

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

UNSTARRED QUESTION NO:2303  
ANSWERED ON:23.07.2004  
TEA AUCTION SYSTEM  
Chowdhury Shri Bikash

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

- (a) the details of the recommendations of the Furguson Committee to improve the tea auction system;
- (b) whether these recommendations have been implemented; and
- (c) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY ( SHRI E.V.K.S. ELANGO VAN)

(a): Concerned with the fall in auction prices of tea and such fall not getting reflected in the retail prices, a study of the primary marketing system for tea was conducted through M/s A. F. Ferguson & Co. The major recommendations of the Ferguson Committee with respect to the auction system, include discouraging divisibility of lots and proxy bidding, fixing maximum sample limits, defining lot sizes in terms of weight rather than volume, introduction of ex-estate sale and introducing electronic auction system.

(b) & (c): Based on the recommendations of M/s A. F. Ferguson & Co. the Government notified the Tea Marketing Control Order, 2003 on 01.01.2003 in replacement of the TMCO 1984. Necessary directions regarding the changes in the auction rules were issued by the Tea Board for a more transparent and efficient price discovery mechanism. Electronic auctions for tea have been launched in Coimbatore and in Guwahati under the new internet based India Tea Portal of Tea Board. This is part of a scheme which covers other auction centres at Siliguri, Kolkata, Kochi and Coonoor also.