought transparency in the auction process.

3.12.5 WebSite (1996)

The Board has started a website under the web address ‘www.indianspices.com’ in the year 1996. By signing in to this site public would understand about the operations of the Board from time to time. In 1998, it has opened another web site named as ‘www.worldspicecongress.com’. It throws light on the functioning of the world Spices Congress. Again for the internal use of the Board, it has created an intranet named as ‘www.spicesboard.in’ in the year 2008. In this site the spices news are also published.
3.12.6 Office Mechanization (1995)

As the part of modern administration, the Board has formed a full-fledged Electronic Data Processing Department in the year 1995. This department helps to provide Information Technology and Electronic Data Processing support for Board’s computerization plans and activities. In this venture, the department has developed software packages and implemented them for computerizing the important areas of the Board like trade information services, registration and licensing, electronic auction of small cardamom, pre-shipment sampling, analysis of data of Quality Evaluation Laboratory, financial accounting and pay roll preparation and for the calculation of interest for interest bearing loans.

3.12.6 Farmers’ Cell

A farmers’ cell functions at research station, Myladumpara. It serves as information cum reception cell for spices growers who visit the institute seeking various advisory services pertaining to problems relating to the spice crops. It also provides information to the visitor about the institute, its functions and services etc. Farmers’ cell prepares a data base of farmers who visit ICRI for technical guidance and support.

3.13 Conclusion

The Spices Board of India has been set up in 1987 by the merger of Cardamom Board and Export Promotion Council. Its functions comprise all round development of cardamom, post harvest improvement of spices and export promotion. For spices other than cardamom, it undertakes adaptive research,
training of farmers on scientific methods of cultivation, conducting planters’ meet, spreading organic farming, organizing policy makers’ seminar, etc. The Board has decentralized its operations by establishing Regional Offices, Zonal Offices and Field Offices. In the course of its working, it expanded both infrastructure and activity wise by opening more centres and divisions as well as undertaking new functions. Steps are also being taken to modernize its office work and activities in tune with changing times. The study shows that the Board has grown into a major organization with plenty of activities and powers to deal with the problems of spices sector and to put it on a strong footing.
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