

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

LOK SABHA
UNSTARRED QUESTION NO. 2235
TO BE ANSWERED ON 04th MARCH, 2020

CASHEW PROCESSING SECTOR

2235. SHRI KODIKUNNIL SURESH:

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

- (a) whether the Government is aware of the cashew processing sector experiencing a financial crisis in Kerala;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has proposed to provide a comprehensive relief package for helping the said employees, who are primarily women, in the cashew industry;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether the Government has monitored cashew factories that defaulted on their share of contribution to the Employees Social Securities; and
- (f) if so, the details thereof and if not, action taken by the Government in this regard?

ANSWER

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

(a) &(b): It has come to the notice of the Government that due to supply situation of raw cashew nuts in the international market, certain section of the cashew industry is facing some difficulties.

(c) & (d): The Government has taken several steps to address the issues affecting cashew industry, which will also help the employees working in the cashew industry:

- i. Import Policy for cashew kernels, both whole and broken, has been changed from 'free' to 'prohibited' vide notification dated 12th June 2019 and the imports are allowed only if the CIF value is more than Rs. 680/- per kg for broken and Rs. 720/- per Kg for whole cashew kernel.
- ii. Basic Custom Duty on import of raw cashew nut has been reduced from 5% to 2.5% w.e.f 01.02.2018.
- iii. Goods and Service Tax (GST) for Cashew nuts has been reduced from 12%to 5%.

- iv. In Mid Term Review of Foreign Trade Policy (FTP), the support under the 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.
- v. 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.
- vi. Approved Medium Term Framework (2017-2020) Scheme for Process Mechanization and Automation of Cashew Processing Units with financial outlay of Rs.60.00 crore.
- vii. Duty free import of raw cashewnuts is allowed under Duty Free Tariff Preference (DFTP) Scheme from Least Developed Countries (LDCs).
- viii. 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.

(e) & (f): Compliance position of the factories/ establishments, which are covered under the ESI Act, 1948, is monitored by the ESI Corporation and action is taken against the defaulter factories/ establishments, including cashew factories, as per provisions of the ESI Act, 1948. As per the information furnished by the Ministry of Labour & Employment, there are 131 non-compliant cashew factories in Kerala and defaulter action has been initiated in most of the cases.

Employees' Provident Fund Organisation monitors the defaulting establishments through 'Default Management' system on monthly basis. The Act provides for assessment of dues from defaulting establishments. In respect of 75 defaulting cashew establishments, inquiries have been concluded and an amount of Rs. 206.82 lakhs has been assessed in Kerala.
