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Title: Problems being faced by tea and coffee growers in the country.

SHRIMATI JAYAPRADA (RAMPUR): Madam Speaker, I wish to draw the kind attention of this House towards an important issue pertaining to the problems being faced by the tea and coffee growers in the country.

At present, almost the entire production of coffee, rubber and cardamom comes from the three Southern States of Kerala, Tamil Nadu and Karnataka. Coffee industry had plunged into a financial crisis due to unremunerative prices during the period from 1999 to 2005. Heavy rainfalls in 2006 to 2008 led to severe infestation of coffee plants and diseases like white stem borer and leaf rust resulted in significant crop loss of more than 35 per cent. As a result, the coffee farmers have been pushed to a debt trap. They have approached the Government for a comprehensive debt relief package.

Their demands from the Government are that all loans of growers in the scheduled commercial banks, RRBs and Cooperative Banks up to 20 hectares be waived; waiving off 70 per cent of the debt burden of growers; and withdrawal of cases pending before the Debt Recovery Tribunal. As regards partnership firms, I wish to point out that in the case of individuals there is no tax, but if it is a partnership, the Government is putting tax.

Another issue that has been agitating the minds of plantation growers is taxation – the rate and structure of taxation of agricultural income. Initially, income from agriculture including plantations was not taxed. But, now as a measure of augmenting their revenue, State Governments have gone on increasing the Advance Income Tax rates. Tamil Nadu has repealed the Advance Income Tax and there is no tax in Tamil Nadu today. But in Kerala there is 50 per cent tax and in Karnataka though slowly they have come down, it is still there up to 30-35 per cent.

MADAM SPEAKER: What do you want from the Central Government?

SHRIMATI JAYAPRADA : I want them to get relief from the Central Government. The plantation income should be equated with that of industrial or agricultural level. They are really in a crisis and they are committing suicide. The Government can help them by reducing the tax rates. The discrimination between the States also has to be put an end to. There should be coordination between the States and the Centre. While the Centre is reducing taxes, the States are discriminating and are charging different rates of taxes. It is putting more burden on them.

I urge upon the Government to take a serious look into this, give relief to the planters by solving their problems.