

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

LOK SABHA
UNSTARRED QUESTION NO. 871
TO BE ANSWERED ON 26th JUNE, 2019

CASHEW INDUSTRY

871. SHRI N.K. PREMACHANDRAN:

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

- (a) whether the Government proposes to introduce a comprehensive scheme for the protection of cashew industry and if so, the details thereof along with the action taken by the Government in this regard;
- (b) whether the Government has taken note of the crisis in the cashew industry;
- (c) if so, the details thereof along with the steps taken/being taken by the Government for the protection of cashew industry;
- (d) the details of the action taken by the Government to ensure the supply of raw cashew nuts at a reasonable price;
- (e) whether it has come to the notice of the Government that cashew industries in the State of Kerala have been closed due to the non-availability of raw cashew nuts; and
- (f) if so, the details thereof and the action taken by the Government to ensure availability of sufficient quantity of raw cashew nuts to these industries?

ANWSER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a), (b) & (c) : It has come to the notice of the Government that due to supply situation of raw cashew nut in the international market, certain section of the cashew industry is having issues in operation. The Government has no proposal to introduce a comprehensive scheme for protection of cashew industry at present. Government has taken several steps to address the issues in cashew industry.

- Import policy for cashew kernel, broken (08013210) and cashew kernel, whole (08013220) has been revised from “free” to “prohibited” with the condition that “import is free if CIF value is above Rs.680/- per kg import of cashew kernel, broken (08013210)” and “import is free if CIF value is above Rs.720/- per kg import cashew kernel, whole (08013220)” vide DGFT notification dated 12.06.2019.

- Basic Custom Duty on import of raw cashew nut has been reduced from 5% to 2.5% w.e.f 01.02.2018.
- 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 from India Scheme (MEIS) for cashew was increased to 5% (from 3%) for cashew kernel and 7% (from 5%) for salted/roasted cashew, respectively.
- The Standard Inputs Output Norms (SION) was revised to 1 kg kernel from 5.04 kg of raw cashew nuts as against earlier norms of 1 kg from 4 kg of raw cashew nut for export of Cashew Kernel, from imported raw cashew nut under Advance Authorization Scheme.
- Approved Medium Term Framework (2017-2020) Scheme for Process Mechanization and Automation of Cashew Processing Units with financial outlay of Rs.60.00 crore. A sum of Rs.5.00 crore has been released to Cashew Export Promotion Council till March,2019 as grant-in-aid under MTF (2017-20).
- Duty free import of raw cashewnuts is allowed under Duty Free Tariff Preference (DFTP) Scheme from Least Developed Countries (LDCs).
- Extended financial assistance to Cashew Export Promotion Council of India (CEPCI) for organizing Buyer Seller Meet (BSM) and participation in International fair under Market Access Initiative (MAI) scheme, in order to tap new markets and Branding.

(d) & (f) Indian cashew industry is heavily dependent on the imported raw cashewnuts (about 50% of requirement) for fulfilling domestic and export demand for cashew kernels. Department of Agriculture, Cooperation and Farmer's Welfare (DAC&FW), under Mission for Integrated Development of Horticulture (MIDH) and Rashtriya Krishi Vikas Yojana (RKVY), 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. DAC&FW has approved the roadmap programme of **Directorate of Cashewnut & Cocoa Development (DCCD)** to extend the area of cashew cultivation by 1.20 lakh hectare. Production of raw cashew nut during 2017-18 has increased by 4.83 % 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 .

(e) No, Sir. The Government has no information regarding closure of cashew industry due to non-availability of raw cashew nut.
