

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

LOK SABHA
UNSTARRED QUESTION NO. 663
TO BE ANSWERED ON 05th FEBRUARY, 2020

CRISIS IN CASHEW INDUSTRY

663. SHRI N.K. PREMACHANDRAN:

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

- (a) whether Indian cashew industry is in crisis;
- (b) if so, the details of the actions taken for revival of cashew industry;
- (c) whether banks are attaching cashew industry on account of Non Performing Asset (NPA) issue and if so, the details of actions taken thereon;
- (d) whether the Government proposes to declare moratorium to the loans availed by the cashew industry and if so, the details thereof;
- (e) whether the Government proposes to give directions to banks to implement revival package and if so, the details of the actions taken thereon;
- (f) whether cashew workers have lost their employment due to the closing down of cashew industries; and
- (g) if so, the details of actions taken to protect the interest of workers?

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. The Government has taken several steps to address the issues affecting 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. 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.
- 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.

(c) to (e): As per the information received from the industry, the banks have been taking action to recover the outstanding loans from the cashew industry. The Cashew Export Promotion Council of India (CEPCI) have submitted a proposal requesting moratorium on the loans availed by the cashew exporters, restructuring of outstanding bank dues and additional funding. Department of Commerce has forwarded the proposal to the Department of Financial Services for their consideration.

(f) & (g): The Department of Commerce has not received any information of cashew workers having lost their employment due to the closing down of cashew industries.
