

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

LOK SABHA
UNSTARRED QUESTION NO. 2225
TO BE ANSWERED ON 24th DECEMBER, 2018

CASHEW INDUSTRY

2225. SHRI N.K. PREMACHANDRAN:

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

- (a) whether it has come to the notice of the Government that cashew industry in Kerala is in crisis and if so, the action taken by the Government to overcome the crisis;
- (b) whether it has come to the notice of the Government that the action initiated by the banks for recovery of loans make the issue critical;
- (c) if so, the action taken by the Government for revival and restructuring the loans of cashew industry;
- (d) whether the Government has initiated action for opening the cashew factories closed due to the crisis and if so, the details of action taken in this regard;
- (e) whether the Government proposes to formulate a scheme for providing raw cashew nuts to the industry at a reasonable price and if so, the details thereof; and
- (f) whether the Government proposes to establish a comprehensive project for the revival of cashew industry and if so, the details thereof?

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) Cashew Industry in India has seen a positive growth in the production of raw cashew nuts and export of cashew kernel. Production of Raw Cashew nut during 2017-18 has registered 4.83 % increase to 8,17,045 Metric Tons as compared to production of 7,79,335 Metric Tons during 2016-17 and 21.89% increase compared to the production of 6,70,300 Metric Tons during 2015-16 . Similarly, the export earnings from cashew and allied products during the year 2017-18 has reached at Rs.5903.60 crore (USD 916 million) registering a growth of 13.25% (in rupees terms) over the last year export of Rs.5,212.78 crores (US\$ 778 Million).

However, the Government has taken several steps to address the problems faced by some section in cashew industry

- Basic Custom Duty on import of raw cashew nut has been reduced from 5% to 2.5% w.e.f 01.02.2018 in the current budget session.

- Goods and Service Tax (GST) has been reduced to 5% from 12% for Cashew nuts.
- Under Mid Term Review of Foreign Trade Policy (FTP), Merchandise Export Incentive Scheme (MEIS) for cashew was increased to 5% (from 3%) for cashew kernel and 7% (from 5%) for cashew nut salted/roasted respectively.
- Revised Standard Inputs Output Norms (SION) norms for export of Cashew Kernel, from import of Raw Cashew Nut under Advance Authorisation Scheme, to 5.04 kg from 4 kg.
- Approved the Medium Term Framework (2017-2020) Scheme for Process Mechanization and Automation of Cashew Processing Units with financial outlay of Rs. 60 crore.

(b) & (c) For revival of stressed unit, timely restructuring of accounts can be done as per Banks Policy and RBI guidelines. To preserve the economic value of units, restructuring is done by modifying the terms & conditions of the loan on the basis of mutual agreement between the lenders & the borrowers. Hence, there is no action due on Government with regard to restructuring of loans.

(d) Closure of factories can be attributed to a variety of factors like increased wage cost, default in repayment of loans, lack of proper management, domestic & international demand-supply situation, etc. The Department of Commerce does not have any scheme for re-opening of closed industries.

(e) In order to make available the required raw cashewnuts for the industry, under Mission for Integrated Development of Horticulture (MIDH) and Rashtriya Krishi Vikash Yojana (RKVY), Ministry of Agriculture and Farmer's Welfare (MoAFW) has drawn up strategies to increase domestic production by massive area expansion of cashew and replacing of senile cashew plantations with high yielding varieties in traditional and non-traditional states. Some of the key initiatives are New plantation Development programme, replanting programme of cashew, technology dissemination and transfer of technology programme etc. Efforts made by the Government has produced significant growth in production of raw cashew nut as mentioned in para (a) above.

(f) The Government has no such proposal at present.
