

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

STARRED QUESTION NO:535
ANSWERED ON:14.05.2012
FALL IN PRICES OF TEA
Haque Shri Sk. Saidul

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

- (a) whether the Government has any monitoring mechanism to replicate the implementation of Tea Marketing Control Order (TMCO) in all the tea growing States;
- (b) if so, the details of the ground reality and the impact of implementation of this Order particularly on the small tea growers;
- (c) whether there has been a sudden decline in the prices of the green leaves produced by small tea growers in the North-Eastern States including Sikkim;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the steps being taken by the Government to safeguard the interests of the small tea growers including fixation of minimum support prices for green tea leaves?

Answer

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

a)to e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 535 FOR ANSWER ON 14TH MAY, 2012 REGARDING "FALL IN PRICES OF TEA"

(a) & (b): Yes, Madam. Under the Tea Marketing Control Order (TMCO), 2003, a Price Sharing Formula (PSF) has been notified for ensuring equitable sharing of sale price of made tea between the suppliers of green leaf and the manufacturers. The PSF stipulated by the Tea Board is worked out after factoring in the cost of producing green tea leaf by the small growers ; cost of manufacturing in the bought leaf factories ; and the out-turn percentage (i.e. conversion of green tea leaf into made tea). The PSF varies from region to region in the country and is about 65 : 35 on the average. The State-wise details are as under :

Tea growing areas / State Share	
Tea Leaf Supplier :	Made tea manufacturer
Assam	65 : 35
West Bengal	58 : 42
Tripura	68 : 32
Bihar	44 : 56
Arunachal Pradesh	59 : 41
Himachal Pradesh	44 : 56
Uttaranchal	69 : 31
Kerala	58 : 42
Nilgiris area	65 : 35
Other tea growing areas of India	56 : 44

The implementation of the PSF calls for close monitoring of the transactions. Towards this end, Monitoring Committees have been set up under the Chairmanship of Deputy Commissioners in five major tea growing districts in Assam and two in West Bengal. These Committees have been mandated to review the tea price situation and other related issues at monthly interval for the entire season of 2012. Based on the recommendations emerging from the Monitoring Committees, the PSF can be reviewed at the end of the year and the formula suitably modified, if necessary, and the revised one given effect to in new plucking season of 2013. Parallely, a separate Small Grower Development Directorate is being established and 95 posts of various categories have been sanctioned for it. This Directorate is expected to become functional by September, 2012 and there will be adequate manpower to monitor more effectively the implementation of the provisions of Tea Marketing Control Order.

(c) & (d): Madam, there was a sudden fall in the price of green leaf in the month of October, 2011. Since the labour got busy with Durga Puja holidays stretching to more than 15 days, there was overgrowth on the plantations. The resulting coarse leaf being inferior for making good tea, prices over the next two weeks declined. Thereafter with regularization of plucking rounds, prices have improved from November, 2011 onwards.

(e): The details in this regard have been indicated in reply to parts (a) and (b) above.