

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO. 360
TO BE ANSWERED ON 04TH FEBRUARY, 2025
Financial Support and Subsidies for Tea Farmers in Assam

360. MD. RAKIBUL HUSSAIN:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether the Government provide subsidies or aid to the small and medium tea farmers to help them handle fluctuating market prices keeping in view that the tea farming in Assam is vital to the region's economy yet many farmers face financial challenges, if so, the details thereof;
- (b) whether there are any Government schemes offering low-interest loans for farm modernization and productivity improvement; and
- (c) if so, the manner in which the Government is ensuring that tea farmers particularly in remote areas access financial support and growth resources?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) to (c): Tea is a commercial crop, and its prices are influenced by demand and supply dynamics. To ensure fair price realization for tea growers, particularly the small ones, the Tea Board in the year 2004 introduced Price Sharing Formula (PSF) which envisaged fair sharing of sale proceeds between the grower and the manufacturer in a certain ratio based on the cost of production of both green leaf and made tea. To support the proper implementation of the PSF, the payment of green leaf prices to growers is monitored by the District Green Leaf Price Monitoring Committees, headed by the District Magistrates.

To promote overall development of tea growers in the country, including in Assam, the Tea Board implements the Tea Development & Promotion Scheme which has components specifically for small tea growers (STGs). The focus is on organising STGs into self-help groups (SHGs) and farmer producer organisations (FPOs,) with the objective of empowering them to participate more gainfully in the tea value chain and improve the delivery of extension services and schemes. The programme provides various types of assistance, including field mechanisation equipment, leaf carriage vehicles, leaf sheds, pruning machines, mechanical harvesters & storage godowns, revolving corpus fund, setting up of new mini factories for production of orthodox, green & specialty teas, soil testing, and capacity building through Farm Field schools. Additionally, incentives are offered for maintaining proper pruning cycle and standard plucking rounds. The assistance is not only aimed to incentivise the formation of SHGs and FPOs, but also to increase productivity, improve quality, greater value addition and thereby greater price realisation for the STGs.

All services under the scheme are delivered through the Service Plus portal with financial assistance transferred via Direct Benefit Transfer (DBT). Besides, the implementation of the scheme is decentralized and managed by the Zonal or Regional Offices in respective regions. To improve outreach at the grassroots level, regional and sub-regional offices are located in the plantation areas and directly engage with small growers, assisting them in accessing the schemes, particularly in remote locations.
