

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

UNSTARRED QUESTION NO:3349

ANSWERED ON:18.03.2013

TEA GARDENS

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

(a) whether there has been variations in the quantity of tea produced, consumed, exported and imported from the country during each of the last three years and the current year and if so, the details thereof, State-wise/country-wise along with the total foreign exchange earned thereon and the reasons for such variations, if any;

(b) whether a number of tea gardens have fallen sick and if so, the details thereof including the number of tea gardens closed down and the number of persons affected thereon, State-wise and the reasons therefor;

(c) whether the Government proposes to revive and reopen these gardens and closed factories and if so, the details thereof along with the action taken and results achieved so far in this regard;

(d) whether the Government and the Tea Board of India has prepared any blue print to improve the tea industry in the country and to create a special corpus fund for re-plantation and rejuvenation of the tea industry and if so, the details thereof and if not, the reasons therefor;

(e) whether there has been a rise in the price of tea in the domestic market and if so, the details thereof and the reasons therefor along with the steps taken by the Government to contain the tea prices in the country; and

(f) the steps taken by the Government to boost the production and export of tea and protect the interests of the tea growers in the country?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. D. PURANDESWARI)

(a): Yes, Madam. Tea being an agricultural crop, production tends to fluctuate from year to year depending on the climatic conditions. The particulars with regard to production, export, import, domestic consumption during the last three years and the current year are furnished below:

Year	Production		Consumption		Exports		Imports	
	Million kgs	Cr	Million kgs	Cr	Million kgs	Cr	Million kgs	Cr
2009-10	991.18	838	213.43	156.38	3038.69	3062.69	637.8	561.89
2010-11	966.73	856	213.79	156.38	2995.79	3062.69	657.81	561.89
2011-12	1095.46	883	214.35	156.38	3304.82	3062.69	690.14	561.89
2012-13	1037.43	-	156.38	-	3062.69	3062.69	561.89	17.88

(Apr-Dec) (P)

(P) - Provisional subject to revision

State wise and year-wise production of Tea in India during the last three financial years and the current year are as under:-

States	2009-10	2010-11	2011-12	2012-13 (P)
Assam	497.78	487.21	581.26	575.98
West Bengal	223.33	228.31	269.43	258.59
Others (North India)	13.27	13	14.90	15.52
Tamil Nadu	178.77	166.88	162.79	130.93
Kerala	71.74	65.87	61.62	51.81
Karnataka	6.29	5.46	5.46	4.60
ALL INDIA	991.18	966.73	1095.46	1037.43

(Quantity in Million Kgs)

(P) – Provisional and subject to revision

The country wise exports along with value realization are furnished in annexure-1. The country -wise imports alongwith value realization are furnished in annexure -2.

(b): The continued decline in tea prices from mid 1999 to 2007 adversely affected the viability of tea gardens, particularly the medium sized and financially weaker ones, resulting in closure/abandonment of as many as 130 gardens. However almost all of them have since been reopened from 2008 onwards coinciding with gradual improvement in tea prices. As of date only six gardens remain closed – 3 in West Bengal, 2 in Kerala and one in Assam .The reasons for closure and the number of workers affected are shown in the table below:

Sl. No.	State	Estate	Month	of closure	Reasons	Number of workers affected
1	Kerala	Lone Tree	Dec 2000	labour unrest.	660	
2	Piramed		729			
3						
4	West Bengal	Dheklapara	Aug 2002	Financial crisis	544	
		Ringtong	Feb 2008	abandoned by owners	837	
5	Dalmore		July2012	labour unrest.	1021	
6	Assam	Rani	Mar2010	labour unrest.	105	
		Total				3896

(c): Steps have been initiated for reopening the closed tea gardens at serial numbers 1, 2 and 3 (Lone Tree, Piramed and Dheklapara) by invoking Section 16 (E) of the of the Tea Act, 1953, which provides for handing over the management of the gardens to new entrepreneurs. It was challenged by the owners in the Hon'ble High Court of Kerala in respect of gardens at serial numbers 1 and 2 ( Lone Tree and Piramed ) and approval of the Hon'ble High Court of Calcutta was not received for the garden at serial number 3 ( Dheklapara ). Because of these legal hurdles further steps could not be taken as per the provisions of Tea Act. Negotiations are underway between the Labour Department and the trade unions and management of the remaining gardens.

A rehabilitation scheme notified by the Government in June 2007 provided for restructuring of bank loan, interest subsidy on working capital, deferred payment of PF dues, waiver of outstanding loans under the Tea Board loan schemes and according priority for providing developmental assistance under Tea Board Development Schemes.

(d): Yes, Madam. A comprehensive Tea Development and Promotion scheme has been formulated for implementation during the XII Five Year Plan. The Scheme also provides for financing replantation /rejuvenation of old and uneconomical tea areas. During the XII Plan it is targeted to renovate 47,000 ha by way of replantation/replacement (40,000 ha) and rejuvenation pruning and consolidation in hilly areas (7,000 ha). (Subject to approval of proposed plan scheme)

(e): Tea prices in the domestic market have gradually increased since 2008 onwards. This increase helped the industry to tide over the losses incurred during the recession and focus on quality improvement. The stability in tea prices over the last five years was due to maintaining a fine balance in the supply chain.

However, it will be seen from the table below that there is no significant increase either in Rupee or US \$ terms over the last five years to warrant steps for containing the tea prices.

Year	Avg. Price (Rs /Kg)	Avg. Price (US\$/Kg)
2008	86.99	2.00
2009	105.60	2.18
2010	104.66	2.29
2011	104.06	2.23
2012	121.81	2.28

(f): Several steps have been initiated to address the problems of the tea industry and boosting production, improving quality and export of tea. During the XI Plan Period, a Special Purpose Tea Fund was set up for extending financial support on easy terms for undertaking replanting, replacement planting and rejuvenation of old aged tea bushes. With a view to improve the quality of teas produced in the country, a quality upgradation programme was launched to upgrade old tea machinery, value-addition and quality certification. A scheme to incentivize the production of orthodox and green tea was also implemented.

Special attention was paid towards improving the productivity of small holdings which account for nearly 26% of the total production in India.

As far as export is tea is concerned, the Government implemented promotion activities under the Market Promotion Scheme (MPS) through Tea Board. The activities undertaken by the Board primarily included generic promotion through participation in fairs & exhibitions, trade facilitation through arranging Buyer-Seller Meets, exchange of trade delegations (inbound & outbound), information dissemination through gathering of market intelligence etc.

Having regard to significant contribution from small grower sector, a separate Directorate for addressing the developmental needs of the small growers has been set up with its head quarter at Dibrugarh, Assam. Primarily, this Directorate would look into the aspects of registration of small growers in each and every tea growing state and maintain a closer interface with the growers to organize themselves into Producers' Societies. Such societies are expected to serve as focal points for the Directorate's extension activities aimed at improving quality, consistency and price realization.