

International Pepper Community 38th Annual Session

Quality Efforts of India

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Outline

1. Relevance of the Topic
2. Redefining Quality
3. Partners in Progress & Prosperity
4. Conclusions

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Spice trade is a commercial activity of ancient origin which involves the merchandising of spices and herbs. Civilizations of Asia were involved in spice trade from the ancient times, and the Greco-Roman world soon followed by trading along the Incense route and the Roman-India routes.....

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Today more than ever, spices are a topic of “hot” discussion across continents as consumption increases: Price, Supply-Demand equation, Risk Profiling, Trade Barriers (?), Consumer Safety.... the list gets longer

The only real voyage consists not in seeking new landscapes, but in having new eyes; in seeing the universe through the eyes of another, one hundred others-- in seeing the hundred universes that each of them sees.”

Marcel Proust (1871 - 1922)

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Facts: Spice Trade

- In 1987-88,
 - World trade in Spices at 360,000mts & Valued at US\$1billion
 - India's share 19.52% in volume & valued at \$230,000; Exports limited to <100 countries
- India was becoming known as a great source of spice raw material
- India realizes the potential of Spice Exports
 - *Spices Board of India is formed*

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Facts: Spice Trade

- World Trade today
 - Volume at 1.050 billion Metric Tons
 - Value at USD \$2.750 Billion
- India a significant player
 - Exports of 0.50million tons (47.9% of world trade)
 - Valued at USD\$1.174 billion (42.7% of world trade)
 - Share of processed, value added spices 60%
 - 54 Spices & Herbs, innumerable varieties of each
 - Domestic Consumption approx. 4.80million tons

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India Shining!

Spices	Year	Quantity (Tons)	ValueMin.US\$
Total Spices	1987-88	70,279	230.00
	2009-10	502,750	1173.75
Pepper	1987-88	41,011	185.00
	2009-10	19,750	66.27
Chilli	1987-88	6,122	6.43
	2009-10	204,000	272.67
Ginger	1987-88	2,628	3.77
	2009-10	5,500	9.87
Turmeric	1987-88	8,747	7.11
	2009-10	50,750	80.47
Seed Spices	1987-88	7293	7.57
	2009-10	145,300	208.04
Curry Powder	1987-88	2559	3.38
	2009-10	14,300	39.93
Spice Oils & Oleo.	1987-88	428	11.54
	2009-10	6,750	149.61
Others	1988-89	13759	34.23
	2009-10	34,225	52.25

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India Shining!

- Around 1,100 new outlets with an investment of US\$ 170 of are expected to be opened in the next 5 years
- The national policy aims at increasing the level of food processing from 2% to 10% by 2010 and to 25% by 2025

End user segments	Future growth rate YoY	
Food chains & restaurants	30 – 40%	> Organized food retail sector dominated by restaurants, fast food outlets, coffee joints are growing at a fast pace
Dairy	7 – 8%	> Production and consumption of milk and its derivatives traditionally high in the country and growing day by day
Poultry & processed meat	14 – 15%	> Booming retail sector is fuelling processed food market > Growing sector offered investment opportunities for foreign players in activities such as processing and retail distribution
Snack foods, ready-to-make foods	15-20% Organized 7-8% Unorganized	> Consumption level of savoury snacks is increasing 10 fold higher than last 5 years

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Did You Know?

- The agro-climatic conditions prevailing in India is suitable for the cultivation of a variety of spices
- Every state in India produces at least one spice
- Out of the 109 spices listed by ISO, India produce more than 60 Spices in different varieties
- India is the largest Producer, Consumer and Exporter of Spices

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We are poised to become the preferred source for food safe, processed, packed spices & culinary herbs, both in India and globally!

So who better to lead the quality efforts in spices than India?

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Spice Quality

Clean flavorsome Spices

Insects, Excreta, Foreign matter

Pathogens

Mycotoxin

Agro chemicals

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Spice Quality

Allergens

Farm to Fork Tracability

Quality to Food Safety

Agriculture to Science

Equipment capability ?

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From Indian perspective, the one important deliverable in this crusade for improvement in quality is to have a unified “food safe” quality that is at once exportable and consumed domestically as per standards set by CODEX

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Who decides How safe is “Safe”?

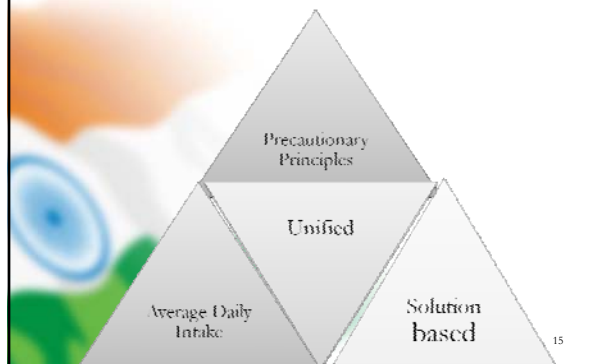
Legislators
• Political Correctness
• Scientific evidence

Marketers
• Retailers
• Consumers

Equipment manufacturers
• PPM, PPB, PPT
• LOD & LOQ

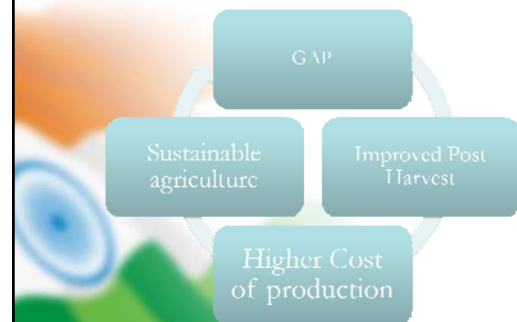
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So what is a safe level?



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Safe, Sustainable Spices



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Safe, Sustainable Spices



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All in the name of consumer safety!



Non- POAO regulation in the EU: 7 years after system is cleaned up, 25% tests for Dyes!

Product treated with scant respect for product safety
No Differentiations between origins! Aflatoxin tests on Nigerian Ginger shipped from India and not from Nigeria!

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All in the name of Food Safety!

- In the USA, Spice Risk Profiling
- Goods treated with respect, but no one answerable for the weeks & months of delay in releasing the consignment.
- Supply chain costs escalating, ultimately will be passed on to the consumer.

Trust but Verify! Need for Certification Programs and audit checks with high penalty for failures

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Partners in Progress & Prosperity

- It is a public private partnership for a Win-Win solution!
 - Food Safe Spices
 - Guaranteed sustainable spice trade
 - Adapting both to the producing & consuming countries environment
 - Reducing non-value adding costs in the supply chain
 - At affordable, fair and equitable prices all across the supply chain

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Partners in Progress & Prosperity

- Spices Board of India's "infra structure" building initiatives, including e-auction facilities
- Farmers & Industry working together on "backward integration" programs and traceability
- Customers & Spice Associations net working to ensure information flow both to importing countries and to their own legislators
- Industry linkages with universities & government research organizations for productivity improvements

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India Initiatives

- Increasing Production & Productivity
 - Replantation & Rejuvenation of Pepper and Cardamom
 - Research on development of improved seed varieties
 - Standardization of Appropriate Technologies Including Location Specific Varieties
 - Promotion of Organic farming
- Improving Post Harvest techniques
 - Spices Park with primary processing centers to assist farmers realize more revenue
 - Construction of Drying yards, ware houses and cold storage facilities

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India Initiatives

- Enhancing Processing capacity & capability
 - 38 processors with steam sterilization capability
- Assistance for High tech in Spice processing
 - Technology up gradation for value addition
 - Support for in-house labs & for certification on GMP
- Spice House Certification for processing facilities
- Establishments of Regional Laboratory facilities
 - Testing at farm level to assist buying decisions

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India Initiatives

- Information Dissemination
 - Integrated Pest Management techniques
 - GAP awareness creation Program
 - Food Safety package practices
- Central Quality evaluation Lab with ISO17025 and ISO14001:2004 accreditations
 - Participates in check sample program of ASTA, FEPAS /CSL, UK
 - Training for technical persons in the industry

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So what more needs to be done?

- Fast track bringing a convergence of export & domestic quality
 - Need for enforcement of FSSAI in totality
- Work together with Agricultural Ministry to educate farmers on GAP & clean spice concept
- Establish quality-price linkages at farm level
- Proactively take a role in clearing, controlling & monitoring the use of chemicals in our agrarian system
- Relentlessly crusade to bring in some uniformity of “safety levels” globally

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Conclusion

- From Indian perspective, the final deliverable in this crusade for improvement in quality is to have a “food safe” spice that is at once exportable and is consumed domestically as per standards set by CODEX
- The legislators must regulate but take a solution based approach to decide “how safe should SAFE be?”

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Conclusion

- The key lies in ensuring that the supply chain is short, transparent and rewards all stakeholders that perform value adding services
- Each of us are a member of the spice consuming fraternity and have responsibility to provide ourselves with clean safe spices.
- Last but not the least, Ethical Supplier Status and Fair Trade should not be mere labels and CSR differentiators. For sustained, safe spices availability, these should be our Mantra

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*Woods are Lovely Dark & Deep
I have promises to keep,
And miles to go before I Sleep
And miles to go before I sleep.*

100 years from now, we may be remembered as those exceptional and daring individuals who sowed the seeds of Partnership for Progress & Prosperity for safe, sustainable spices!

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*Quality Efforts of India
Nov 9, 2010*

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Namaste and Jai Hind!

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