

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

UNSTARRED QUESTION NO:691
ANSWERED ON:05.12.2003
DISPUTE BETWEEN TEA INDUSTRY AND TEA GROWERS
RAMDAS ATHAWALE

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

- (a) whether there is any dispute between tea-farmers and the tea-industry;
- (b) if so, the details thereof;
- (c) whether the Government have persuaded and presented any formula to solve the problem; and
- (d) if so, the details of said formula?

Answer

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

(a) & (b) The Indian tea industry is at present facing a situation where the continuous fall in prices of tea, coupled with high cost of production, has adversely affected the economy of the tea plantations and small growers of tea are also getting low prices for their green leaf. The small growers feel that they do not get a reasonable price for their green leaf, while the bought leaf factories are of the view that the quality of green leaf supplied by the small grower needs to be upgraded in order to get better prices.

(c) & (d) To provide for greater transparency in the primary marketing system for tea, Government has notified the Tea Marketing Control Order 2003 and issued directives regarding changes in auction rules. In order to provide for a reasonable return to the small growers for the green leaf supplied by them to the factories, a provision has been incorporated in the TMCO 2003 for fixing a price sharing formula between the manufacturers and the small tea growers. The price sharing formula would take into account the cost parameters and the made-tea out-turn percentage prevailing in various tea growing regions of the country.