



## WTO CELL NewsLetter

Volume (1) No:3

May - June 2006

### WTO AND INDIAN AGRICULTURE

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### "Patent Procedures" Training Inaugurated By Dr.S. Raghu Vardhan Reddy

The WTO CELL has organised a four days training programme on "Patent Procedures" from 12-06-2006 to 15-06-2006. While inaugurating the programme, the Hon'ble Vice-Chancellor of the University has focused on the importance of TRIPS agreement which provides encouragement to human creation and ability in the field of research and pointed out the need to be trained in aspects such as Patents Trademarks, Copyrights, Designs and Geographical Indications (GI) which are relevant to agriculture sector. He has congratulated the WTO Cell staff for taking initiative in this direction.

### About chillies in India and Andhra Pradesh

Chilli is grown as a spice crop in Andhra Pradesh, Maharashtra, Karnataka, Tamilnadu and Orissa states spread over 9.15 lakh hectares of area. India produces over 10.18 lakh tones of dried chillies every year. In India, chillies are grown in almost all states of the country and the major growing states in terms of production are Andhra Pradesh (49 per cent), Karnataka (15 per cent) Orissa (8 per cent), Maharashtra (6 per cent), West Bengal (5 per cent), Rajasthan (4 per cent) and Tamil Nadu (3 per cent). The average productivity in the country is around 1,112 kg/ha while in Korea and Indonesia the average yields range from 2-3 tons per hectare. In India, Andhra Pradesh tops with the maximum productivity of 1,948 kg/ha followed by Punjab (1,607 kg/ha) while the lowest productivity is in Himachal Pradesh (270 kg/ha).

### Training programme on "WTO and its implications" to teaching faculty of the University

One day training programme to sensitize the teaching staff of the University working at Agricultural Colleges was organised on 30-5-2006. About 23 members have attended the programme making the total number trained so far to be 57. The lectures covered were

- GATT, WTO and Agreement on Agriculture and implications
- Agreements on SPS and TBT
- IPR Issues and its implications to India

### Interesting to know

Guntur market is the largest chilli market in Asia and Andhra Pradesh produces 4 lakh tons of chillies every year.

### Export Chillies to the following countries

Srilanka, Singapore, Malaysia, Saudi Arabia, UAE, Nether lands, Mexico, Bangladesh, Germany, USA and UK

### Competitors to Indian exports

China, Korea and Pakistan

### When to harvest?

Harvest the crop only at the right time i.e. when the pods are well ripened and partially withered at the plant itself. They would have superior pungency and color retention properties.

#### WTO CELL NEWSLETTER

On  
WTO AND INDIAN AGRICULTURE  
is published by WTO Cell, ANGRAU

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## Sudan dyes in chilli imported from India

The Food Standards Agency (FSA) was notified in July 2003 by the European Commission (EC) for quality control and noticed that chilli products contaminated with Sudan I dye found in France had been produced in the UK and more recently of products produced in Italy and imported into the UK.

Sudan dyes are not permitted colours under the Colours in Food Regulations 1995. Sudan dyes are red dyes that are used for colouring solvents, oils, waxes, petrol, and shoe and floor polishes. They are considered to be a genotoxic carcinogen and its presence, at any level in food, is not permitted in food. The Food Standards Agency investigations have identified that certain food products sold in the UK found to contain chilli powder, chilli products or curry powder imported from India illegally contaminated with the Sudan dyes. The Agency has asked companies to withdraw and recall contaminated products as soon as they are identified. The Agency and local authorities are working together to ensure that any products, which have been identified as containing contaminated chilli powder, are removed from sale and destroyed. In addition the FSA are asking all manufacturers who use chilli powder or chilli products as part of the ingredients in their products to ensure that if it was imported from India and supplied to them prior to 27 January 2004 that they must ensure that it has not been contaminated with Sudan I - IV as specified in The Food (Hot Chilli and Hot Chilli Products) (Emergency Control) (Amendment) (England) Regulations 2004.

### Action By India

The Spices Board of India subsequently suspended the certificates of registration as exporter of spices of the Indian companies from 13 and 20 June 2003, and action is being taken to cancel their certificate of registration if so required. The guilty exporters were identified and their export licenses were immediately cancelled. As per the EC decision, which was made on 21 January 2004, requires that cargoes of dried and crushed or ground chilli and curry powder coming into any EU Member State must now be accompanied by a certificate showing they have been tested and found to be free of Sudan I, Sudan II, Sudan III and Sudan IV. Since October 2003, the Board has introduced a compulsory pre-inspection of all shipments of chillies, chilli powders and their products, to test for the presence of Sudan dyes and aflatoxin stringent. As a result exports of chillies and their products have touched an all-time high of 1.14 lakh tonnes valued at Rs 421 crore for the period April 2004 - January 2005.

### Pre-harvest Management

Care should be taken to select seed material free from pests and diseases. In areas prone to fruit-rot or dieback disease, seeds may be treated with suitable fungicide under the recommendation and supervision of experts. The site for raising seedlings should be well drained and with facilities for irrigation.

In case the crop is affected by insect pests, use bio-pesticides as far as possible in place of chemical pesticides. To control fungal disease, suitable fungicides may be used in consultation with agricultural experts. Pesticides banned in the countries importing chillies should never be used. It has to be borne in mind that buying countries check imported spices for pesticide residues.

#### What is the market preference?

Commercially, there are various grades, such as the first sort, second sort, mixture, etc. Grades, such as special, medium and fair are also adopted.

Good fruit length, shining red colour, high pungency and strong attachment of the calyx are the important factors, which the merchants consider for fetching a high price. In the USA and other countries, there is a liking for stalk less chilli pods of deep red and glossy pericarp.

### Exports of chillies from India

Year	Qty (MT)	Value (Rs. lakhs)	Export price (Rs./Kg)	Price at Guntur market (Rs./Kg)
2001-02	69,998	25,244.02	36.06	26.81
2002-03	81,022	31,514.68	38.09	33.29
2003-04	81,500	35,511.25	43.57	38.02
2004-05	1,38,000	49,900.50	36.15	15.00
2005-06	1,13,250	40,350.00	35.62	34.80

Source: Spices Board, India

There is an increasing trend in terms of quantity of chilli exports during last five years while the proportionate trend is not seen in terms of value of exports. Unit export price is stable except during 2003-04 showing potential market for chillies internationally.

### Drying of Chillies

Sun drying is common practice in India. The preparation of drying floor differs from tract to tract. In sand belts, sand is carted and spread as thin layer on floor to get uniform and quick drying. When sand is not available, leveled compacted flour is used for drying. The fruits are spread on drying yards in layers of 8-10 cms. From 5<sup>th</sup> day onwards, produce is inverted on alternate days so that quick and uniform drying is ensured. The moisture level of dried pods should be less than 10 per cent. Since the produce is exposed to sun for 10-15 days it may result in contamination with foreign matter and poor colour of pods due to bleaching effect of sun rays. So, Mechanical drier can be used and 25-30 quintals of produce can be dried at time in 18 hours keeping the temperature at 44-46°C.

## Maximum Residue Levels (MRL) for Spices specified by CODEX

Pesticide	MRLs (mg/Kg)
Acephate	0.2
Chlorpyrifos	1.0
Cypermethrin	0.1
Diazinon	0.1
Dichlorvos	0.1
Dicofol	0.1
Dimethoate	0.5
Disulfoton	0.05
Endosulfan	5.0
Ethion	5.0
Fenitrothion	1.0
Malathion	1.0
Parathion	0.2
Parathion-methyl	5.0
Permethrin	0.05
Phorate	0.1
Phosalone	2.0

## Cleanliness specifications by American Spice Trade Association (ASTA)

(Effective from April 28, 1999)

Cleanliness Specifications	Chillies
Whole insects, Dead(By Count)	4.0
Excreta, Mammalian (Mg/Lb)	1.0
Excreta, Other(Mg/Lb)	8.0
Mold (% by Wt)	3.0
Insect Defiled/ Infested(% by Wt)	2.5
Extraneous or Foreign matter (% by Wt)	0.5

## Organic chillies - A niche area

### ORGANIC LOGO



A trademark - "India Organic" will be granted on the basis of compliance with the National Standards for Organic Production (NSOP).

Communicating the genuineness as well as the origin of the product, this trademark will be owned by the Government of India. Only such exporters, manufacturers and processors whose products are duly certified by the accredited inspection and certification agencies, will be granted the license to use the logo which would be governed by a set of regulations.

## How to handle produce to get a premium price?

- The harvested pods have to be kept in heaps either indoor or in shade away from direct sunlight for 2-3 days so as to develop uniform red colour.
- The ideal temperature is 22 - 25°C. Subsequent to this, pods should be dried in the sun by spreading them on clean, dry mats, cemented or concreted surfaces/terraces etc. ensuring that the product does not get any contamination from the drying yard or premises.
- The drying surface/mats should not be smeared with mud/cow dung. Pods have to be spread out in thin layers for uniform drying with frequent stirring which is essential for preventing mold growth and discoloration.
- The material should be heaped and covered by clean gunny bags/tarpaulin at night. Unless the pods are dried properly they may lose their colour, glossiness and pungency. The safe moisture level of dried chilli pods is below 15 per cent. Instead of conventional sun drying method, improved drying system could be used to ensure cleanliness and uniformity of colour of the product.

## Storage

- Better to be sold soon after drying if farmer wants to get remunerative price
- Dry pods well after removing plant parts and foreign matter
- Pack in clean, dry gunny bags
- Store ensuring protection from dampness
- Dunnage has to be provided to stack the packed bags to prevent moisture ingress from the floor.
- Care should be taken to stack the bags 50 to 60 cms away from wall
- In cold storage the product can be stored for 8- 10 months.
- Prevent access to insects, rodents or any other animals to the premises of storage.
- Stored product should preferably be exposed to sun periodically.

Conformance to the quality requirements of the buying countries, meeting the consumers expectations and ability to maintain price competitiveness are the key factors will determine our survival in the international market.

## What is the specification for Aflatoxins?

Most EEC countries have prescribed tolerance levels for Aflatoxin. German specification for Aflatoxin B 1 + B2 + G 1 + G2 are 2 ppb and 4 ppb respectively. Other European countries have prescribed the limits for Aflatoxin B 1 which varies from 1 ppb to 10 ppb.

In all EEC countries specifications for Salmonella in spices is absence in 25 gm. The food processing industry and spice grinders specify microbial load for each spice blend depending upon the end use.

## Cleanliness specifications for Chillies in major importing countries

Country	Extraneous Matter %/wt.	Moisture %/wt.	Total Ash %/wt.	Acid soluble ash%/wt.
Germany	-	10.0	8.0	1.0
Netherlands	-	12.0	7.2	-
United kingdom	-	7.5	-	-

## Accredited Organic certification agencies for organic Chillies

### 1. Indian Organic Certification

Agency (INDOCERT), Thottumugham P.O.,  
Alwaye - 683 105, Ernakulam District, Kerala.  
Tel+Fax: +91-484-26391858, 2638441  
Email: [indocert@zyberway.com](mailto:indocert@zyberway.com)

### 2. LACON GMBH, Germany.

a. Address of the Principal Office  
Weingartenstr.15, 77654 Offenburg,  
Germany.  
Tel: 0781 / 91937 - 30  
Fax: 91937 - 50  
Web: [www.lacon-institut.com](http://www.lacon-institut.com)

b. Address of the Branch Office in India  
C/o Renewable Energy Centre,  
Mithradham,  
Chunanganveli,  
Alwaye - 683 105, Kerala.  
Tel/Fax: 0091-484-2639185 0091-484-2638441  
E Mail: [mithram-1@satyam.net.in](mailto:mithram-1@satyam.net.in)

## WTO Talks Collapse :

### Good News for the Developing World

The illegitimate Mini Ministerial which the WTO's Director General Pascal Lamy convened in Geneva came to a standstill as the US refused to offer further cuts in their domestic supports, whilst at the same time demanding that the developing world reduce their agricultural tariffs.

The collapse of talks is good news for the developing world. Assessments of the outcome of the Doha Round, from a variety of institutions, including the World Bank and the EU's own Sustainability Impact Assessment, have already predicted that the Round would have adverse impacts on the poorest countries, particularly countries in Africa. Both the US and the EU have been aggressive in demanding for market access in industrial products, and the US for more access in agriculture. Yet despite being the prime culprits for dumping their agricultural products on the world market, causing destruction to the livelihoods of subsistence farmers, both these giants have only offered cosmetic cuts in their agricultural domestic supports.

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## These are specifications by US Food and Drug Authority (USFDA) for chillies

Product	Defect	Action level
Chillies (Capsicum) (Pods)	Insect filth and / mold	Average of more than 3% of pods by weight are insect infested and / or moldy.
Chillies (ground)	Mold	Average mold count is more than 20%
	Insect filth	Average of more than 50 insect fragments per 25 gm.
	Rodent filth	Average of more than 6 hairs per 25 gms

### Quality Certification

To foster Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP), Spices Board approves use of Quality marking such as 'Indian Spices Logo', and the Spice House Certificate. Spice House Certificate is awarded to exporters of spices who possess the specified infrastructural facilities for cleaning, processing, grading, packaging and warehousing as the case may be. So far 58 units have been awarded Spice House Certificate with effect from 10th September 2003. Prior ISO and HACCP Certification is mandatory for obtaining 'Indian Spice House Certificates'.



### Russia loses WTO bid

The Russian Trade Minister, German Gref, said that agriculture was the main remaining obstacle to Russia gaining entry to the WTO. BBC economics correspondent Andrew Walker says the issue is the way that Russia restricts imports of food on health grounds. American negotiators want to be sure that it is not done arbitrarily and that Russia's procedures are consistent with WTO rules.

### WTO talks may take months to resume

#### **U.S. hard line on not reducing farm subsidies said to be major reason for breakdown of Geneva talks**

Even as the global trade talks collapsed in Geneva, India has blamed developed countries for not making substantial cuts in trade-distorting farm subsidies. The Doha development round of the World Trade Organisation now looks set to be suspended for the next few months.

Experts say it may take between three and six months to resume negotiations. During this period, WTO officials are likely to make frantic efforts to prepare some form of a consensus draft.

WTO Director-General Pascal Lamy last month said a proposal he drafted could be a last resort in case the global trade talks ultimately failed.

One of the key factors in the urgency of achieving some form of consensus by December is that the U.S. President's Fast Track Authority to get trade pacts passed in Congress expires in mid-2007. Besides, Congressional elections will be taking place in January or February 2007. These electoral compulsions, experts say, are among the reasons why the U.S. Government has taken a hard line on not reducing farm subsidies. This is said to have been the major reason for the breakdown of the Geneva talks.