

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

UNSTARRED QUESTION NO:2060
ANSWERED ON:04.08.2000
TEA GROWERS
A.P. ABDULLAKUTTY

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

- (a) whether due to the liberalisation policy, the tea growers are facing acute financial problems and are in heavy debts;
- (b) if so, whether the Government propose to write-off their existing debts; and
- (c) if so, the details thereof and the other steps taken by the Government to help the tea growers ?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

- (a) No, Sir. However, the small growers of tea in South India are facing problem of low price realization at auctions for reasons such as lower offtake by CIS countries, deterioration of quality of tea, lower production of orthodox tea etc.
- (b) Does not arise.
- (c) In order to resolve the problem of low prices at the auctions in South India, Government has taken various measures which include
 - (i) implementation of a Price Subsidy Scheme through Tea Board for the small growers of tea (holding tea gardens upto 10.12 ha.) under which a maximum subsidy of Rs.5/- per kg of tea was provided and this subsidy amount has been since enhanced to Rs. 8 per kg w.e.f 24.7.2000
 - (ii) launching of a Quality Upgradation Programme by the Tea Board in the Nilgiris district of Tamil Nadu for improving quality of tea manufactured by small growers
 - (iii) increasing basic customs duty on import of tea from 15% to 35%
 - (iv) banning of sale of tea in the Domestic Tariff Area by 100% Export Oriented Units (EOUs) and units in Export Processing Zones (EPZs).The Govt. of Tamil Nadu has also reduced State Sales Tax from 8% to 4% and Central Sales Tax from 4% to 2% for a specified period.