

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

LOK SABHA
UNSTARRED QUESTION NO. 1972
TO BE ANSWERED ON 28th NOVEMBER, 2016

TEA QUALITY

1972. ADV. M. UDHAYAKUMAR:

SHRIMATI KOTHAPALLI GEETHA:

Will the Minister of COMMERCE & INDUSTRY (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government is aware that the 20 per cent export clause in 12th Plan scheme for upgrading tea quality is proving to be dampener for the industry as the clause is restrictive and if so, the details thereof;
- (b) whether the Tea Board has agreed that the 20 per cent export obligation would make it difficult for tea companies to avail the scheme and if so, the details thereof;
- (c) whether the Quality Upgrade and Product Diversification (QUPD) Scheme has been successful and if so, the details thereof and if not, the reasons therefor along with the details of the gardens which have availed of the said scheme;
- (d) whether the 25 per cent subsidy available through the scheme is mainly for upgrading machinery for producing orthodox tea which enjoy higher prices in the export market when compared with CTC tea and if so, the details thereof;
- (e) whether it is also true that against an average cost of production of about Rs. 180 for producing a kilogram of CTC tea, the cost of orthodox tea is about Rs. 210 a Kg and if so, the details thereof;
- (f) whether a similar scheme during the 11th Plan was very successful as it did not have the export clause and if so, the details thereof; and
- (g) whether Sri Lanka and Indonesia are proving to be tough competitors in this segment and if so, the details thereof and the manner in which the Government will face this situation?

ANSWER

वाणिज्य एवं उद्योग राज्य मंत्री (श्रीमती निर्मला सीतारमण) (स्वतंत्र प्रभार)
THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

- (a) & (b): Representations has been received regarding the conditionality of 20 per cent export obligation in Quality Upgradation and Product Diversification (QUPD) component under the 12th plan scheme of the Tea Board. However, the objective of the Scheme is to enhance the quality of made tea by way of giving incentives for modernization of tea manufacturing units, warehouses, units dealing with value addition of tea, Organic tea production and production of Orthodox/Green tea with the ultimate goal of enhancement of export of Indian tea. Accordingly, the clause of 20 per cent export obligation has been kept in the operational modalities.

(c): The scheme with the conditionality of 20 per cent export obligation is under implementation since 10.12.2014. The details of beneficiaries under QUPD component is placed at Annexure-1. Tea Board has been directed for conducting outcome review of the Scheme, including the QUPD Component.

(d): As per scheme guidelines, 25 per cent subsidy is provided for replacement of old and worn-out tea machineries. However, 40 per cent subsidy is provided for procurement and installation of machinery for manufacturing orthodox tea in 100 per cent CTC factories and setting up of new factories for production of green tea, orthodox tea and specialty teas as product diversification.

(e): The cost of production is dependent on seasonal variations and from region to region. Orthodox tea is observed to have about 12 to 20 per cent more production cost than CTC tea.

(f): Since there was no conditionality regarding export obligation, more number of estates could be covered during 11th Plan. However, since the ultimate aim of the scheme is for promotion of export of Indian tea, the export obligation clause has been introduced in 12th Plan. Moreover, the Scheme is being implemented with effect from 10.12.2014 rather than from the beginning of 12th Plan. A cumulative financial assistance of Rs 6.56 crore has been given to 93 estates so far.

(g): Sri Lanka and Indonesia, being the major orthodox tea producers are the closest competitors to India in the orthodox tea segment. For giving boost to tea export, including orthodox tea, Tea Board is implementing a dedicated and focused promotional programme called "Project 5-5-5" since 2012-13 for extensive promotion of India Tea Logo, engagement with the local trading community, consumer-oriented promotion, utilisation of social media and focus on export of value-added teas in five target markets, namely Russia, Iran, USA, Kazakhstan and Egypt.

Annexure-1

List of Beneficiary Tea Estates under Component of QUPD since 10.12.2014 i.e. the date of approval of the 12th Plan of Tea Board "Tea Development and Promotion Scheme"					
SL. No.	A/C year	State	Name of Garden	Name of Company	Amount (Rs)
1	2014-15	Assam	Tengpani	Gillanders Arbuthnot & Co. Ltd.	1285650.00
2	2014-15	Assam	Madhuting	Madhuting Tea Pvt. Ltd.	1514430.00
3	2014-15	Assam	Langharjan	The Jorehaut Group Limited	1354060.00
4	2014-15	Assam	Marangi	Marangi Pvt. Ltd.	644770.00
5	2014-15	Assam	Bogapani	Mcleod Russel India Ltd.	1325400.00
6	2014-15	Assam	Numaligarh	Jorehaut Group Ltd.	175000.00
7	2014-15	Assam	Prime Rose	Primerose Green Tea Industry	1083470.00
8	2014-15	Assam	Dhelakhat	Dhelakhat Tea Co. Ltd.	858434.00
9	2014-15	Assam	Dhelakhat	Dhelakhat Tea Co. Ltd.	538556.00
10	2014-15	Assam	Bokel	M. K. Jokai Agri Plantations Pvt. Ltd	19,10,848.00
11	2014-15	Assam	Jodhpur	Jodhpur Tea & Industries (P) Ltd	8,54,770.00
12	2015-16	Assam	Chandighat	Rungamattee Tea & Industries Ltd.	15,12,340.00
13	2015-16	Assam	Panitola	M.K. Jokai Agri Plantations Pvt. Ltd	19,14,639.00
14	2015-16	Assam	Anandabari	Anandabari Tea Co. Pvt. Ltd.	7,12,020.00
15	2015-16	Assam	Bokel	M.K. Jokai Agri Plantations Pvt. Ltd	12,920.00
16	2015-16	Assam	Singlijan	M.K. Shah Exports Ltd	33,480.00
17	2015-16	Assam	Muttuck	M.K. Jokai Agri Plantation (P) Ltd, A/C Muttuck Tea Estate	12,920.00
18	2015-16	Assam	Koilamari	M.K. Shah Exports Ltd	42,430.00
19	2015-16	Assam	Nowal Tea Warehouse	Nowal Tea Warehousing Corporation	29,780.00
20	2015-16	Assam	Maud	Maud Tea & Seed Company Ltd	41,370.00
21	2015-16	Assam	Jamguri	Bhumya Tea Co. Pvt. Ltd.	57,950.00
22	2015-16	Assam	Hattialli	M.K. Jokai Agri Plantations Pvt. Ltd	12,920.00
23	2015-16	Assam	Singlijan	M.K. Shah Exports Ltd	42,430.00
24	2015-16	Assam	Jamguri	Bhumya Tea Co. Pvt. Ltd.	37,380.00
25	2015-16	Assam	Tongonagaon	Tonganagaon Tea Co. Pvt Ltd	33890.00
26	2015-16	Assam	Gingia	M.K. Shah Exports Ltd	42,434.00
27	2015-16	Assam	Shyamguri	Luxmi Tea Company Limited	26,230.00
28	2015-16	Assam	Narayanpur	Tea Board Revolving Corpus Fund	37,470.00
29	2015-16	Assam	Tippuk	James Warren Tea Limited	18,48,780.00
30	2015-16	Assam	Zaloni	James Warren Tea Limited	15,30,000.00
31	2015-16	Assam	Hatijan	Dhunseri Tea & Industries Limited	38,090.00
32	2015-16	Assam	Seajuli	M.K. Shah Exports Ltd	42,435.00
33	2015-16	Assam	Jamguri	Bhumya Tea Co. Pvt. Ltd.	26,360.00
34	2015-16	Assam	Nalani	M.K. Jokai Agri Plantations (P) Ltd.	12,920.00

35	2015-16	Assam	Daisajan	M.K.JokaiAgri Plantations (P) Ltd.	12,920.00
36	2015-16	Assam	Panitola	M.K.JokaiAgri Plantations (P) Ltd.	12,920.00
37	2015-16	Assam	Monmuhinipur	Luxmi Tea Company Limited	57,810.00
38	2015-16	Assam	West Jalinga	Tea Board Revolving Corpus Fund	8,57,975.00
39	2015-16	Assam	SreeSibbari	BansidharBadridass Modi(P)Ltd.	13,49,490.00
40	2015-16	Assam	Oating	Madhupur Tea Estate Pvt.Ltd.	151750.00
41	2015-16	Assam	Sundarpur	Baruanagar Tea Estate Pvt.Ltd.	1215196.00
42	2015-16	Assam	Arin	Arin Tea Pvt.Ltd.	1802920.00
43	2015-16	Assam	Hoograjuli	Hoograjuli (Assam) Tea Company Ltd.	2,61,387.00
44	2015-16	Assam	Bazaloni	Bazaloni Group Ltd	9,37,070.00
45	2015-16	Assam	Silcoorie	The North-Western Cachar Tea Company Ltd	22,750.00
46	2015-16	Assam	Dhunseri	Dhunseri Tea & Industries Limited	36,030.00
47	2015-16	Assam	Bettybari	Dhunseri Tea & Industries Limited	33,003.00
48	2015-16	Assam	Santi	Dhunseri Tea & Industries Limited	1,19,012.00
49	2015-16	Assam	Bahipookri	Dhunseri Tea & Industries Limited	33,003.00
50	2015-16	Assam	Orang	Dhunseri Tea & Industries Limited	33,003.00
51	2015-16	Assam	Doomni	Sublime Agro Limited	13,680.00
52	2015-16	Assam	Madhupur	Madhupur Tea Estate Pvt.Ltd.	6,11,414.00
53	2015-16	Assam	Budlabeta	Apeejay Tea Limited	14,37,500.00
54	2015-16	Assam	Tongonagaon	Tonganagaon Tea Co. Pvt. Ltd.	33,890.00
55	2015-16	Assam	Tarajan	Contemporary Industries Ltd.	6,11,080.00
56	2016-17	Assam	Methoni	The Methoni Tea Co.Ltd.	11,48,804.00
57	2016-17	Assam	Singlijan	M.K.Shah Exports Ltd.	19,53,051.00
58	2016-17	Assam	Romai	Rossell Tea (Division of Rssel India Ltd.	6,47,125.00
59	2016-17	Assam	Numalighur T.E.	The Jorehaut Group Limited	24,56,577.00
60	2016-17	Assam	Menoka T.E.	M/S Menoka Tea Estate Pvt. Ltd.	23,19,636.00
61	2016-17	Assam	Chandighat T.E.	Rungamattee Tea Industries Limited	15,21,810.00
62	2016-17	Assam	Hattiali T.E	M.K. Jokai Agri Plantations Pvt. Ltd.	21,31,737.00
63	2016-17	Assam	Dikom T.E.	Rossell Tea (Division of Rossell India Ltd.	8,07,610.00
64	2016-17	Assam	Muttuckt.E.	M.K. Jokai Agri Plantations Pvt. Ltd.	19,24,485.00
65	2014-15	West Bengal	Soongachi	Soongachi Tea Industries Pvt. Ltd.	9,70,500
66	2015-16	West Bengal	Oodlabari	The Oodlabari Co. Ltd.	11,25,000
67	2015-16	West Bengal	Cooch Bihar	Coochbehar Tea Company Limited	17,17,217
68	2015-16	West Bengal	Balaji TF	Balaji Agro International	7989

69	2015-16	West Bengal	Tukvar	BD Tea Estates Pvt. Ltd.	142335
70	2015-16	West Bengal	Darjeeling Organic	Darjeeling Organic T E Pvt. Ltd.	93145
71	2015-16	Delhi	JK T.F.	JK Tea Estate	789000
72	2015-16	West Bengal	Atal	Atal Tea Estate	1048000
73	2015-16	West Bengal	Azamabad	Azmabad Tea Co. Ltd	928186
74	2015-16	West Bengal	Bio Tea Estate Ltd.	Bio Tea Estate Ltd.	50896
75	2015-16	West Bengal	Bush T.F.	Bush Tea Co. Pvt. Ltd.	77046
76	2015-16	West Bengal	Essels Fund Mgt.	Essels Fund Mgt. (P) Ltd.	1098200
77	2015-16	West Bengal	FulbariPatan	FulbariPatan Tea Estate	673933
78	2015-16	West Bengal	I D A Organic	I D A Organic Pvt. Ltd.	28691
79	2015-16	West Bengal	Jatinga Tea Ltd. T.F.	Jatinga Tea Ltd.	1511676
80	2015-16	West Bengal	Mansarovar T.F.	Mansarovar Tea Pvt. Ltd.	2500000
81	2015-16	West Bengal	Premier T.F.	Premier's Tea Ltd.	48651
82	2015-16	West Bengal	Sarat	Sarat Tea Company	1172000
83	2015-16	West Bengal	Simulbari	Simulbari Tea Co. Pvt Ltd	146000
84	2015-16	West Bengal	Dima	Surajjobind Tea Co. Ltd	430196
85	2015-16	West Bengal	Manabari	Todi Tea Co. Ltd.	411952
86	2015-16	West Bengal	Sundaram T.F.	Sundram Agro Products Pvt. Ltd.	1772586
87	2016-17	West Bengal	Hrithik Investment T.F.	Hrithik Investment Pvt Ltd	28077
88	2016-17	West Bengal	MadhuJyanti T.F.	MadhuJyanti International Ltd	53421
89	2014-15	Kerala	Achoor	H.M.L	35,604.00
90	2014-15	Kerala	Chundauvarrai	KDHP Ltd	44,231.00
91	2015-16	Tamil Nadu	Havukal	Havukal T.E.	25,00,000.00
92	2015-16	Tamil Nadu	Arivikad	KDHP	1,00,000.00
93	2015-16	Kerala	Chundavurrai	KDHP	18,68,968.00
				Total	6,55,74,714.00