

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1477**  
**TO BE ANSWERED ON 15/12/2023**

**ACUTE FINANCIAL CRISIS IN TEA INDUSTRY**

**1477. SHRI A. D. SINGH:**

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

- (a) whether the tea industry is passing through an acute financial crisis with prices not keeping pace with the rising cost of production;
- (b) if so, the reasons therefor;
- (c) the remedial steps taken to encounter the crisis;
- (d) whether the industry has requested for enhancing remission of duties or taxes on export product incentive cap for high quality teas; and
- (e) if so, the response of Government thereto?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY  
(SMT. ANUPRIYA PATEL)

**(a) to (c)** Tea is a commercial crop and its prices are dependent on demand and supply for the commodity. The average auction price of tea on the Tea Board's auction platform increased from Rs.171.21 in 2021-22 to Rs.180.14 in the year 2022-23. Price realization is dependent on many factors including the quality of tea produced. For the same period data on changes in cost of production, which is dependent on inputs such as wages and changes in productivity etc., is not available and varies between regions. In order to ensure remunerative prices of green leaf to small tea growers a price sharing formula (PSF) has been notified as per the provisions of the Tea (Marketing) Control Order in the case of factories outsourcing such green leaf. This formula takes into account the cost of production of green tea leaf produced by small growers and cost of manufacturing by the bought leaf factories and provides for equitable sharing of the net sale price of the made tea between the growers and the manufacturers.

Further, Tea Board, under its Tea Development and Promotion scheme, takes various initiatives aimed at improving price realizations such as providing financial and technical assistance to growers and the industry for quality upgradation, value addition and promotion of Indian tea in domestic and international markets to improve demand.

**(d) & (e)** Yes. The data for review of RoDTEP rate for tea has been submitted by the Indian Tea Association. The data has been submitted to the RoDTEP Committee constituted for updating the RoDTEP rate schedules.

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