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MEMBER OF PARLIAMENT
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Member of Standing Committee on Finance
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Member of Central Advisory Committee for the National Cadet Corps
Co-Chairman, District Development Coordination & Monitoring Committee, Bengaluru Urban District

22 January 2018

Dear Ms Maya

Sub: Urgent need to address crisis facing Kerala's Cashew Industry

I write to draw your urgent attention to the severe crisis being faced by the Cashew industry in Kerala for the past few years. The primary issues faced by the industry include: Erratic and inadequate supply of raw cashew, competition from Vietnam and China in the procurement of raw cashew, as well as exports, attachments of factories by banks and cost of production due to higher wages as compared to China, Vietnam and other Indian States.

As you may be aware, the cashew industry in the state provides employment to about 3 lakh workers. However, with about 500 factories now closed due to the multiple issues, these workers are facing difficulty in earning their livelihoods and supporting their families. There have been reports of a few having taken the extreme step and committed suicide due to financial difficulties. Various representatives led by Political leaders of Kerala have met the Union Government for relief and support to this sector.

To further highlight the need for urgent intervention and revive this traditional industry from the unprecedented crisis it continues face for years, I have held discussions with Union Ministers including most recently with the Finance Minister Shri Arun Jaitley. I have requested him to kindly examine the issue of Financial package and a window for these small businesses to recover. The Finance Minister was sympathetic and had agreed to evolve some restructuring for these small businesses. I am continuing to pursue the matter with Ministries of Commerce and Finance.



While the Government is studying the revival plan submitted, I urge you to take immediate and urgent steps on the matter which include: -

- a) Request banks to stop the recovery proceedings immediately against small companies and proprietorships.
- b) Restructuring loans by banks and to facilitate in re-opening of units that are small and small proprietorships.

I hope that you will take cognizance of the matter and take necessary action to help prevent the worsening of the crisis being faced by the cashew Industry.

Yours sincerely,

RAJEEV CHANDRASEKHAR

Ms. G.K Maya

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