

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

UNSTARRED QUESTION NO:2011  
ANSWERED ON:06.12.2005  
SPICES CULTIVATION  
Reddy Shri Magunta Sreenivasulu

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

- (a) whether the small cultivators of plantation crops and spices in the Southern States are in deep distress and unable to feel the global market forces and the commodity Boards meant for them have been rendered redundant;
- (b) if so, the reasons therefor; and
- (c) the steps taken by the Government to revitalise the commodity Boards?

**Answer**

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

(a) to (c): The prices of plantation commodities depend on the demand supply position. In the case of tea, even though there was an improvement in auction prices during 2004, the auction prices have shown a decline during 2005. The decline in prices could partly be attributed to supply of comparatively poor quality green leaf to the processing factories and poor manufacturing practices followed by some factories. However, the average tea auction prices in South India have registered an increase during the second half of September and October 2005 due to various quality control measures being taken by the Tea Board. In the case of coffee and rubber, the prices have gone up and the current prices are remunerative to the growers. The Coffee Board is implementing a `Coffee Package` to reduce the debt burden of loanees under the Special Coffee Term Loan and also certain growers who had taken loans from the Coffee Board. While the prices of pepper have shown a decline over the recent years, they have shown some improvement after the announcement of the export subsidy scheme on export of pepper. The vanilla prices have normalized to levels prevailing in 2001.

The activities of the Commodity Boards cover production, productivity enhancement, domestic consumption and export promotion both in a developmental as well as a regulatory framework. In an effort to increase competitiveness, the Boards aim to improve all segments of the industry value chain.