



GOVERNMENT OF KERALA

Abstract

Industries Department - Import of Raw Cashew Nut (RCN) from Cote D'Ivoire - Memorandum of Understanding signed between Kerala Cashew Board (KCB) Ltd and Cotton & Cashew Council, Abidjan, Government of Cote D'Ivoire - Amended - Sanctioned - Orders issued.

INDUSTRIES (K) DEPARTMENT

G.O.(Rt)No.1053/2024/ID Dated, Thiruvananthapuram, 30-10-2024

Read 1 Letter Nos. KCB/050/2019 Dtd 22/02/2023 & 27/09/2024 received from the Chairman & Managing Director, Kerala Cashew Board Ltd, Tvpm.

2 G.O (Rt) No. 181/2023/ID Dtd 04/03/2023.

ORDER

Kerala Cashew Board Ltd, representing Government of Kerala had signed a Memorandum of Understanding (MoU) with Cotton & Cashew Council, Abidjan, Government of Cote D'Ivoire for the import of Raw Cashew Nut on Government to Government basis on 18/04/2019. The validity of this MoU was for 3 years and thus expired on 18/04/2022. Therefore CMD, KCB Ltd, as per letter read above, has requested Government to grant permission to renew the MoU with Cotton & Cashew Council, Abidjan, Government of Cote D'Ivoire.

2) In the above context, Government of Kerala examined the request placed by Kerala Cashew Board Ltd and granted permission to renew the MoU inked with Cotton & Cashew Council, Government of Cote D'Ivoire vide Government Order read above. However, when KCB initiated further steps to renew the MoU, Cotton & Cashew Council proposed certain changes to be incorporated in the MoU and requested to amend the MoU accordingly.

3) Given the above circumstances, Government of Kerala thoroughly scrutinized the changes being put forth by Cotton & Cashew Council,

Abidjan, Government of Cote D'Ivoire, in consultation with Kerala Cashew Board Ltd and are pleased to approve the amendment of MoU which is annexed to this Order. The Chairman & Managing Director, Kerala Cashew Board Ltd shall also take further appropriate measures to get the approval of Department of Economic Affairs, Government of India for the amended MoU as obtained earlier.

(By order of the Governor)
A P M MOHAMMED HANISH
PRINCIPAL SECRETARY

To:

The Chairman & Managing Director, Kerala Cashew Board Ltd, Tvpm.
The Member Secretary, Board for Public Sector Transformation, Tvpm.
The Accountant General (A&E/Audit), Kerala, Thiruvananthapuram.
Director, I&PRD
SF/OC (File No. K2/38/2023/ID).

Forwarded /By order

Signed by

Simi Jose V

Section Officer
Date: 30-10-2024 14:29:24



**KERALA
CASHEW BOARD LTD**



Le Conseil du Coton et de l'Anacarde
Le Conseil de Régulation, de Suivi et de Développement des Filières Coton et Anacarde

MEMORANDUM OF UNDERSTANDING

BETWEEN

**KERALA CASHEW BOARD LIMITED,
GOVERNMENT OF THE STATE OF KERALA, REPUBLIC OF INDIA**

AND

**COTTON AND CASHEW COUNCIL,
ABIDJAN, GOVERNMENT OF COTE D'IVOIRE**

FOR

IMPORT OF RAW CASHEW NUTS

MEMORANDUM OF UNDERSTANDING

Understanding the existing friendly relation between two countries,

Further recognising the importance of economic co-operation between two countries in the field of raw cashew nut import by India

WHEREAS The Ministry of External Affairs, Government of India, subsequent to the Diplomatic Conclave on Kerala Cashew Industry coordinated and participated by Ministry of External Affairs (MEA), Government of India and 15 leading Cashew producing African Nations with Government of the State of Kerala, at Thiruvananthapuram, Kerala on 28-29 June, 2017 for exploring direct import of Raw Cashew Nut (RCN) through Kerala Cashew Board Ltd.

AND

WHEREAS the Kerala Cashew Board Limited, Kerala, Republic of India and Cotton and Cashew Council, Abidjan, Government of Cote D'Ivoire (hereinafter individually referred to as the 'Party' and jointly referred to as the 'Parties');

AND

WHEREAS a memorandum of Understanding was entered into between the parties on 18.04.2019 and based on the same the parties have reached the following understanding:

ARTICLE I DEFINITION

1) In this Memorandum of Understanding, unless the context otherwise requires,

- i. Cotton and Cashew Council means Cotton and Cashew Council represented by its Director General
- ii. Kerala Cashew Board Ltd means Kerala Cashew Board Ltd. represented by its Chairman and Managing Director
- iii. Nut count means the number of in-shell nuts per kilogram
- iv. Outturn means amount of usable kernels after de-shelling the raw cashew nut measured in LBS quantity in terms of one bag of 80 kilograms of Raw Cashew Nut.
- v. Raw Cashew Nut means in-shell cashew nut kernels

2) Words and expressions used but not defined in this Memorandum of Understanding will have the same meaning as known and understood in the parlance of Cashew sector.

ARTICLE II
OBJECTIVE

The Objectives of Memorandum of Understanding (MoU) are to import Raw Cashew Nut from **Cotton and Cashew Council, Government of Cote d'Ivoire** by **Kerala Cashew Board Ltd., Government of the State of Kerala, Republic of India** and to ensure the benefit of Government to Government (G2G) Business reaches all the stakeholders of both the countries.

ARTICLE III
AREAS OF CO-OPERATION

Both the parties agree to co-operate in the following way:

- i. Kerala Cashew Board Ltd. to import quality Raw Cashew Nuts at most beneficial price to the advantage of both Parties.
- ii. Cotton and Cashew Council to supply only quality raw cashew nut to Kerala Cashew Board Ltd. on Cost, Insurance and Freight basis.
- iii. Best value addition to all stakeholders in the cashew Industry.

ARTICLE IV
FORMS OF COOPERATION

The cooperation between the Parties may be undertaken in the following forms;

- i. Collaboration and Cooperation between Governments, Government agencies and Cooperative institutions in import of quality raw cashew nuts.
- ii. Collaboration between academic and research bodies for exchange of knowledge and information.
- iii. Organising Symposia, bi-lateral meetings and discussions in the field of cashew sector
- iv. All other forms of cooperation and collaboration as may be mutually agreed upon by the implementing authorities.

ARTICLE V
IMPLEMENTING AUTHORITY

The authority for the implementation of this MoU are **Kerala Cashew Board Ltd., Government of the State of Kerala, Republic of India** and **Cotton and Cashew Council, Abidjan, Government of Cote d'Ivoire**.

ARTICLE VI IMPLEMENTATION

While implementing this MoU, the implementing authorities to ensure all co operation from all Government agencies.

After entering into MoU, Kerala Cashew Board Ltd. would request Cotton and Cashew Council to inform quantity available for import along with Cost, Insurance and Freight price as per the technical parameter **Annexure-A**. After examining all the details of the parameter sent by Cotton and Cashew Council, Kerala Cashew Board Ltd. will make a counter offer of price to Cotton and Cashew Council. All negotiations should be backed by written communication for proper record keeping.

Negotiated price arrived at by the Parties will be specific for a period of 3 months. Negotiated price will be the final price on which firm order will be placed by Kerala Cashew Board Ltd. by way of signing the Sale-Purchase agreement. For the purpose of understanding the reasonableness of the price, Cotton and Cashew Council will produce letter issued by concerned Government body to that effect.

Taking in account the fact that the Cotton and Cashew Council, as a regulatory body, not allowed to export itself, the both parties has agreed that the Council can select export licensed farmers co-operatives, who will export on behalf of the Cotton and Cashew Council. The Council remains totally responsible in terms of delivery of the raw nut and payment.

ARTICLE VII FINANCE

Kerala Cashew Board Limited will accept the Bill of Lading sent by the exporter to the value of the goods shipped and make payment as per **Annexure-A**.

ARTICLE VIII FACILITATION

In pursuance of this MoU for effective implementation, each party will facilitate and extend all help to the officials in visiting places of cultivation, storage and port of shipment, and other places for collecting information.

ARTICLE IX SETTELEMENT OF DISPUTE

Any dispute or difference between the parties arising out of the interpretation or implementation of this MoU, shall be settled amicably in the presence of the Chief Secretary of the State of Kerala, Republic of India and the Ambassador of Cote D'Ivoire in India.

ARTICLE X

DURATION, AMENDMENT, TERMINATION AND NON- EXCLUSIVITY

- i. This MoU shall enter into force on the date of its signature and remain in force for a term of three years. Thereafter it may be renewed for further such periods by mutual written consent of the Parties.
- ii. This MoU may be amended at any time during its term by mutual written consent of the Parties.
- iii. This MoU may be terminated by either Party by giving three (3) months written notice in advance to the other Party of its intention to terminate the MoU.
- iv. This MoU embodies the entire understanding of the Parties as to the subject matter.

ARTICLE XI

CONFIDENTIALITY

The Parties agree, to the extent of their respective obligations to do so, to exchange such business and commercial information and data as is reasonably required of each party for the purpose of negotiating, finalising and entering into Raw Cashew Nut purchase agreement and to perform its responsibilities under this MoU.

- i. All information and documents exchanged under this MoU shall be confidential.
- ii. Neither of the parties shall, during this MoU and for a period of two years after its expiration or cancellation, disclose to any third party, any information of the other party declared to be confidential or recognisable as such, without prior written consent of the other party.

IN WITNESS WHEREOF THE UNDERSIGNED, BEING DULY AUTHORISED BY THEIR RESPECTIVE GOVERNMENTS, HAVE SIGNED THIS MOU.

Done at..... On 24th day of March 2023 two originals in the English language.

For Kerala Cashew Board Ltd.

For Cotton and Cashew Council

Name:

Name:

Designation:

Designation:

Technical parameter of Raw Cashew Nut (RCN) purchase

Outturn

49 lbs per 80 Kilogram (Kg) bag.

Count

195 numbers per Kg.

Foreign Matter

Nil

Acceptable Quality Parameter of Raw Cashew Nut

Outturn

- I. After cutting test, outturn will be calculated as follows:
 - a) Wholesome Kernels which do not have any flaw will be accepted 100%
 - b) Spotted Kernels accepted to 25% only
 - c) Premature and immature Kernels are acceptable to 25% only
 - d) Stunted, mouldy, brown, empty, rotten and Moth-eaten will be rejected 100%
- II. If the outturn, after cutting test is less than the specified,
 - (i) The price will be reduced on pro-rata basis in the ratio 1:1 for every shortfall ranged upto 2 lbs
 - (ii) The price will be reduced in the ratio 1:2 for shortfall exceeding 2 lbs. Clarified that double the rate will apply for the portion that exceeds above 2 lbs.

Nut Count

- III. If the nut count is more than the specified,
 - (i) The price will be reduced in the ratio 1:0.5 (one : one half), if the count exceeds by 1-5 count. Clarified that 0.5 USD for each count ie. 0.5 USD for 1 count, 1 USD for 2 counts and so on.
 - (ii) The price will be reduced in the ratio 1:1 if the count exceeds by more than 5 counts. (Clarified that one USD for each count ie. 3.5 USD for 6 counts, 4.5 USD for 7 counts and so on).

Moisture

- IV. Proportionate amount will be reduced, if the moisture exceeds 10%.

Completion of supply at Indian ports

50 days from the date of Sale-Purchase agreement.

Packing

80 Kg net in seaworthy, sound, single Jute/Sisal bags.

Shipment

Shipment shall be made, in one or more lots by sea in 20 feet containers. Minimum quantity in a shipment shall be 1000 MT.

Price

Price per MT shall be quoted as Cost, Insurance and Freight (in USD) Tuticorin. Insurance to be covered up to the port of discharge at seller's cost.

Payment terms

Payment will be based on landed weight and landed quality and calculated as per the Quality Parameter specified. Weight of foreign matter and empty bags will be reduced to assess the net weight.

80% of the payment will be made against the documents specified below and the remaining 20% will be settled after getting quality and quantity certificates issued by RBS Maritime Services, the independent surveyor appointed by Government of the State of Kerala.

Supply documents

The following documents shall be submitted.

1. Signed Commercial Invoice, original and copies.
2. Full set of 3 original and 3 non- negotiable copies of Clean on Board and Freight Prepaid Bill of Lading, split up into lots of 1000 Metric Tonnes each.
3. Packing List
4. Certificate of Origin issued by appropriate authority, original plus copies.
5. Phytosanitary Certificate in original plus copies.
6. Fumigation certificate.
7. Certificate of Insurance covered upto the port of discharge at seller's cost and endorsed in favour of the Kerala Cashew Board Ltd.
8. Certificate of weight and quality