

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

UNSTARRED QUESTION NO:3954
ANSWERED ON:20.12.2005
PACKAGE FOR TEA GROWERS
Borkataky Shri Narayan Chandra;Hussain Shri Anwar

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

- (a) whether the Government proposes any package for the small tea growers in the country, particularly North-Eastern Region;
- (b) if so, the details thereof;
- (c) the steps taken by the Government to bail out the Industry in the region; and
- (d) the details of the Agencies which have been authorised to implement the said package alongwith the fund allocated for the package?

Answer

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

(a) & (b): There is no proposal to introduce any specific package for the small tea growers in the country. However, a number of steps have been taken by the Government and the Tea Board to help the small tea growers. These include implementation of a price sharing formula between the small tea growers and manufacturers of tea with effect from 1st April 2004 in order to ensure that the small tea growers get a reasonable share of the price obtained by the manufacturer for made tea and implementation of a Special Tea Term Loan (STTL) which inter alia provides for sanctioning of working capital limits up to Rs.2 lakhs at a concessional rate of interest for small tea growers. Government has also set up a Price Stabilization Fund, the benefits of which are available inter alia to small tea growers having holding up to 4 hectares. Besides, financial assistance by way of subsidy and grant in aid is extended to small growers for various developmental activities.

(c): Various steps have been taken by the Government to help the tea industry in the country, including the North Eastern Region. These include withdrawal of the additional duty of excise of Re.1 per kg on tea in the Union Budget for 2005-06, sanctioning of two schemes viz. incentives for production of orthodox teas and assistance to the two tea Research & Development Institutions for financing from the special fund created with collections of additional duty of excise on tea, issue of a new Tea (Distribution and Export) Control Order, 2005 in order to maintain quality and retain the brand equity of Indian teas, reducing import duty on items of machinery used to improve productivity and quality of tea, including value addition, to an all inclusive rate of 5% etc.

(d): Does not arise.