

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

UNSTARRED QUESTION NO:1337
ANSWERED ON:02.08.2005
CLOSURE OF TEA PLANTATION
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the number of closed tea plantations at present and the number of workers retrenched, State-wise;
- (b) whether the Government proposes to revive the closed Tea Estates and to rehabilitate the workers;
- (c) if so, the details thereof, State-wise;
- (d) whether the Government has considered the report/recommendations of the Expert Committee formed to study the problems of closed Tea Estates in the country;
- (e) if so, the recommendations of the Committee and the action taken by the Government on it so far;
- (f) whether the recommendation of the Ferguson Committee on the malpractices at the Tea Auction Centres has not been implemented by the Government so far; and
- (g) if so, the reasons therefor and the action proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a): As per available information, 24 tea gardens remain closed in the country at present, affecting approximately 15,640 workers. State-wise details are given below:

State Number of gardens which remain closed at present Approximate number of workers affected

Assam	3	3820
Kerala	14	7410
West Bengal	6	4340
Tripura	1	70

Total	24	15640
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(b) to (e): In January 2003, the Government of India had appointed three Expert Committees to make an in-depth study of the closed tea gardens in the States of West Bengal, Kerala, Assam & Tripura. These Expert Committees studied 36 gardens, which were lying closed in 2002. The main causes for sickness/closure as identified by the Committees include inherent weaknesses of the gardens due to poor yields arising out of poor condition of the garden and factory (affecting tea quality and price realizations), poor garden management, frequent changes of garden managers and the management's excessive reliance on bank debt with negligible fresh equity infusion. According to these Committees, all these estates are required to invest both in plantations as well as in factory and estate technical infrastructure to achieve better results in terms of quantity, quality and price realisation of their teas. Although, investment is required in all areas, the bulk of the investment is required in the plantation itself with the focus being on a long-term programme to improve yields and improvement in garden management practices.

Based on these findings, the Central Government and Tea Board have facilitated discussions between the managements of the closed tea gardens and their bankers. The revival package for each garden is to be finalized by the individual gardens with their bankers.

(f) & (g): Based on the recommendations of the study conducted by M/s.A.F.Ferguson & Co., the Government had notified the Tea Marketing (Control) Order 2003 on 1st January 2003. In order to ensure a fair price discovery mechanism and also to reduce

transaction time and cost of sale of tea through auction, Tea Board had also issued directives in January 2003 on a number of auction rules for implementation.