

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

UNSTARRED QUESTION NO:472
ANSWERED ON:14.08.2007
PACKAGE FOR COFFEE GROWERS
Mahtab Shri Bhartruhari

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

- (a) whether the Government has announced a package for coffee growers;
- (b) if so, the details thereof;
- (c) whether the benefits of the package have reached the coffee growers; and
- (d) the steps proposed to be taken to increase the areas under coffee cultivation?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a)&(b) Yes, Sir. The Coffee Relief Package sanctioned by the Government of India on 8th June, 2005 for the coffee growers envisages as follows:-

(i) Sharing the total interest burden on Special Coffee Term Loan (SCTL) estimated to be Rs. 287.10 crore for the 3 year moratorium period equally amongst the banks, government and the loanee growers to the extent of 1/3rd each.

(ii) Requesting the Banks to lower the interest rates charged on SCTL from the existing 11% to 9% or the rate applicable to agriculture sector whichever is lower during the remaining repayment period of SCTL loans.

(iii) Writing off of coffee developmental loans along with interest amounting to around Rs. 24 crore, due from the Coffee Board to the Government of India and waiving by the Coffee Board of the old developmental loans amounting to around Rs. 64.59 crore extended by the Board to the small coffee growers (having holdings below 10 hectares);

(iv) Continuing the Interest Subsidy Scheme for small growers at the rate of 5% and large growers at the rate of 3% for the remaining period of the X Plan which would be reduced by one percent in the case of those growers who received the benefits of the reduced interest burden on SCTL during the moratorium period.

(c) Yes, Sir.

(d) Considering the fact that there is not much scope to expand coffee area in the traditional coffee growing states like Karnataka, Kerala and Tamil Nadu, efforts are on to expand coffee area in the non-traditional coffee growing states like Andhra Pradesh, Orissa and the North East.