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Spices Board project comes up in Karbi Anglong



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Guwahati: Minister of state for commerce Jairam Ramesh on Sunday launched a new initiative of the Spices Board in Karbi Anglong district in the presence of Assam Chief Minister Tarun Gogoi.

This initiative intends to start the organic cultivation of turmeric (haldi), ginger (adrak) and chilli (mirchi) in the district on a large-scale and to promote its processing and export as well.

Two companies have been set up as producers' companies under Section 581 of the Companies Act, 1956 —Coinonya Farms Producers Company Limited for turmeric and Karbi Farms Producer Company Limited for ginger and chilli.

Producers' Companies is a new provision in the Companies Act which give primary producers' the flexibility to organize themselves as a normal company but on the basis of a one man-one vote principle which is the essence of a cooperative institution.

Producers' Company combines the economic advantage of a corporate entity with the social benefits of a cooperative. Section 581 was introduced into the Companies Act, 1956 in the year 2003.

The two companies are located in Paroli and Rongmanpi in the Hamren sub-division of Karbi Anglong district. Each company has a full-time chairman and managing director.

The Spices Board owns 49% of each company and its equity stake is Rs 1 crore in each company. Local tribal farmers, mostly small and marginal, traditionally practicing jhum cultivation own 51% in each company.

Land owned by these farmers have been transferred to these two companies as their contribution to equity. 600 farmers own 51% of Coinonya Farms Producer Company Limited and 400 farmers own 51% of Karbi Farms Producer Company Limited.

Each company will initially have a plantation area of 500 hectares which will be cultivated over a five year period, with 175 hectares being taken up in the first year itself.

MOUs are being signed with private companies for processing and marketing. The first such MOU has already been signed by Coinonya Farms with Arjuna Natural Extracts for extraction and marketing of turmeric products.

In his address, Jairam Ramesh highlighted the social and economic significance of the project. He reiterated his commitment to giving a special and vastly expanded Northeast focus to the Kochi-based Spices Board, particularly in the area of organic spices which command a premium in world markets and in which the northeastern states have a natural competitive advantage.

These include ginger where the Northeast already accounts for over 50% of the country's production, turmeric, chilli, black pepper, chilli and large cardamom.

He stressed the need for value-addition and the need for organizations like the producer companies established in Karbi Anglong so that the benefits of export growth flow

directly to tribal families.

He said that at present, the contribution of the Northeast to India's spice exports of about \$ 800 million (in 2006/07) is very small but there is great scope for increasing this contribution.

For this, the Union Ministry of Commerce is establishing cold storage facilities at Guwahati, Aizawl, Imphal, Agartala and Dimapur airports and has announced a subsidy scheme by which 90% of air freight to Kolkata airport and 50% of air freight to New Delhi and Mumbai airports from Northeast airports for all horticulture products destined for exports is subsidized by the Union government.

Ramesh expressed the hope that the Karbi Anglong initiative will be replicated in other parts of the northeast. He congratulated Donald Ingty, Commissioner of Customs in Kochi who spearheaded this project for the benefit of the community to which he belongs and who sought out the support of the Spices Board in this venture.

He appealed to the state government to improve road connectivity to and within Karbi Anglong district and also improve the supply of electricity for the processing units. He promised to take up the issue of improved telecom connectivity with BSNL soon



editor

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