

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

UNSTARRED QUESTION NO:2566
ANSWERED ON:14.03.2006
PRICE AND PRODUCTION OF COFFEE
Adhalrao Patil Shri Shivaji

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

- (a) whether the production of coffee in India is about 4% of total production of coffee in the world and exporting 75% of its total production;
- (b) if so, whether the prices received by the farmers are not adequate;
- (c) if so, the reasons therefor; and
- (d) the steps taken by the Government in this direction?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

- (a) Yes Sir.
- (b) Coffee growers are presently getting remunerative prices.
- (c) Does not arise.
- (d) The Government of India has approved a `Coffee Relief Package` aimed at debt amelioration which envisages equal sharing of total interest burden estimated to be Rs. 287.10 crore on Special Coffee Term Loan (SCTL) during the three year moratorium period amongst the banks, the Government and the grower loanees to the extent of one third each; requesting the banks to lower the interest rates charged on SCTL from existing 11% to 9% or rate applicable to agriculture sector whichever is lower, during the remaining repayment period of SCTL loans; writing off of coffee developmental loans along with interest amounting to around Rs. 24 crore, due from the Coffee Board to the Government of India - the Coffee Board will in turn waive the old developmental loans amounting to around Rs. 64.59 crore extended by the Board to the coffee growers having holdings below 10 hectares only and continuing the interest subsidy scheme on working capital loans for small growers (below 10 ha) at the rate of 5% and large growers at rate of 3% for the remaining years of the Tenth Plan. The coffee package has been welcomed by the growers.