

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

STARRED QUESTION NO:223

ANSWERED ON:07.03.2006

PROMOTION OF TEA

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

- (a) whether the Government has created a special tea fund;
- (b) if so, the details and the purpose thereof;
- (c) whether any amount was regularly allocated from this fund to each State during each of the last three years and thereafter;
- (d) if not, the reasons therefor; and
- (e) the steps taken to encourage production of tea?

**Answer**

MINISTER OF COMMERCE AND INDUSTRY ( SHRI KAMAL NATH )

(a) & (b) : A special fund has been created with the Additional Excise Duty of Re.1 per kg collected on tea during 2003-04 and 2004-05 for the development of the Indian tea industry. In addition, Government proposes to set up a Special Purpose Tea Fund for financing replantation and rejuvenation of old tea bushes, the modalities of which are being finalized.

(c) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (c) to (e) OF LOK SABHA STARRED QUESTION NO.223 FOR ANSWER ON 7th MARCH, 2006 REGARDING ` PROMOTION OF TEA `.

(c) & (d): Two schemes with an estimated outlay of Rs.93 crores for financing from the special fund created with the collections of Additional Excise Duty on tea viz. incentive for production of orthodox teas and assistance to the two Research & Development Institutions in tea were sanctioned in June 2005. Allocation of funds from this special fund for financing these two schemes are not made State-wise as it depends on the actual production of orthodox teas and the assistance to be given to the two R&D institutions viz. Tea Research Association in Assam and the United Planters` Association for Southern India - Tea Research Foundation (UPASI-TRF) in Tamil Nadu. While the modalities for setting up of the Special Purpose Tea Fund for financing replantation and rejuvenation of old tea bushes are being worked out, allocation from this Fund would depend upon actual individual borrowings.

(e) : The focus of the Tea Board during the 10th Five Year Plan period is on improvement of the quality and productivity of tea. In addition to the scheme for providing incentives for production of orthodox teas, a number of developmental schemes are being implemented by the Tea Board during the 10th Five Year Plan for enhancing productivity, quality and marketability of tea produced in the country under which financial and technical assistance is provided for undertaking replantation, rejuvenation, new planting in non-traditional areas in North Eastern States and Uttaranchal, creation of irrigation facilities, setting up of self help groups among the small tea growers, modernization of factories, etc. The Special Purpose Tea Fund being set up for financing replantation and rejuvenation of old tea bushes also aims at enhancing the productivity and quality of tea.