



Farmers hit by slump in pepper prices

Posted at: 11/07/2018

Highlights

- The influx of imported pepper from Vietnam via Sri Lanka was the major reason for the fall in prices in the Indian market.
- The cheaper pepper from Vietnam continues to flood the market through Sri Lanka, aided by a low-duty structure under South Asian Free Trade Area (SAFTA) pact and Indo-Sri Lanka Free Trade Agreement (ISFTA).
- Under ISFTA, India could import 2,500 tonnes of pepper a year from Sri Lanka without duty, and above the quota, a duty of 8% would be imposed as per the SAFTA. But direct pepper imports from Vietnam attract a duty of 52% under the ASEAN trade agreement.
- Vietnam Pepper is inferior in quality and it available at a low price of ₹200 a kg and the huge disparity in price of the produce attracts the smugglers.
- Apart from the declining price of pepper and increasing inputs, Quick Wilt disease, affecting the pepper vines, also posed a serious threat to the pepper farmers.
- The Ministry of Commerce had fixed a minimum import price (MIP) of ₹500 a kg of pepper in December 2017 to curb the imports. When import continued with the aid of loopholes in the order, the ministry further amended the restrictions for import a few months ago. But that too has failed to generate any positive results.
- If the government strictly follow the norms on MIP it would help the farming community.

Source: [The Hindu](#)

