

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

UNSTARRED QUESTION NO:955  
ANSWERED ON:28.07.2000  
PROBLEMS OF TEA INDUSTRY  
V.S. SIVAKUMAR

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

- (a) whether the Government have made any study of the problems being faced by the Tea Industry in the country;
- (b) If so, the details thereof; and
- (c) the steps taken by the Government to remove such problems and increase the export of Tea?

**Answer**

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a)&(b): The Govt. has been constantly interacting with representatives of the Tea Industry in the country and are aware of the problems being faced by them. The Tea Industry is facing problems of decline in prices of tea at the auctions. A committee setup recently by the Govt. of Tamil Nadu which included a representative of Tea Board has also made a study of the problem being faced by the Small Tea Growers in South India.

(c): In order to compensate the small tea growers for low price realisation at the auctions, a Price Subsidy Scheme has been implemented w.e.f 1.5.2000 wherein a subsidy of Rs. 5/- is being provided to the small growers of tea (holding upto 10.12 hectares of tea plantation) for an amount equal to the shortfall between the auction price and Rs. 55 per kg. The amount of subsidy was subsequently enhanced to Rs.8/-per kg w.e.f. 24.7.2000. A quality up-gradation programme for tea manufactured in the small sector has also been launched. Govt. has also increased import duty on tea from 15% to 35% to provide a level playing field for the domestic tea industry.

In order to increase export of tea from India, Tea Board is in constant touch with the tea industry to increase the production of tea of exportable quality especially good quality teas of orthodox variety. Tea Board is also in touch with the importers in Russia to operate expeditiously the Agreement to lift tea from India under debt Repayment Route Protocol as signed between the Tea Board, Calcutta and Russian Tea & Coffee Association in December, 1998. Special promotional efforts have been initiated in countries where the exports had declined.

In addition to the above, Government and the Tea Board have been analysing country-wise exports of tea giving special attention to areas offering potential. Tea Board also acts to remove bottlenecks in exports to individual markets whenever these are noticed. The overseas offices of the Tea Board at London, New York, Moscow and Dubai undertake specific programmes like:-

- i) participation in major trade fairs/exhibitions abroad;
- ii) field sampling at speciality stores and in principal markets
- iii) media campaign to increase consumer awareness of the speciality of Indian tea and to popularise the Tea Board marketing symbol which stands for pure Indian tea.
- iv) exchange of tea delegations between India and tea importing countries.