

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

UNSTARRED QUESTION NO:2829

ANSWERED ON:12.12.2011

FINANCIAL PACKAGES FOR TEA GROWERS

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

- (a) whether there has been a gradual decline in the total production of tea in the country
- (b) if so, the details of the total tea production during each of the last three years and the current year, State-wise and reasons therefor;
- (c) whether the share of small tea growers in the total production of tea has also come down and if so, the details thereof alongwith the reasons therefor and the steps taken/being taken by the Government to support the small tea growers;
- (d) whether the Government has provided any financial packages and improved technologies for the tea gardens in West Bengal, Assam which has been closed down since 2003;
- (e) if so, the details of the total funds allocated and utilised during each of the last three years and the current year alongwith the present status of the manufacturing units in these gardens; and
- (f) the details of the measures taken to address the concerns of the tea industry and boost the production of tea in the country?

Answer

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

(a) and (b): No, Madam. Although there is fluctuation in production of tea from year to year, which is mainly due to weather conditions in tea growing regions, there is no sign of any gradual decline in production. The details of the total tea production in the country during each of the last three financial years and the current year, State-wise are as under:-

(Quantity in Million Kgs)

States	2008-09	2009-10	2010-11	April- 2011-12	September 2010-11
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Assam	483.98	497.78	487.21	358.17	325.67
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West Bengal	236.78	223.33	228.31	143.09	139.47
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Others NE States	13.27	13.27	13.00	7.15	7.45
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Total North India	734.03	734.38	728.52	508.41	472.59
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Tamil Nadu	165.02	178.76	166.88	88.83	89.21
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Kerala	67.77	71.74	65.87	35.44	34.43
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Karnataka	5.95	6.3	5.46	2.59	2.7
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Total	238.74	256.80	238.21	126.86	126.34
South India					

ALL INDIA	972.77	991.18	966.73	635.27	598.93
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(c) No, Madam. The share of small tea growers in total production of tea has increased from 21% in 2001 to 26% in 2010. To support the small tea growers, financial assistance is provided by way of subsidy for new planting (25% of the unit cost) and setting up of Mini factories (40% of the unit cost), setting up of leaf collection centers, purchase of leaf carry bags and weighing scales (100% of the unit cost), revolving corpus for inputs @ Rs.10,000 per ha, organizing study tours, setting up of tea nurseries, demonstration plots etc. Training programmes are also organized on modern aspects of tea growing.

(d) and (e): With the improvement in tea prices between 2008 and 2011, almost all the closed tea gardens have been reopened and only four remain closed - two each in West Bengal and Kerala. The Government of India has announced a rehabilitation package for revival of closed tea gardens. The package provides for restructuring of outstanding bank loans, sharing of the accumulated interest 1/3rd each by the banks, Central Government and the beneficiaries, interest subsidy on working capital loans, deferred payment of arrear towards PF liabilities, complete waiver of outstanding loan under the loan schemes of Tea Board and priority in providing developmental assistance under the ongoing developmental schemes of Tea Board. Only one garden in Kerala availed the package and an amount of Rs. 73.18 lakhs was paid to Dena Bank towards 1/3rd contribution for settling the accumulated interest on the bank loan. This apart, Tea Board has written off Rs. 481.29 lakhs on account of the loans availed by the closed tea gardens under the erstwhile loan schemes of the Board. Out of the reopened gardens, 10 gardens are processing green leaf in their factories.

(f): Several steps have been initiated to address the problems of the tea industry and boosting the production of tea in the country. As a part of the ongoing XI Plan Scheme, a Special Purpose Tea Fund has been set up for extending financial assistance for replanting and rejuvenation of old aged tea bushes. Financial assistance is also provided for factory modernization, value-addition and quality certification. A scheme to incentivize the production of orthodox tea is also being implemented. Special attention is paid towards improving the productivity of small holdings which account for nearly 26% of the total production in India.