

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

UNSTARRED QUESTION NO:729
ANSWERED ON:05.12.2003
FUTURE OF TEA AND COFFEE
PRIYA RANJAN DASMUNSI

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

- (a) the future of Coffee and Tea exports by the end of 2007 i.e. Tenth Five Year Plan;
- (b) the value added items could be considered for the export market after assessing the requirement of domestic consumption and W.T.O. regime of open import of tea and coffee in India;
- (c) whether the domestic requirement of tea and coffee can have enough surplus for export by the end of Tenth Five Year Plan; and
- (d) if so, the strategy being considered by the Government to protect the interests of the Tea and Coffee growers both in terms of price and export benefits?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI CH. VIDYASAGAR RAO)

- (a) The export target for coffee and tea, for the terminal year of the 10th Five Year Plan i.e. 2006-07, has been set at 3.3 lakh tonnes and 270 million kgs. respectively.
- (b) After assessing the requirement of domestic consumption and W.T.O. regime of open import of tea and coffee in India, Government has been laying stress on export of coffee and tea in value added forms. In fact, instant/soluble coffee, specialty coffees and ground and roasted coffees and tea in consumer packs, tea bags, instant tea and flavoured tea are already being exported from India.
- (c) Yes, Sir.
- (d) The Coffee and Tea Boards are implementing a number of developmental schemes under which various types of financial and technical assistance are provided to the coffee/tea sectors.

Concerned with the problems being faced by the Indian coffee/tea growers due to present low price situation, the Government of India has taken a series of steps for the benefit of coffee/tea sector which includes re-phasing/restructuring of loans taken by the tea/coffee growers from commercial banks, providing 5% interest relief to small growers and 3% relief to large coffee growers on their working capital loans taken from financial institutions, undertaking campaigns to promote domestic consumption of tea and coffee, and setting up a Price Stabilization Fund for the benefit of the small growers of tea, coffee, natural rubber and tobacco. In the case of tea, Government has also set up a special fund for the development, modernization and rehabilitation of the sector. Government has in addition notified the Tea Marketing Control Order 2003 and issued directives regarding changes in auction rules to provide for a more transparent price discovery mechanism for tea. Further, in order to boost the exports of tea and coffee as well as to maximise the export earnings, the Tea and Coffee Boards are also implementing medium term export strategies prepared through private consultants. Financial incentives are being provided to the exporters of tea and coffee to encourage large exports of these commodities. To this end, the Boards are also undertaking promotional campaigns in key overseas markets besides participating in the major international trade events.