

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2162
ANSWERED ON:01.12.2000
PRODUCTION PRICES EXPORT OF TEA .
C. KRISHNAN;VAIKO

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the average price of various categories of tea (orthodox, CTC. green) in different markets in our country during the last three years, year, category and market-wise;
- (b) the production of tea in different regions during this period region, year and category-wise;
- (c) the quantum of tea out of that exported indicating the details of value and variety, year and region-wise;
- (d) the quantum of tea out of the total production which has been internally consumed during this period year-wise, region wise and category-wise;
- (e) the quantum of tea imported into India since SARRC agreement, year-wise and country-wise;
- (f) the reasons for the sharp fall in tea prices in the market; and (g) the initiatives taken by the Government to help the tea growers of the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI OMAR ABDULLAH)

(a) to (g) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA UNSTARRED QUESTION NO. 2162 TO BE ANSWERED ON 1.12.2000 REGARDING PRODUCTION/PRICES/EXPORT OF TEA.

(a) : Year-wise average price of various categories of tea at the major auction centres during the last three years were as follows:

(Prices in Rs./Kgs)

Auction Centres	C.T.C.			Orthodox Green Tea			All Tea		
	1999	1998	1997	1999	1998	1997	1999	1998	1997
Calcutta	82.50	81.98	71.16	113.88	97.75	96.85	88.60	87.83	79.88
Guwahati	80.55	78.84	67.58	72.10	69.43	78.33	80.53	78.76	67.67
Siliguri	72.56	74.66	65.46	74.31	72.53	73.77	72.56	74.66	65.47
Amritsar		46.66	51.96	41.89	46.66	51.96	41.89		
Cochin	60.58	71.62	58.55	65.99	78.01	68.75	62.04	73.31	61.57
Coonoor	53.20	65.08	57.09	55.85	64.78	57.62	53.34	65.06	57.13
Coimbatore	55.04	66.72	56.40	64.53	74.36	70.39	57.26	68.75	60.31

(b) : Year wise production of various categories of tea in the north and southern regions during the last three years were as follows:

(figures in mn. Kgs.)

Category North India South India All India

1999 1998 1997 1999 1998 1997 1999 1998 1997

C.T.C. 556.91 592.42 549.50 169.55 165.74 150.59 726.46 758.16 700.09
 Orthodox 41.06 69.84 47.22 29.90 33.79 54.24 70.96 103.63 101.46
 Others 6.38 6.67 7.98 1.85 1.85 0.50 8.19 8.62 8.48
 Total 604.35 669.03 604.70 201.30 201.38 205.33 805.61 870.41 810.03

(c) : Teas are exported mainly in blended form. The origin of tea is lost in the process of blending. Hence export of tea by origin of production cannot be ascertained. However, export of tea to major countries during the last three years were as follows:

(Qty in mn.kgs.)
 (value in Rs. crores)

COUNTRY	1999-2000	Value	1998-99	Value	1997-98	Value
Russia Federa	85.03	695.55	82.30	841.33	92.20	851.90
U.K	19.90	176.92	21.51	227.96	26.97	235.39
UAE	14.81	172.18	19.78	207.15	23.65	216.66
Iraq	6.32	60.58	10.25	97.35	2.41	18.18
Poland	10.11	67.84	9.73	61.83	10.10	92.16
Kazakistan	6.03	55.67	7.62	80.41	4.47	44.45
U.S.A	6.58	82.01	6.60	69.93	5.45	56.07
Germany	5.34	106.21	5.52	116.47	5.55	89.18
Saudi Arabia	6.32	69.84	3.39	48.58	3.46	38.63
Other Ctry.	28.47	309.56	38.49	440.37	37.00	311.29
Total	188.91	1796.36	205.19	2191.38	211.26	1953.91

(d) : Region wise and category wise consumption figures of tea are not maintained. Estimated consumption of tea during 1997,1998 and 1999 was 597 mn.kgs, 615 mn.kgs and 633 mn.kgs respectively.

(e) : Import of tea from SAARC was made free with effect from 1.8.1998. Imports of tea from major countries during the last three years were as follows:

(Qty in mn.kgs.)

Country of Origin	1999-2000	1998-99	1997-98
Indonesia	3.17	4.36	0.71
Turkey	NIL	2.51	0.01
Bangladesh	0.49	0.54	0.28
Sri Lanka	2.91	0.39	0.25
Nepal	0.16	0.03	0.19
Others	3.21	1.13	1.36
Total	9.78	8.93	2.61

(f) & (g) : The reasons for fall in prices of tea are attributed mainly to lower offtake by CIS countries, excess supply of CTC teas as compared to orthodox tea, deterioration of quality of tea, sluggish demand in the domestic market etc. In order to help the tea growers, Govt./Tea Board has taken various steps which include implementation of Price Subsidy Scheme with effect from 1.5.2000 wherein subsidy is provided to the small growers of tea for an amount equal to the shortfall between the auction price and Rs. 55 per kg subject to a maximum of Rs. 8 per kg., launch of a Quality Upgradation Programme in the Nilgiris district of Tamil Nadu for improving quality of tea manufactured by small growers, increase in basic customs duty on tea from 15% to 35%, ban on sale of tea in the Domestic Tariff Area by 100% Export Oriented Units (EOUs) and units in Export Processing Zones (EPZs) etc.