

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 373
TO BE ANSWERED ON 18th DECEMBER, 2017

IMPORT OF CHEAP QUALITY PEPPER

373. SHRI PINAKI MISRA:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- whether the prices of superior quality pepper have fallen due to increase in its production and if so, the details thereof;
- whether it is a fact that the cheap and low quality Vietnamese pepper is finding its way into India through Sri Lanka under the South Asia Free Trade Area Agreement which is severely impacting the pepper growers in the South Indian States, particularly Kerala and Karnataka; and
- if so, the measures proposed to be taken by the Government to stop the unethical inflow of inferior quality of pepper of Vietnam through Sri Lanka so that the prices of pepper get stabilized and its growers are protected?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

(a): The domestic prices of pepper have fallen primarily due to decline in international prices owing to higher production and supply of pepper in the international market and also due to import of cheap pepper from other origins into India. The production and average domestic prices of pepper during the last two years and in the current year are given below:

Year	Production (Tons)	Average Domestic Price (Rs. per kg)
2015-16	48500	655.22
2016-17	57000	694.77
2017-18(April- November)	64000	499.73

(b): Representations have been received from traders/growers associations of pepper in the country including the States of Kerala and Karnataka regarding alleged import of low quality pepper into India from Vietnam through Sri Lanka. Since most of the pepper producing countries are in the Association of Southeast Asian Nations (ASEAN) region, the stakeholders have raised apprehensions of routing the pepper produced in ASEAN countries including Vietnam, to India

through Sri Lanka, by utilizing the provisions of India Sri Lanka Free Trade Agreement (ISLFTA) and Agreement on South Asian Free Trade Area (SAFTA).

(c): In order to stop the possibility of inferior quality pepper of other countries entering into India through Sri Lanka to take duty advantage and to stabilize the domestic prices of pepper, Government has fixed the CIF value of Rs.500/- per kg as Minimum Import Price for Black Pepper vide DGFT Notification dated 6/12/2017.

Sri Lankan Authorities have been requested to exercise extreme care and diligence in issuing the Certificates of Origin under ISLFTA and SAFTA. Government of Sri Lanka has informed that Sri Lanka Customs along with Ministry of Primary Industries and National Quarantine Service have introduced a new procedure with the aim of preventing Sri Lankan exporters from obtaining SAFTA or ISLFTA Certificates of Origin issued by the Department for third-country black pepper shipments destined to India.
