

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

UNSTARRED QUESTION NO:1961

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EXPORT OF COFFEE

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

- (a) whether Coffee growers from coffee growing areas have sought relief package for indebted coffee growers;
- (b) if so, the details thereof;
- (c) the details regarding salient features and financial implication of the said package; and
- (d) the steps being taken by the Government to help the coffee growers and improving their working conditions?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) to (c): Yes, Madam. With a view to provide a meaningful relief to the growers from old accumulated debt burden and after extensive deliberations with the stake holders of the industry, the Government of India has sanctioned the Coffee Debt Relief Package – 2010 to the tune of Rs. 241.00 crores for the debt ridden small coffee growers in the country. The salient features of the package are:

For Small Growers (Below 10 Ha):

Pre 2002 loans – Special Coffee Term Loans (SCTL)

Waiver of 50% of the total liability subject to a maximum benefit of Rs.5 lakhs per farmer to be borne by Government of India. An additional 25% shall be waived by the banks and balance shall be rescheduled.

Crop Loans

20% waiver of liability with 10% each is borne by Government of India and banks respectively, subject to a maximum benefit of Rs.1 lakh per farmer.

Post 2002 Term Loans

Waiver of 10% of the total liability subject to a maximum benefit of Rs.1 lakh to be borne by the Government of India.

For Medium and Large growers (Above 10 Ha):

The medium and large farmers shall also be eligible under the scheme for rescheduling of the loans.

Conditions:

The package shall be subject to the following conditions:

(i) The package shall apply to all outstanding amounts as on 30th June 2009.

(ii) Pre 2002 loans include all Special Coffee Term Loans (SCTL) created in 2002 after restructuring and consolidating all the earlier loans of the coffee growers, accounts of that period categorized as NPAs, or Accounts Under Collection (AUCL) or referred to DRT.

(iii) In case of all NPAs, AUCL and DRT accounts, the waiver shall be applied only on the amounts outstanding at the time of change of status, while any penalties and interest loaded by the banks after the change of status to be absorbed by the banks.

(iv) In case of crop loans, for purpose of determining the amount of waiver, the liability of the grower shall be subjected to the limit of Rs.62500 per hectare.

(d): Special Coffee Term Loan (SCTL) package 2002 and Special Relief Package, 2005 were earlier provided with a view to improve the working conditions of the Coffee growers. The ongoing Development Support Scheme during present XI Five Year Plan

extends support to the coffee growers by way of providing replantations and Water Augmentation facilities, supply of coffee seedlings/ shade saplings, construction of drying yards/ aluminium trays for drying and purchase of pulpers as well as market support programme.