

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2662**  
**TO BE ANSWERED ON 04<sup>th</sup> DECEMBER, 2019**

**IMPORT OF PEPPER**

2662. KUMARI SHOBHA KARANDLAJE:  
SHRI MAGUNTA SREENIVASULU REDDY :

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

- (a) whether the domestic black pepper market is witnessing lower prices and subdued demand as compared to last year and illegal imports is the reason behind it and if so, the facts thereof;
- (b) the details of the total production of black pepper in the country;
- (c) whether the import of pepper has increased during the last three years;
- (d) if so, the details of quantum and value of pepper imported during each of the last three years and the current year, country-wise;
- (e) whether the Government has imposed a Minimum Import Price (MIP) for pepper to protect the interests of domestic pepper growers and if so, the details thereof;
- (f) whether pepper is smuggled into India from Vietnam, Bangladesh, Nepal and Sri Lanka in the backdrop of country's exchequer loss on import duty;
- (g) if so, the action taken/proposed to be taken to stop unscrupulous and unchecked imports of low priced black pepper in the country; and
- (h) whether the Government is bound by ASEAN agreement to import pepper from member countries at cheaper rate?

**ANSWER**

वाणिज्य एवं उद्योग मंत्री ( श्री पीयूष गोयल )  
THE MINISTER OF COMMERCE AND INDUSTRY  
(SHRI PIYUSH GOYAL)

- (a) The price of domestic black pepper during the last three years has shown decreasing trend:-

Year	Average domestic price of pepper (MG1) at Cochin (Rs/Kg)
2016-17	694.77
2017-18	473.73
2018-19	378.21

Source: Spices Board India

It is assumed that the domestic price of black pepper has fallen primarily due to decline in international prices owing to higher production and supply of pepper in the international market and also due to increased import of pepper from other countries into India.

The domestic demand for black pepper has been increasing during the last three years. The details of domestic consumption of pepper during the last three years are given below:-

Domestic consumption of pepper in India	
Year	Domestic consumption(MT)
2017	55000
2018	56500
2019(Estimate)	57000

Source: International Pepper Community

(b) Details of the total production of black pepper in the country during the last three years are given below:-

Year	Area (hectare)	Production (tonnes)
2016-17	134,281	62,080
2017-18	139,487	71,488
2018-19	138,929	62,425

Source: Directorate of Arecanut and Spices Development, Calicut, Kerala

(c) & (d) Details of quantum and value of pepper imported during each of the last three years and in the current year, country wise, are given below:

Country	2016-17		2017-18		2018-19(P)		2019-20 (Apr-Aug)(EST)	
	Qty. (MT)	Value Rs.lakhs	Qty. (MT)	Value Rs.lakhs	Qty. (MT)	Value Rs.lakhs	Qty. (MT)	Value Rs.lakhs
Sri Lanka	4900	32830	13660	55169	7800	37986	2003	7842
Vietnam	9500	47785	10825	36757	10900	23653	6657	11129
Indonesia	5000	26000	2320	8141	4050	9761	1034	2350
Brazil	500	2950	1980	6558	1900	4978	956	1528
Others	365	2026	866	2458	300	1614	340	686
<b>Total</b>	<b>20265</b>	<b>111591</b>	<b>29650</b>	<b>109084</b>	<b>24950</b>	<b>77991</b>	<b>10990</b>	<b>23535</b>

(P) – Provisional, (Est) : Estimate

Source: DGCI&S Kolkata/DLI from Customs provided by the Spices Board India.

(e) In order to reduce the import of pepper and to stabilize the domestic price of pepper, Government had fixed the CIF value of Rs.500/- per kg. as the Minimum Import Price for black pepper vide Notification of Directorate General of Foreign Trade (DGFT) dated 6/12/2017. Subsequently, an amendment was brought in the Minimum Import Price (MIP) notification by making import of pepper at or above Rs.500/- per kg. free and import below Rs.500/- per kg prohibited vide DGFT Notification dated 21/3/2018.

(f) & (g) Some representations regarding smuggling of low priced black pepper from other origin to India through Nepal and Bangladesh border were received. In this regard, the field formation of Customs and Directorate of Revenue Intelligence have been alerted and made vigilant at the point of entry in the port to detect and prevent entry of inferior quality pepper, from other countries to India. Customs has booked several cases of attempted smuggling of pepper in the recent past.

Further, on the request of the Government of India, Sri Lanka Authorities have introduced a new procedure to prevent issue of Certificates of Origin for third-country black pepper shipments destined to India. Sri Lanka Authority has also provided access to Indian authorities to examine the scanned copies of Certificates of Origin issued for black pepper exports under ISFLTA and SAFTA and temporarily suspended import of spices including pepper to Sri Lanka through the Entrepot Trade and Commercial Hub Operations to prevent these spices being reshipped to India.

(h) Under ASEAN Agreement, import of pepper is allowed at 51% import duty (with effect from 1<sup>st</sup> January, 2019) against the normal duty of 70% for import from countries not covered under trade agreements.

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