

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

UNSTARRED QUESTION NO:2069

ANSWERED ON:19.08.2013

COMPETITION IN TEA SECTOR

Dhanaplan Shri K. P.;Gutha Shri Sukender Reddy;Maadam Shri Vikrambhai Arjanbhai;Ray Shri Saugata;Shetkar Shri Suresh Kumar;Siricilla Shri Rajaiah;Sivasami Shri C.;Thamaraiselvan Shri R.

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

- (a) whether Indian tea export sector is facing stiff competition from Sri Lanka, Kenya and China and if so, the steps taken/being taken by the Government to counter such competition;
- (b) whether the Government has any proposal to simplify the tea export licensing norms and if so, the details thereof and the reasons therefor along with the time by which the said proposal is likely to be implemented;
- (c) whether the Government proposes to take specific steps for strict quality check to ensure export tag for Indian tea and if so, the details and the present status thereof;
- (d) whether the Government/Tea Board of India has conducted any study to ascertain the soil condition of tea estates in different parts of the country and if so, the details thereof; and
- (e) whether the top soil of most of the tea gardens in the hilly areas has been severely affected due to decline in rainfall and excessive use of chemical fertilizers and if so, the corrective action taken by the Government in this regard?

Answer

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

- (a): Sri Lanka and Kenya export more than 95% of their production and their domestic consumption is less than 5% of total production. On the other hand nearly 80% of the total production is consumed within India leaving only 20% surplus for exports. Hence situation is totally different between India and that of Sri Lanka and Kenya. China produces mostly green tea and hence there is no direct competition. Since the exportable surplus in India is less than 20% of its total production, the strategy is to focus on high value good quality teas rather than chasing volumes. Two tea councils - one each for North India and South India have been set up for closely monitoring the quality of tea being exported and imported for re-export. A focused promotional "Project 5-5-5" is being implemented under which five strategically important countries viz. U.S.A., Russia, Kazakhstan, Iran and Egypt have been chosen for extensive & intensive promotional intervention over the five years with dedicated funding during the XII Plan period.
- (b): In order to ensure that exporters get the licenses within shortest possible time, the processing of applications for exporter's license, has since been streamlined. Under the new system, exporters can get their license within 2 working days from the date of submission of the application (if found complete in all respects) from Tea Board and within 10 working days if the application is submitted to the Zonal/Regional Offices of the Board.
- (c): Yes Madam. With effect from 1.6.2013 an online system has been put in place for the exporters and importers for submitting the details of the export and import consignments. From such consignments Tea samples are drawn at random to check the conformity of tea to the stipulated standards norms. An Advisory body has been set up to monitor the test results and decide on the course of action as to admissibility or otherwise of the teas directly exported as well as imported for re export .
- (d): Yes, Madam. The soil conditions of tea estates in different parts of the country are being tested regularly through the tea research institutes to ascertain the soil nutrient status and preparation of soil map of each tea garden. Such maps are used for working out the precise quantum of fertiliser application and take appropriate soil ameliorative measures and correcting the deficiencies especially the soil acidity status.
- (e): Yes, Madam. The Research institutes have developed a package of practices to be adopted in hilly areas for minimizing soil erosion and damage. The corrective measures recommended for improving the soil status include adopting proper soil and water conservation methods in the hill slopes, high density contour planting across the slope, application of organic manures, mulching of exposed areas immediately after planting and using cover crops in the newly planted areas as well as in vacant patches.