

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

STARRED QUESTION NO:300
ANSWERED ON:02.08.2002
DECLINE IN COFFE EXPORTS
UMMAREDDY VENKATESWARLU;VINAY KUMAR SORAKE

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

- (a) whether the Government are aware that Indian coffee industry is facing worst ever crisis with International prices plummeting and exports declining;
- (b) if so, whether India's coffee exports had fallen by 11 per cent during the first six months of the current calendar year;
- (c) if so, the steps being taken to provide succour to coffee planters;
- (d) whether any campaign has been launched for promotion of Coffee in the domestic market as well as in the international market to absorb the excess stocks; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI RAJIV PRATAP RUDY)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 300 FOR ANSWER ON 2ND AUGUST, 2002 REGARDING DECLINE IN COFFEE EXPORTS.

(a) & (b) : Yes, Sir. Due to low prices of coffee prevailing in the international market the coffee exports from India have declined during the first six months of the current calendar year as compared to the corresponding period.

(c) : The Govt. of India through Coffee Board has been implementing several coffee developmental schemes under which various types of technical and financial assistance are provided to coffee planters. In addition, the Govt. of India has provided 5% interest relief to small coffee growers on crop loans taken by them from the financial institutions. Similarly, Indian coffee exporters were provided financial assistance for reducing their handling/transportation costs. Recently, all types of loans of coffee growers, outstanding as on 30.6.2002 and not classified as Non-Performing Assets (NPAs) have been consolidated into a single term loan viz. Special Coffee Term Loan (SCTL), 2002 with repayment schedule ranging between 7-9 years including an initial repayment holiday of two years.

(d) & (e): The Coffee Board has already initiated several steps to promote coffee exports and also for increasing domestic consumption of coffee. The Board is implementing a medium term export strategy to sustain and gain market share in the key international markets and also to improve the competitiveness of Indian Coffee in the global markets over the next few years. Similarly, for increasing domestic consumption of coffee, the Coffee Board is taking various steps including the initiative to encourage procurement and marketing of coffee by the Indian Coffee Marketing Cooperative Ltd. (COMARK) in collaboration with leading cooperative societies viz. National Dairy Development Board and Gujarat Cooperative of Milk Marketing Federation (Amul) .