

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

UNSTARRED QUESTION NO:586

ANSWERED ON:09.07.2004

PRODUCTION AND EXPORT OF TEA .

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

(a) whether there has been fall in the quantity of tea produced by the tea producing states against the target fixed during the preceding three years; if so, the measures taken to increase the production;

(b) whether the export share of tea in the world market have gone down, if so, the reasons thereof and the steps taken to expand the export share of tea;

(c) whether the Government propose to establish factories of small tea growers on cooperative basis; if so, do the Government intend to safeguard the interest of small growers; and

(d) whether the Government is intending to spread the network of Tea Auction Centres if so, details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY SHRI E.V.K.S. ELANGOVAN

(a): During the year 2001-02, there was a marginal fall in tea production as compared to the target set. However, during the subsequent years 2002-03 and 2003-04, the quantity of tea produced was more or less at par with the targets set. A number of development schemes are being implemented by the Tea Board during the Tenth Five Year Plan for enhancing productivity, quality and marketability of tea produced in the country. Financial and technical assistance is provided for various plantation development activities like replanting, rejuvenation, creation of irrigation facilities, modernisation of tea factories and training of small tea growers etc.

(b): Yes Sir. The major reasons for overall decline in the share of the Indian tea in the world market are the stiff competition being faced from other producing and exporting countries like Sri Lanka, China, Indonesia, Vietnam & Kenya, various tariff and non-tariff measures imposed by some of the tea importing countries like Russia, Egypt and Iran, lower offtake by Russia due to change in consumer preferences and higher prices of Indian tea due to high cost of production.

With a view to boost the export of tea, Tea Board is implementing a medium term export strategy prepared through private consultants. Tea Board has also taken various steps which include encouraging production of quality teas specially orthodox type of teas, participation in major trade fairs/exhibitions abroad, lending promotional support to Indian exporters in marketing Indian brands, field sampling at specialty stores and in principal markets, launching media campaigns to increase consumer awareness, exchange of tea delegations, grant of transport subsidy for tea exported through Inland Container Depot Amingaon etc.

(c): The small growers are encouraged to set up cooperative manufacturing units and financial assistance is provided by the Tea Board for the purpose. Tea Board is also giving direct financial assistance to the small tea growers for undertaking new plantation, replantation, replacement planting, rejuvenation pruning and infilling, setting up of self help groups, organizing study tours, raising of nurseries for supply of good quality planting materials etc. Besides, grant-in-aid is also provided for extending advisory services and organizing training programme on modern aspects of tea cultivation. In order to ensure a reasonable return for the green leaf produced by the small tea growers, Tea Board is implementing a price sharing formula between the small tea growers and manufacturers of made tea with effect from 1.4.2004.

(d): Besides according approval for opening one auction centre in Jalpaiguri in North Bengal recently, Tea Board has taken action to convert manual auction centres to electronic centres to improve the efficiency of the tea purchase systems and reduce transaction time and costs. The auction centres at Coimbatore and Guwahati have already been converted to electronic centres.