

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

UNSTARRED QUESTION NO:485

ANSWERED ON:03.12.2004

SPECIAL PACKAGE FOR TEA INDUSTRY

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

- (a) quantity of tea produced and exported/imported by the country during last three years, State -wise details;
- (b) whether Tea Industry is facing crisis in the country particularly in West Bengal;
- (c) if so, whether a special corpus fund with a revolving corpus of Rs. 1000 crore for replantation and rejuvenation of the industry, details thereof ;
- (d) district-wise and category-wise list of tea growers during last five years closed down in each State and Union Territory showing date of closure, reason for closure, number of labourers affected;
- (e) action taken for reopening and results achieved so far;
- (f) whether drought, flood and large scale exports have created a shortage of tea and recorded hike in price by 50 percent; and
- (g) if so, measures taken to protect the price of tea and also the tea growers ?

Answer

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

(a): Details of production, exports and imports of tea during the last three years are furnished below :

Production, State-wise (in million kg)

State	2001	2002	2003
Assam	453.94	432.51	453.44
West Bengal	186.88	189.84	200.60
Others	9.99	9.41	9.55
North India	650.81	631.76	663.59
Tamil Nadu	132.40	128.96	131.71
Kerala	65.15	59.68	56.62
Karnataka	5.56	5.77	5.14
South India	203.11	194.41	193.47
All India	853.92	826.17	857.06

Tea exports & imports (in million kg)

	2001	2002	2003
Exports	182.59	201.00	173.69
Imports	17.18	24.80	9.88

(b) : The Indian tea industry (including West Bengal) has been passing through a period of depressed prices over the past five years. The industry is also beset with long term problems like old age of the plantations, worn-out machinery in the processing factories and poor infrastructure facilities.

(c): No special corpus fund for replantation and rejuvenation of the tea industry has yet been set up.

(d) & (e): As per available information, 96 financially weak gardens passed through the process of closure/suspension of work or lock out during the period of crisis. Three expert committees appointed by the Government had studied 36 tea gardens, which were lying closed in 2002. Based on these findings, the Central Government and Tea Board have facilitated discussions between the managements of the closed tea gardens, their bankers and the concerned State Governments. With the improvement in tea prices, 62 gardens have since been reopened. State-wise details of these gardens are as follows:-

State	No. of gardens closed	No. of gardens opened as on date closed as on date	No. of gardens on date which remain closed as on date	No. of gardens which remain closed as on date	Approximate number of workers in the
West Bengal	50	40	10	6900	
Assam	17	13	4	2800	
Tripura	7	6	1	70	
Kerala	22	3	19	10650	
Total	96	62	34	20420	

(f) & (g): Tea production during the current year was affected due to drought and flood during the first six months. When compared with previous year, the production was down by about 36 million kgs., by the end of October 2004. The average auction prices have started moving up from April 2004 onwards. The increase in prices, though modest, has helped the tea industry as a whole. While the average auction prices have shown an upward trend, the retail prices of tea have been more or less steady.

A number of steps have been taken by the Government to help the Indian tea industry. These include setting up of a special fund with collections of additional excise duty on tea for the development, modernisation and rehabilitation of tea plantation sector, announcement of a Special Tea Term Loan (STTL) envisaging restructuring/rephasing of irregular portion of outstanding term/working capital loans in the tea sector & providing for working capital upto Rs. 2 lakhs at a rate not exceeding 9% to small growers, implementation of a price sharing formula between small tea growers and manufacturers of made tea w.e.f. 1.4.2004, implementation of a price subsidy scheme for small tea growers for a period of four months from February to May 2004, implementation of an information dissemination plan for the tea industry, including conversion of four manual auction centres till date into electronic auction centres etc.