

GOVERNMENT OF INDIA
MINISTRY OF DEVELOPMENT OF NORTH EASTERN REGION

**3RD SECTORAL SUMMIT OF NEC TO REVIEW COMMODITY BOARDS AND
APEDA, INLAND WATER TRANSPORT, FLOOD & EROSION CONTROL AND
IRRIGATION SECTOR PROGRAMMES IN THE NORTH EASTERN REGION HELD
AT GUWAHATI ON 09-11 MARCH 2007.**

COMMODITY BOARDS & APEDA:

INTRODUCTION – ISSUES – CONCLUSIONS

INTRODUCTION

The North Eastern Council (NEC) at its 53rd meeting held at New Delhi on 15-16 November, 2006 decided that as a Regional Planning Body for the NER, sector specific meetings be organized every month by rotation in the eight North Eastern States to review Central Sector/Centrally Sponsored Schemes (CSS) being implemented by Central Ministries in the region. A schedule of the first 16 meetings was drawn up which is hosted on the Ministry of DONER's website <http://www.mdoner.gov.in>.

2. Hon'ble Minister, DONER/Chairman, NEC chaired the **1st Sectoral Summit** at Pasighat, Arunachal Pradesh on 16-17 January, 2007. Power Sector programmes were reviewed after two days of deliberation, the **Pasighat Proclamation on Power** and the issues and conclusions arrived at the meeting were drafted and circulated. Both these documents are hosted on the Ministry of DONER's website <http://www.mdoner.gov.in> and have also been circulated amongst all concerned.

3. Hon'ble Minister, DONER/Chairman, NEC chaired the **2nd Sectoral Summit** at Shillong, Meghalaya on 08-09 February, 2007. Road Sector programmes were reviewed. The **Shillong Statement on Roads & Highways** and other documents listed the issues and conclusions arrived at after the two days deliberation were

finalized and circulated amongst all concerned. The documents are also hosted on the Ministry of DONER's website <http://www.mdoner.gov.in>.

4. The **3rd Sectoral Summit** of the NEC was held at **Guwahati on 09-11 March, 2007**. The following sectors were taken up for review:

- 1) Commodity Boards and APEDA, Ministry of Commerce.
- 2) Inland Water Transport, Ministry of Shipping, Road Transport and Highways.
- 3) Flood & Erosion Control and Irrigation, Ministry of Water Resources.

List of participants is annexed.

Issues and conclusions arrived at after discussions in respect of the Commodity Boards (Tea, Rubber, Spices and Coffee) and APEDA are enumerated below:

Commodity Boards and APEDA

(a) TEA BOARD

ISSUES:

- (i) The North Eastern Region (NER) accounts for 55% of the area under tea and 53% of total production. Assam and Tripura are the major tea growing States – 2.8 lakh ha – 455 mkg production – about 6.2 lakh people employed – 535 registered tea estate factories – 205 bought leaf factories – nearly 20% output from small tea growers.
- (ii) Over 40,000 small tea growers in Assam – only 2927 growers registered with Tea Board – most growers do not possess proper land documents and hence not eligible for financial assistance from Tea Board, Banks, etc.
- (iii) Community ownership of land in States Assam and Tripura leads to difficulty in determination of ownership and in creation of security for obtaining credit.

- (iv) In respect of Arunachal Pradesh, MOEF have stipulated that prior clearance be obtained before taking up tea cultivation. – this has hampered many growers.
- (v) Limited availability of skilled manpower, especially in the hill States like Meghalaya, Mizoram, Arunachal Pradesh and Nagaland, also impacts on production.
- (vi) Small tea growers do not get remunerative prices for green tea leaf.
- (vii) Assam tea has distinctive quality – Tea Board has introduced a logo for Assam tea and initiative steps to registered orthodox tea as a GI.
- (viii) Scope for export of specialty tea including organic, high-grown, produced by small growers in hilly non-traditional regions.
- (ix) Guwahati Tea Auction Centre biggest in India – in 2005, 143 kgs of tea (Rs.865 crores) handled by this Centre – this constitutes 30% of total tea produced in NER.
- (x) Tea Board development programmes include assistance for replanting/rejuvenation of old and uneconomical sections, assistance to small growers, modernization of tea factories and creation of facilities of dual manufacture of tea, marketing of Assam logo, research grant to TRA, training through Indian Institute of Plantation Management (IIPM), NPC, etc.
- (xi) Tea Board has special development programmes for small tea growers which includes training programmes, setting-up of nurseries, providing advisory services, arranging study towards, financing SHGs – there is a proposal to set-up a separate small grower development wing within Tea Board.
- (xii) There are 39 sick/closed tea gardens due to poor price realizations and inability to take-up rejuvenation of old tea gardens.
- (xiii) While all other agricultural products are entitled to Central transport subsidy, this subsidy is not available for tea under NEIP, 1997.
- (xiv) Land ownership is a problem especially in Assam where small tea growers have not been issued pattas.
- (xv) Replantation/rejuvenation holds the key to long term competitiveness of Indian tea.
- (xvi) Department of Commerce have established Special Purpose Tea Fund (SPTF) on 17 January, 2007 – with assistance from this fund 1 lakh ha

proposed to be renovated in the NER over the next 15 years with investment of about Rs.2,500 crore.

- (xvii) Productivity in NER is low compare to countries like Kenya where productivity is as high as 25 tonnes/ha.

CONCLUSIONS:

- i) Tea Board to introduce incentives for orthodox tea planting and set-up Village Resource Centers to assist small tea growers during 11th Plan. More mini factories be set up.
- ii) Tea Board to announce a separate logo and GI for Assam Orthodox Tea within three months.
- iii) Assam Government to issue "possession certificates" to all small tea growers within one month to enable them to register with Tea Board.
- iv) Indian Institute of Plantation Management be set up at Jorhat by June, 2007 with mandate to undertake training programmes.
- v) Transport subsidy for tea exported directly from ICD, Amingaon, Assam @ Rs.1.50 per kg to be introduced.
- vi) Tea Board to support promotional activities in association with the industry.
- vii) Tea Board to streamline electronic auction system for online trading of tea.
- viii) Tea Board to support Tea Research Association (TRA) and Tea Research Foundation (TRF).
- ix) Tea Board to support labour welfare measures including capital grants for extension of school buildings and construction of hostels, medical facilities and purchase of equipment, sports activities, sanitation and drinking water for tea garden labour.
- x) Tea Board to support diversification/multi-cropping and intensify marketing support.

(b) RUBBER BOARD

ISSUES

- (i) Rubber plant is native of Brazil and was introduced in India in 1873 – it has 6-7 years gestation period and economic life of about 25 years – natural rubber is raw material for about 35,000 products in India.
- (ii) India ranks 2nd in productivity (1727 kg/ha/annum), 4th in production (7,72,000 tonnes) and consumption (7,89,000 tonnes) and 5th in area (5,97,000 ha) under rubber cultivation.
- (iii) In India, rubber is traditionally grown in Kerala, Kanyakumari, NEER (mostly in Tripura and Assam), Karnataka and Tamil Nadu – 58,432 ha (comprising 9.8% of the total) area in NEER under rubber cultivation.
- (iv) Rubber plantations provide gainful self employment and sustainable livelihoods besides ecological benefits including carbon sequestration.
- (v) Rubber plantations are a success story in Tripura which is now the 2nd largest rubber growing State with 33.7% of the potential area under rubber – rubber is identified as a priority crop for rehabilitation project in Tripura – Govt. of Tripura and Rubber Board jointly work on block plantation projects – around 2750 tribal families settled through block planting in around 3100 ha – Tripura Rehabilitation and Plantation Corporation constituted to take up rubber paste resettlement of tribal people – Tripura Forest Development Plantation Corporation have taken up commercial planting of rubber – TTAADC also involved in tribal settlement through rubber planting – Government of Tripura has contributed 40% of the cost of Community Processing Centres and established a Rubber Park with common facilities for rubber based industrial units.
- (vi) Against a potential of 4.5 lakh ha in the NEER, the present rubber plantation area covers only 13%. This is due to various factors including lack of technical assistance, shortage of manpower, insufficient supply of planting material, law and order problems etc.
- (vii) Rubber Board currently has two zonal offices, eight regional offices, one residential training centre, four regional research stations, one rubber research and training centre in the NEER.

- (viii) Carbon Sequestration offers major opportunity – Rubber Board is collaborating with TERI.
- (ix) Rubber Board has identified potential rubber growing areas in other NE States also.
- (x) It was recognized that rubber plantation holds tremendous potential for providing employment and sustainable livelihoods - need for intensive extension work to convert NER into a mini-Kottayam.

CONCLUSIONS:

- (i) Rubber should be the major thrust area during the 11th Plan, with active collaboration among the stake-holders – Department of Commerce, Rubber Board, Ministry of DONER/NEC and the North Eastern States.
- (ii) Rubber Board to fund for area expansion and rejuvenation of sick plantations and introduce technology for increasing productivity.
- (iii) Rubber Board to address locations specific agro-management and processing problems.
- (iv) Rubber Board to upgrade quality at primary process level for better price to farmers and support formation and empowerment of farmer groups.
- (v) Rubber Board to maintain and support nurseries by Gram Panchayats and SHGs.
- (vi) Department of Commerce to strengthen all Commodity Boards including Rubber Board to enable intensification of their activities in the NER.
- (vii) States to earmark and allot land for rubber plantations and emulate the Tripura model. State Governments to designate department and officer as nodal agency in the respective States for coordination with the Rubber Board.
- (viii) A Task Force chaired by Shri P.P. Shrivastav, Member, NEC with representatives from the Rubber Board, DONER/NEC and Department of Commerce and the NE States as members be constituted to prepare a detailed Action Plan for taking up Rubber Plantation in the identified areas of the NE States. Dr. Binay Singh, Adviser (Agriculture), NEC shall be the convenor. The Task Force should examine existing Central programmes, identify gaps and recommend specific measures for promoting rubber plantations in the NER. The Tripura model of rubber cultivation to be considered by the Task Force. Report to be submitted by 15.4.2007 to the Chairman, NEC.

(c) SPICES BOARD

ISSUES:

- (i) The NER's climatic conditions offer vast scope for promoting production of spices, particularly high value organic spices.
- (ii) Spices (lakadong turmeric, bird eye chilli, ginger) grown in the NER have high-intrinsic value and hold vast industrial and pharmaceutical potential.
- (iii) Hill areas of Sikkim, Nagaland, Meghalaya, Mizoram, Manipur and Arunachal Pradesh hold high potential for large cardamom, organic ginger, turmeric and chillies.
- (iv) ITC has shown its willingness to work in association with Sikkim, Meghalaya and Nagaland and the Spices Board for cultivation, processing and export of Cardamom, Ginger, Turmeric and Naga Chilli.
- (v) Tata tea is investing in cultivation of black pepper and marketing on ginger and other spices.
- (vi) Spices Board pays the cost for obtaining organic certification by the growers and has recognized 12 agencies for this purpose.
- (vii) Spices Board needs to strengthen its presence in NER and assist the States and growers for improving productivity and marketing the produce.
- (viii) Current investments by the Spices Board in the NER are inadequate – Rs.17 crore proposed to be invested during the XI Plan.
- (ix) Low productivity also affects spice production in the NER.

CONCLUSIONS:

- (i) Spices Board to be strengthened and to intensify its activities in the NER to promote spices production and productivity particularly that of organic spices. Investments by Spices Board to be increased commensurate with the proposed intensified programmes in the Region.
- (ii) The tripartite agreement between ITC, State Governments and the Spices Board be signed during the 3rd N.E. Business Summit being organized jointly by M/o DONER and ICC, Kolkata at New Delhi from 10-11 April 2007.

- (iii) An MOU has been signed between Cochin University of Science and Technology (CUSAT) and the Spices Board for research on spices. Dr. C.S. Paulose of CUSAT be invited to the 3rd N.E. Business Summit.

(d) COFFEE BOARD

ISSUES:

- (i) Coffee Board carried a comprehensive survey in 1970's for coffee development in NER – over 40,00 ha in about 300 villages and 39 districts in 7 States was identified – coffee plant in programme undertaken with finance support with NABARD.
- (ii) 5473.54 ha under coffee cultivation out of which 2640.52 ha has reached bearing stage – maximum plantation area is in Nagaland (2129 ha) followed by Mizoram (933.8 ha), Meghalaya (866.20 ha) and Assam (754.39 ha).
- (iii) Coffee holdings are small and scattered. Of 1453 holdings, 1452 holdings are below 10 ha each in Nagaland; similarly out of 1510 holdings in Mizoram, 1507 are below 10 ha.
- (iv) Coffee has long gestation period which involves sustained investments and efforts. But the long gestation period acts as a deterrent to small growers.
- (v) Lack of post harvest and inadequate marketing facilities have been a hindrance to the growth of Coffee in the NER.
- (vi) Coffee Board has been implementing the Special Area Programme (SAP) in the NER since IX Plan – objective is to promote coffee cultivation in tribal tracts, wean away local community from jhum cultivation, generate self employment, increase production and productivity, expand/consolidate area under coffee cultivation and help afforestation through shade trees to maintain ecological balance.
- (vii) Under SAP, Coffee Board extends subsidy @ Rs.15,000 per ha for coffee expansion/consolidation, market support @ Rs.10 per kg, supplies seed material, training technological inputs and supports establishment of SHGs as part of community approach.

- (viii) Under SAP, Coffee Board has assisted expansion of coffee plantations in 3198 ha and coffee consolidation in 690 ha during X Plan in the NER.
- (ix) About 2,200 ha was under coffee cultivation at the end of IX Plan and around 3,200 ha has been brought under fresh planting during X Plan in the NER.
- (x) Production in 2005-06 was around 250 MTs comprising 175 MTs of Arabica and 75 MTs of Robusta – present productivity levels are very low (<100 kg/ha).

CONCLUSIONS:

- (i) Coffee Board to facilitate consolidation of holdings in NER and also provide financial support for expansion and quality up-gradation. Inter cropping in the coffee plantation also to be promoted.
- (ii) States to cooperate with Coffee Board for raising coffee plantations in clusters particularly in the States of Nagaland and Mizoram which hold maximum potential.
- (iii) Coffee Board to provide technical support and build capacity of coffee growers and State Govt. staff for improving production and productivity and facilitate marketing – Village Development Boards in Nagaland and credible NGOs like YMA in Mizoram be mobilised for community participation. NERAMAC to be involved for collection and transportation of produce to a central location for processing and marketing.
- (iv) Coffee Board to promote mixed cropping and provide infrastructure support for processing of the produce – presently there is only one coffee processing unit at Bualpuui in Mizoram.
- (v) Coffee Board to focus on promoting coffee cultivation in agro-climatically suitable areas of the NER.

(e) **APEDA**

ISSUES

- (i) Besides facilitating marketing of agriculture and processed foods, APEDA provides assistance for infrastructural facilities, training of farmers and transport subsidy. Due to lack of awareness and infrastructure in all NE States there is inadequate response to the APEDA initiatives.
- (ii) Cold storage facilities either do not exist or those that do are extremely inadequate. Similar is the position in respect of marketing arrangements.
- (iii) Out of APEDA's total exports of Rs.70,000 crore per annum (including Rs.12,000 crore per annum of basmati rice), NER's share is Rs.4.8 crore only.
- (iv) It was observed that a large proportion of exports from the NE States is through the informal route to the neighbouring countries, namely, Bangladesh. This is not reflected in APEDA's export figures.
- (v) It was also observed that traders buy up and transport produce outside the NER before exporting. As a consequence, there are no subsidy claims under APEDA's Transport Subsidy Scheme and the producers do not benefit.
- (vi) APEDA's primary responsibility is to set up cold storage facilities at five airports, viz., Guwahati, Aizawl, Imphal, Dimapur and Agartala. The need for cold chain facilities in coordination with cargo companies was emphasized.

CONCLUSION:

- (i) APEDA to operationalise four Agriculture Export Zones (AEZs) in Tripura (1) for Pineapples, Sikkim (2) for Ginger, Orchids and Cherry Pepper and in Assam (1) for Fresh & Processed Ginger by 12/ 2007.
- (ii) APEDA to submit a report to the Department of Commerce on the status of Cold Storages at the Guwahati, Aizawl, Imphal, Dimapur, Agartala and Bagdogra Airports with time lines for their completion.
- (iii) APEDA to expedite conclusions of negotiation with cargo companies to provide complete cold chains in the NER.
- (iv) APEDA to coordinate consultations with CONCOR and NERAMAC to work-out the logistics for a complete cold chain from the field to the point of export.

- (v) State Governments to designate nodal departments/officers for interaction with APEDA.

GENERAL CONCLUSIONS:

- (i) Rubber plantations were identified as the top priority thrust sector among the Commodity Boards followed by the Spices Board and APEDA.
- (ii) It was recognized that considerable work has already been initiated by the Tea Board. This may be carried forward.
- (iii) Coffee Board will pay focused attention for development of coffee plantations in Nagaland and Mizoram through clusters.
- (iv) State Governments to assist the Commodity Boards and APEDA in matters relating to land acquisition, organization of farmers, awareness programmes and identification of clusters, etc.
- (v) APEDA to ensure operationalisation of the five AEZs within 01 December, 2007.
- (vi) All for Commodity Boards and APEDA to be invited to the North East Business Summit (New Delhi: 10-11 April, 2007).

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