

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

UNSTARRED QUESTION NO:3072
ANSWERED ON:10.02.2014
COFFEE AND TEA BOARDS
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details of the developmental activities undertaken by the Coffee Board and Tea Board during the last three years and the impact thereof on enhancing productivity as well as improving the quality of tea in the country;
- (b) the details of the steps taken by these Boards for improving its position in the world as well as in domestic market;
- (c) whether these Boards have been able to discharge their basic regulatory role effectively and if so, details thereof and if not, the reasons therefor and the corrective measures taken by the Government in this regard;
- (d) whether a number of small tea growers are still outside the ambit of the regulation of the Tea Board and if so, the details thereof and the reasons therefor along with the steps taken by the Government in this regard; and
- (e) whether the Government has conducted any comprehensive study of the problems being faced by the tea growers and proposes to provide any special package for small and medium tea growers in the country during the last three years and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN)

(a) : As regards Tea Board, the activities undertaken by the Board for enhancing productivity and improving the quality of tea in the country during each of the last three years include supporting uprooting and replantation/ replacement and rejuvenation of old aged tea bushes, creation of irrigation facilities for combating adverse effects of drought, special attention towards the productivity and quality improvement in the small holdings, modernisation of tea processing facilities by replacement of old and worn out machinery, acquiring quality assurance certification by tea factories, encouraging change of product mix – production of more orthodox teas etc. Total funds disbursed for these activities by way of subsidy add up to Rs. 24,913.67 lakhs. The year wise and activity wise break up is shown below:

Sl.No	Activities supported	Amount of Subsidy Disbursed			
	Rs. Lakhs				
	2010-11	2011-12	2012-13	Total	
1	Replanting/ Replacement/ Rejuvenation of old tea bushes	30.76	43.17	512.00	585.93
2.	Creation of Irrigation facilities	62.00	633.00	212.00	907.00
3	Assistance to Small tea growers	620.00	783.00	671.93	2074.93
4	Special assistance to SC SCSPS small growers under	0	931.40	838.00	1769.40
4	Modernisation of tea factories assistance to SC SCSP	1704.00	3649.00	2898.07	8251.07
5	Quality assurance certification	12.00	32.00	5.35	49.35
6	Incentive for production of orthodox and green teas	2438.00	7232.00	1605.99	11275.99
	Total	4866.76	13303.57	6743.34	24913.67

The aforementioned developmental activities have impacted both production and productivity as would be evident from the table

below:

Year	Production (M.Kgs)	Yield (Kg/Hect)
2010-11	966.73	1714
2011-12	1095.46	1942
2012-13	1135.07	2013

Coffee Board are also undertaking various developmental activities to enhance production and productivity of coffee in the country under the respective Five Year Plans, which includes Support for replantation of senile coffee plantations, Support for water augmentation, quality up-gradation and pollution abatement, Coffee Development in North Eastern Region (NER) and Non Traditional Area (NTAs), Capacity Building for all Stake Holders, Welfare Support to Labourers and tiny coffee growers, Interest subsidy to growers on working capital loans under Development Support Scheme and Risk Management to the coffee growers – Rainfall Insurance Scheme for Coffee for different triggers and support for Mechanization of farm operations. The achievement under the various development schemes in the last three years is as follows.

Activities	2010-11	2011-12	2012-13
Replantation (Area in ha.)	2338	3186	3120
Water Augmentation (No. of units)	2257	2928	4153
Quality Up-gradation (No. of units)	4601	4706	3899
Mechanisation (No. of units)	1564	18380	5921
Expansion (in ha.)	5012	3621	3723
Capacity building (No. of beneficiaries)	3850	4861	6419
Labour Welfare (No. of beneficiaries)	6550	6365	8972
Interest Subsidy (No. of beneficiaries)	4169	1352	905

The impact of these activities could be seen from the table below that there has been a gradual increase in the production of coffee in the country. The production of coffee in the country increased from 3,02,000 MT in 2010-11 to 3,18,200 MT in 2012-13 and the productivity was in the range of 838 kg/ha to 852 kg/ha during these years.

	2010-11	2011-12	2012-13
Production (In MT)	3,02,000	3,14,000	3,18,200
Productivity (In Kg/ha)	838	852	846

(b) : Steps taken by Tea Board for improving export of tea and development of domestic market include participating in fairs and exhibitions, arranging buyer seller meets and Trade Delegations (both outbound and inbound), advertisement campaign (print, audio-visual media and social media) etc. A focused programme called "Project 5-5-5" covering five strategically important countries viz. U.S.A., Russia, Kazakhstan, Iran and Egypt is being implemented to gain strong hold in these potential markets.

In order to improve the position of Indian coffee in the world as well as in domestic market, schemes and activities are being implemented by the Coffee Board includes providing incentives @ Rs.1/kg for export of high value coffee to the far-off regions and @ Rs.2/- per kg for export of value added coffee in retail pack and export promotion activities like participation in international coffee conference/events and BSMSs, organizing Flavour of India – Cupping competitions, India International Coffee Festival and presenting export awards annually to encourage coffee exporters & maximize their export performance. Coffee Board has been actively contributing to the growth of the domestic coffee segment through incentivizing setting up of Roasting, Grinding and packaging units, conducting awareness programmes through participation in trade fairs/exhibitions, publication of information on the benefits of coffee drinking etc.

(c): Yes, Madam. These Boards have been able to discharge their basic regulatory role effectively. Tea Board is responsible for implementation of various statutory and regulatory provisions of the Tea Act 1953 and the Control Orders issued there under by the Government from time to time such as Tea (Marketing) Control Order, Tea (Distribution and Export) Control Order, Tea Ware-House License order and Tea Waste Control Order. The guidelines & instructions for various licenses issued under different control orders have been simplified and notified in Board's website. For ensuring that small growers get reasonable price for their green leaf, price monitoring committees have been set up for each planting district and the minimum price payable for green leaf is being notified at the beginning of each month for each planting district. With effect from 1.6.2013, an online system has been put in place for submitting the details of export and import consignments by the exporters and importers. Tea samples are being 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 standards. An online system has been developed to ensure timely submission of returns, by the tea manufacturers and to initiate actions against the defaulters. This has also facilitated the compilation of production figures in an efficient manner. The submission of export returns are also monitored closely and show cause notices are issued to those exporters who have failed to submit returns on time.

As regards Coffee Board, The Coffee Board is discharging its basic regulatory role effectively. After liberalization in 1996, the marketing functions were discontinued. The exports are carried out by the Exporters. Hence the role of Coffee Board is facilitative and promotional. Presently the Board focuses on research, development, extension, quality upgradation, market information dissemination, and the domestic and external promotion of Coffees of India. The Board also issues advisories on Research & Extension. Registration of exporters is undertaken by the Coffee Board. Further, export permits / Certificates of Origin are issued by the Board within 7 working days. The Board also undertakes issue of license to coffee curing works.

(d): Yes Madam. A countrywide baseline survey has been initiated to identify individual small tea growers. So far the survey has been completed in Assam, North Bengal, Himachal Pradesh and the process is in progress in South India and Tripura. More than 90,000 growers have been enumerated and the process is underway to cover the remaining growers. A separate Directorate with adequate

officers has been established to look after the developmental needs of the Small growers. Under the aegis of this directorate, several sub regional offices (SRO) of the Board have been opened in all the important areas where small growers are concentrated. The SRO's primary task is enumeration and issue of an identification card to each of the grower so that each and every grower in the country is brought under the ambit of the regulation of the Tea Board.

(e): Yes Madam. A comprehensive study has been undertaken by engaging an expert to understand the problems being faced by the small tea growers. Based on the findings of the study, a separate plan scheme has been formulated for addressing the developmental needs of small growers during the XII Plan period with an approved outlay of Rs.200 cr.